Yatra Capital Limited
43/45, La Motte Street,
St. Helier, Jersey JE4 8SD
Tel: + 44 1534 702 815
www.yatracapital.com

INVESTMENT MANAGER
SAFFRONCAPITALADVISORS

YATRA CAPITAL LIMITED

ANNUAL REPORT 2009

INVESTMENT MANAGER
SAFFRONCAPITALADVISORS

Yatra Capital

"For the immediate future it is expected that the difficult market conditions encountered in the last 12 months will continue for a few more quarters to come. But I believe that Yatra has shown its resilience and the strength of its team which is determined to deliver value to our shareholders through this downturn and into the next cycle of the market"

- Sir Nigel Broomfield
Chairman of Yatra Capital

Content

Yatra Capital Limited

Performance Highlights

28.71%
Yatra's portfolio decreased in value by 28.71% as compared to 31 March 2008

□ 10.86
Net Asset Value** ("NAV") per share has fallen by 19.13% from EUR 13.43 at 31 March 2008 to EUR 10.86 at 31 March 2009.

□ 11.55
Adjusted Net Asset Value* ("Adjusted NAV") per share decreased by 21.37% to EUR 11.55 from EUR 14.69.

□ 2.57
Loss Per Share for the year ended 31 March 2009 was EUR 2.57.

□ 56.42 million
Net loss for the year ended 31 March 2009

□ 220 million
Yatra raised EUR 220 million by October 2007 and has committed 81.41% of net funds raised as at 31 March 2009.

27 million sq. ft.
Under development as at 31 March 2009.

16
Total number of Investments.

9
Number of Cities in which Yatra has Invested.

7
Number of Investments where construction has commenced. The first project, City Centre Mall, Nashik became operational in Q1, 2009-10.

- **Yatra Capital Limited ("Yatra") listed on Euronext, Amsterdam on 6 December, 2006.**
- **The global slowdown has affected the Indian economy and Indian real estate asset pricing. A conservative Weighted Average Cost of Capital ("WACC") is 19.76% represents a small increase over the last year WACC of 19.4%.**
- **Yatra has entered into 16 investments (14 projects and 2 entity level) spread across nine cities resulting in over 27 million square feet under development as of 31 March 2009.**
- **Construction on seven of Yatra's investments has commenced and the first project, City Centre Mall, Nashik became operational in Q1, 2009-10.**

*Adjusted Net Asset Value ("Adjusted NAV") excludes provisioning for taxation of India based portfolio companies under the Group

**Net Asset Value ("NAV") is based on Yatra's (including all subsidiaries) net assets divided by number of shares outstanding as at 31 March 2009. This incorporates adjustments for taxation, exchange rate movements and carried interest.

Chairman's Statement

On behalf of the Board of Yatra Capital I have pleasure in presenting the third Annual Report, a comment on our operating environment and a review of our performance for the year ended 31 March 2009. I am particularly delighted to announce the completion of our first project, the City Centre Mall in Nashik which opened on 24 April 2009. This is a sign that even in a global recession, we and our development partners are able to bring projects to a conclusion on time. It also validates our fundamental strategy of building a diversified portfolio.

Operating Environment

Financial year 2009 will go into the history books as an exceptionally difficult year for the global economy. Real estate markets in all countries suffered from a fundamental failure to price risk correctly. The Bombay Stock Exchange's Realty Index dropped 56% between 1 April 2008 and 15 July 2009. A sharp drop in consumer confidence, investment and the availability of credit were the defining characteristics. Against this background your Board and the Investment Manager concentrated on the basics of real estate management: on rigorous research of the market, active management of the assets and ensuring that our governance procedures achieved high standards.

2009 was also an important year in Indian politics. The General Election in May returned the Congress led alliance with a stronger mandate which should give a stable political background for the management of the Indian economy for the next five years. Early indications are that long-term inclusive growth and development are the key goals of the new Government which should provide a good framework within which the real estate sector should be able to flourish again.

Looking beyond the immediate crisis we see the prospect of continuing development and urbanisation in India with all that implies for accommodation, retail, office space, leisure and travel and infrastructure. In our view our market remains fundamentally sound with enormous potential for growth.

Performance Highlights

We continue to believe our strategy is sound both in terms of risk management as well as investment returns. We count it as a success that within three years of launching the Fund we have, with our partner Shrirang Sarda, completed the construction of Nashik's first, and so far only, mall, The City Centre. 60% of the retail space is now committed with 29% occupied by high quality tenants such as Big Bazaar, Westside and Reliance. We expect occupancy to rise to 60% in the next few months.

Management Focus

Given the volatile state of the market, management has balanced our normal drive for growth with the need for prudence. We review continuously with our development partners the costs, timing of construction, debt profile of the project, the portfolio of tenants and other relevant factors. The Investment Manager reports on all these issues on a regular basis to the Board and to our investors.

Sustaining and Enhancing our strengths

Starting with our portfolio which is spread by geography, by investment sector and by development partners, we assure ourselves that: we have clear land title to all the projects we have undertaken; that our partners are prudently leveraged; and that all work with us as genuine partners in projects which they believe in as much as we do. Our Investment Manager has continued to recruit additional staff to enhance our ability as well as expanding skills and technical ability to give us management strength in the individual projects. Our reputation in the market place remains high.

Asset Management

We believe in proactive asset management and in particular that the Investment Manager should review and report on:

- The business plan for each investment and to question all the underlying assumptions
- The use of third party specialists whenever necessary to give us an independent view
- The product mix, specifications , costs, debt, phasing of construction, market absorption and pricing
- How to capitalise on all these factors to modify our business plans which take account of the immediate challenges facing each project while maintaining its long-term potential

Valuations

The valuation of the portfolio undertaken by both CB Richard Ellis South Asia Private Limited and Knight Frank (India) Private Limited in accordance with The Royal Institution of Chartered Surveyors (RICS) guidelines and considered as part of the audit, gives some reassurance that while values are marked down in a thin market our assets are based on strong fundamentals which should reassert themselves when the market cycle turns again. However, we do remain keenly aware of the challenges facing valuers in the current market caused by the much reduced level of occupational and investment trading and continue to evaluate valuation methodologies to mitigate such concerns.

- The portfolio was valued at EUR 207.80 million which is a decrease of 28.71% against the value of the portfolio as on 31 March 2008.
- The Net Asset Value (NAV) per share is EUR 10.86, a decrease of 19.13% from 31 March 2008.
- The Adjusted Net Asset Value (Adjusted NAV) per share decreased by 21.37% during the year to EUR 11.55.

Stock price and stock value

(Loss)/Earnings per share for the year have been EUR (2.57) (2008- EUR 5.13).

Our share price during the year has varied between EUR 9.80 to EUR 1.70. While we would wish the stock price to reflect as closely as possible the real underlying long-term value of the company we have to accept that short term factors will affect the current price. The share price of our stock was EUR 3.94 on 27 July 2009.

Corporate Governance

At times of stress in the market it is incumbent on the Board to be able to reassure investors that it maintains the highest standards of corporate governance. To this end the Board reviews its own procedures and mix of skills and where there are improvements to be made, makes them. The Board is independent and experienced and is advised by an Audit and a Remuneration Committee and other committees as required. Advice on the investments is given by an Independent Investment Committee composed of experts in real estate. External advice is given by our Investment Manager who is well established and connected in the market and by leading international audit firm PricewaterhouseCoopers, our legal advisers are Carey Olsen in Jersey, Mukund Gujadhur in Mauritius and Mishcon de Reya in London.

Investor Relations

We attach great importance to maintaining a close and detailed dialogue with our investors. We are fortunate that they understand our business and share our commitment to the creation of long-term value. I have personally joined many of the shareholder briefings and can testify to the openness of the exchanges and the detailed briefings given. This is essential if we are to maintain confidence that the investments we have made and the way they are managed will enable us to meet the targets we set ourselves at the Initial Public Offering and the Follow-on Public Offering.

During the year we held our first joint shareholders visit to India. This comprised over 60% of our shareholder base and was well organised by our Investment Manager. It gave our shareholders a chance to see what was happening on the ground, to hold detailed talks with our development partners and to meet a number of analysts and industry experts. The visit was, I believe, a success and I hope that we will be able to repeat the process in the coming years.

In addition to our contacts with individual shareholders we will be instituting three monthly calls with as many of our shareholders as wish to join them. We have also instituted a monthly newsletter which has been appreciated by our investors.

Outlook

For the immediate future it is expected that the difficult market conditions encountered in the last 12 months will continue for a few more quarters to come. But I believe that Yatra has shown its resilience and the strength of its team which is determined to deliver value to our shareholders through this downturn and into the next cycle of the market. We will continue to manage our assets in a proactive way with a concentration on the markets we are serving and tight cost control. Where necessary we will restructure and reposition our investments in cooperation with our development partners.

Conclusion

We are going through one of the greatest periods of financial and economic turmoil in living memory. I continue, however, to believe in the fundamental strength of India with its growing economy and youthful population. I am confident this will translate into favourable conditions for the real estate market which is already being helped by the economic stimuli introduced by the Indian Government. I am confident that if we stick to our core values and strategy, we will succeed in creating real value for our shareholders.

I would like to thank our shareholders for their confidence in us, my colleagues on the Board for their advice and support and our Investment Manager and Investment Committee for their painstaking work on our investments. My thanks also go to our development partners in India and all the other service providers in India, Mauritius and Jersey.

Nigel Broomfield

- Sir Nigel Broomfield
Non-Executive Chairman

Investment Manager's Report

The year ended 31 March 2009 was an extremely challenging economic environment globally as well as within India. Most developed economies weakened significantly and the consequences of those reverberated across the globe. Liquidity in the banking and capital market segments declined very sharply resulting in significant devaluations in almost every asset class, including equities, debt and commodities.

This severe economic disruption has changed the investment landscape within which Yatra operates. Yatra's subdued investment activity last year was a result of the largely completed investment programme as well as of taking a conservative view of the markets. We used this slowdown as an opportunity to focus on managing the investment portfolio and steering it through the economic downturn.

Yatra currently has a portfolio of sixteen investments which will result in the creation of over 27 million square feet of diverse real estate assets across India in retail, mixed use, commercial, residential, Information Technology Special Economic Zones (IT SEZs), hospitality and integrated townships. This diversified portfolio provides the fund with numerous avenues for value creation.

Market Overview

The present global economic turmoil caused by the global liquidity crunch has been a lot worse than anticipated initially. The subsequent collapse of a number of established financial institutions led to severe pessimism in the investor's outlook. This coupled with the liquidity crunch led to re-pricing of all assets across all markets including India.

After growing at an average rate of 8.6% in the previous five years, the Indian economy grew at only 6.7% during the current year. Though much better than most of the world, the slowdown in the pace of India's economic growth caused a moderation of demand drivers in the Indian real estate market. However, as financial markets across the world continue to tighten and international real estate markets decelerate, India continues to possess relatively sound fundamentals and inherent market attractiveness.

Strong long-term fundamentals coupled with positive results in the recent elections leading to formation of a stable, reform-oriented government at the centre will contribute to restoring investor confidence in India's growth prospects in the coming years.

Despite the sound fundamentals, the global liquidity crisis had a major impact on Indian real estate developers, caused mainly by contracted expansion plans of corporates which led to lower absorption of commercial and retail space; job concerns leading to postponing of home buying; and a tough lending environment.

On a positive note, during the past year, construction costs have reduced due to a decline in commodity prices including steel and cement, and a reduction of CENVAT (a central government value added tax) on these commodities. An improvement in availability of labour combined with a reduction in labour costs has also been observed.

Whilst the current market conditions remain challenging, our investments are well positioned in terms of their location, experienced and well resourced development partners and appropriate pricing. Yatra is well diversified in style, geography, product structure and this, together with proactive asset management, should provide risk mitigation to the current short term challenges.

Portfolio Highlights

The independent RICS valuers have valued the Yatra portfolio 28.71% lower than the 31 March 2008 valuation. The value deflation is largely on account of the present market conditions and the general economic slowdown. As a result the valuers adopted a more conservative approach to valuation, by increasing the risk weighting as well as extending the project timelines.

In the last financial year, we made progress across most of the projects. Also, despite the current market turmoil, most of our partners were able to secure debt required for the financial closure of the projects. Financial closure has been achieved to the extent of 68% at the portfolio level, with a weighted average cost of debt at 13% per annum.

Also immediately after the close of the financial year 2009, Yatra's first asset became operational, the retail mall in Nashik opened in April 2009 with prominent national retailers such as Pantaloon's Big Bazaar and Tata's Westside starting operations.

Development Partners

Yatra's strategy of partnering with developers who have a strong focus and track record in either one region or asset class seems to be paying off. Unlike several other developers who over-extended their operations and their balance sheets in the last 2-3 years, Yatra's partners have remained focused on their core business and hence are able to effectively execute our joint-venture projects – both financially as well as operationally.

Asset Management

During the year, the Investment Manager embarked upon a proactive asset management exercise to cover aspects such as:

- Business plan review
- Project progress
- Risk management
- Project financials
- Cost management
- Compliance
- Process management

Given the markets, the Investment Manager has been engaged in a continual process of reviewing all project level business plans and amending the assumptions and plans to reflect the market situation. Though most of our projects have achieved financial closure, one of the key areas of focus for the Investment Manager has been minimizing the use of leverage in various projects.

A structured approach to risk management has also been developed and implemented to identify and mitigate risks at various levels of Yatra's operations.

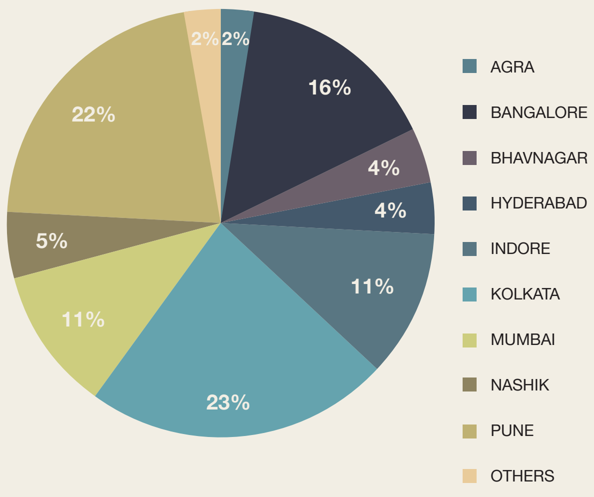
Valuation

An independent valuation of Yatra's assets was conducted by CB Richard Ellis South Asia Private Limited and Knight Frank (India) Private Limited in accordance with RICS valuation standards as at 31 March 2009. Based on their assessment, Yatra's portfolio was valued at EUR 207.8 million, a decrease of 28.71% over the 31 March 2008 valuations. This resulted in a NAV per share of EUR 10.86 as at 31 March 2009 and an adjusted NAV per share of EUR 11.55.

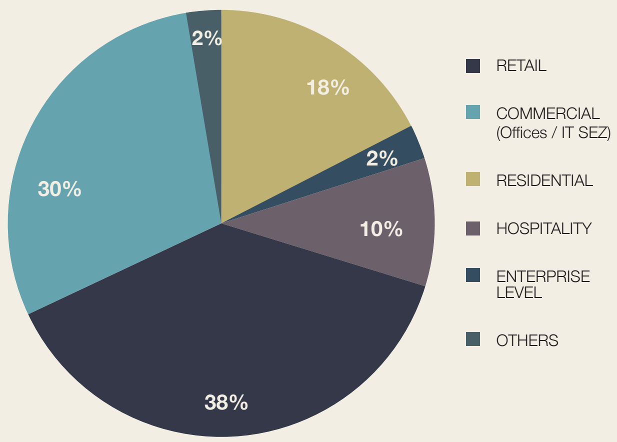
- Valuation of the portfolio based on independent RICS valuation as at 31 March 2009 – EUR 207.8 million
- Valuation of the portfolio based on independent RICS valuation as at 31 March 2008 – EUR 291.5 million
- Decrease in valuation – 28.71%

Going forward, the Investment Manager along with the Yatra Board and Investment Committee is embarking upon a strategic review of the present valuation methodology for the portfolio. This is being done keeping in mind the fragility of the market for investments in India as well as the paucity of empirical evidence. While the relative lack of comparable transactional data will remain till such time that the local market gains greater depth, our objective for this review would be to evaluate valuation methodologies to mitigate such concerns.

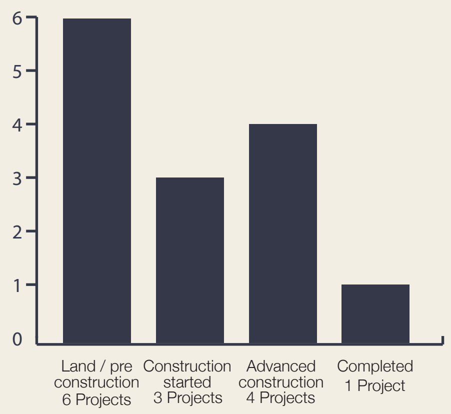
GEOGRAPHIC DIVERSIFICATIONS OF INVESTMENTS



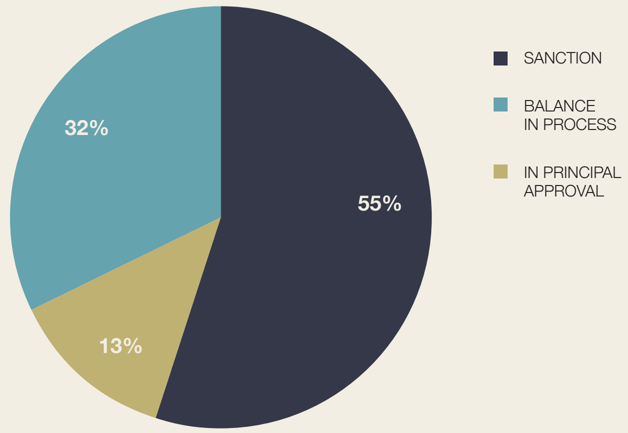
SECTORAL DIVERSIFICATION OF INVESTMENTS



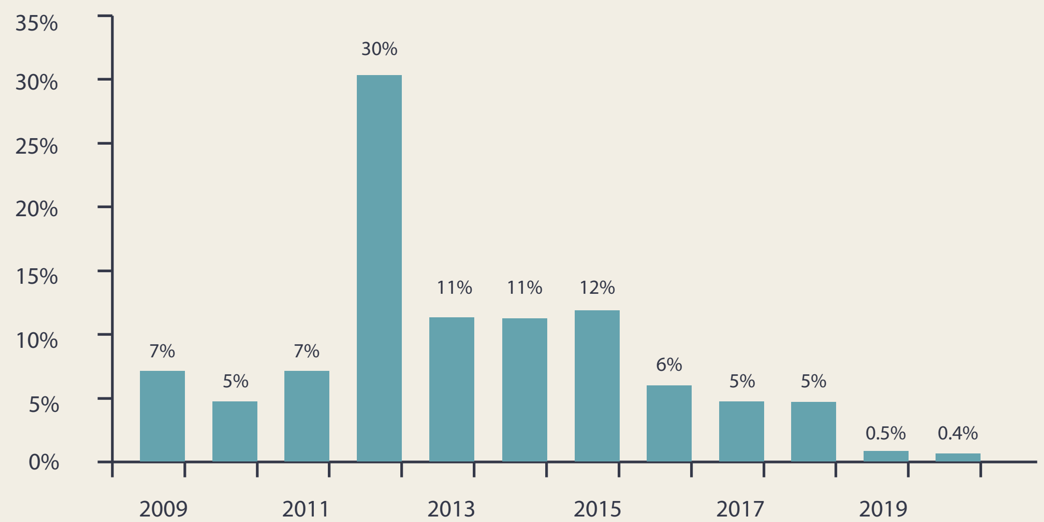
PROJECT COMPLETION STATUS (OF TOTAL 14 PROJECTS)



CONSOLIDATED DEBT SANCTION STATUS (EUR MILLION)



DEBT MATURITY PROFILE (% OF TOTAL REPAYABLE DEBT)



Valuation (Continued)

Investment Portfolio

Development Project	Asset class	Amount Committed	Portfolio Valuation as at Mar'08	Portfolio Valuation as at Mar'09	Unrealized Valuation Gain/(Loss) in Mar '09 Over Mar'08
		Euro mn	Euro mn	Euro mn	%
Treasure Market City, Indore	Mixed-use	10.99	20.73	16.72	(19.34)
IT SEZ, Kolkata	Office, Residential	20.28	34.00	24.22	(28.76)
Nashik City Centre, Nashik	Retail Mall	8.89	17.69	12.67	(28.37)
Treasure City, Indore	Residential	7.88	14.04	15.08	7.41
Market City, Pune*	Mixed-use	21.63	24.82	25.89	4.31
Forum IT SEZ, Kolkata	Office	16.68	35.40	20.62	(41.75)
Market City, Bangalore*	Mixed-use	28.07	77.11	36.17	(53.09)
Residential Projects, Pune	Residential	17.05	26.48	16.32	(38.39)
Himalaya Mall, Bhavnagar	Retail Mall	6.31	12.00	10.00	(16.67)
Market City, Agra	Retail Mall	4.04	7.99	5.44	(31.91)
Taj Gateway, Kolkata**	Hospitality	4.48	N.A	9.86	N.A
Office Block, Mumbai #	Office	15.70	0.16	0.15	N.A
Unlisted Equity Holdings					
Saket Engineers Private Limited	Enterprise Level	6.84	17.21	13.96	(18.89)
Listed Equity Holdings					
The Phoenix Mills Ltd.	Enterprise Level	3.73	3.83	0.67	(82.51)
Total		**172.60**	**291.50**	**207.80**	**(28.71)**

*includes two projects – retail mall and hospitality
** Not included in the Portfolio valuation on 31 March 2008
# Valued on "Amount advanced basis" due to ongoing discussion on the transaction.

Management team

The complexity of development in a highly fragmented industry requires substantial regional knowledge with a deep understanding of local business customs, cultures and relationships. As the Investment Manager for Yatra, we have expanded our capabilities to enable end-to-end management across the entire spectrum of real estate development – investments, asset management, construction management, research, market intelligence, environmental, finance and compliance. We believe the team is well positioned to navigate the Yatra portfolio through the current economic cycle and ensure preservation and enhancement of value.

Conclusion

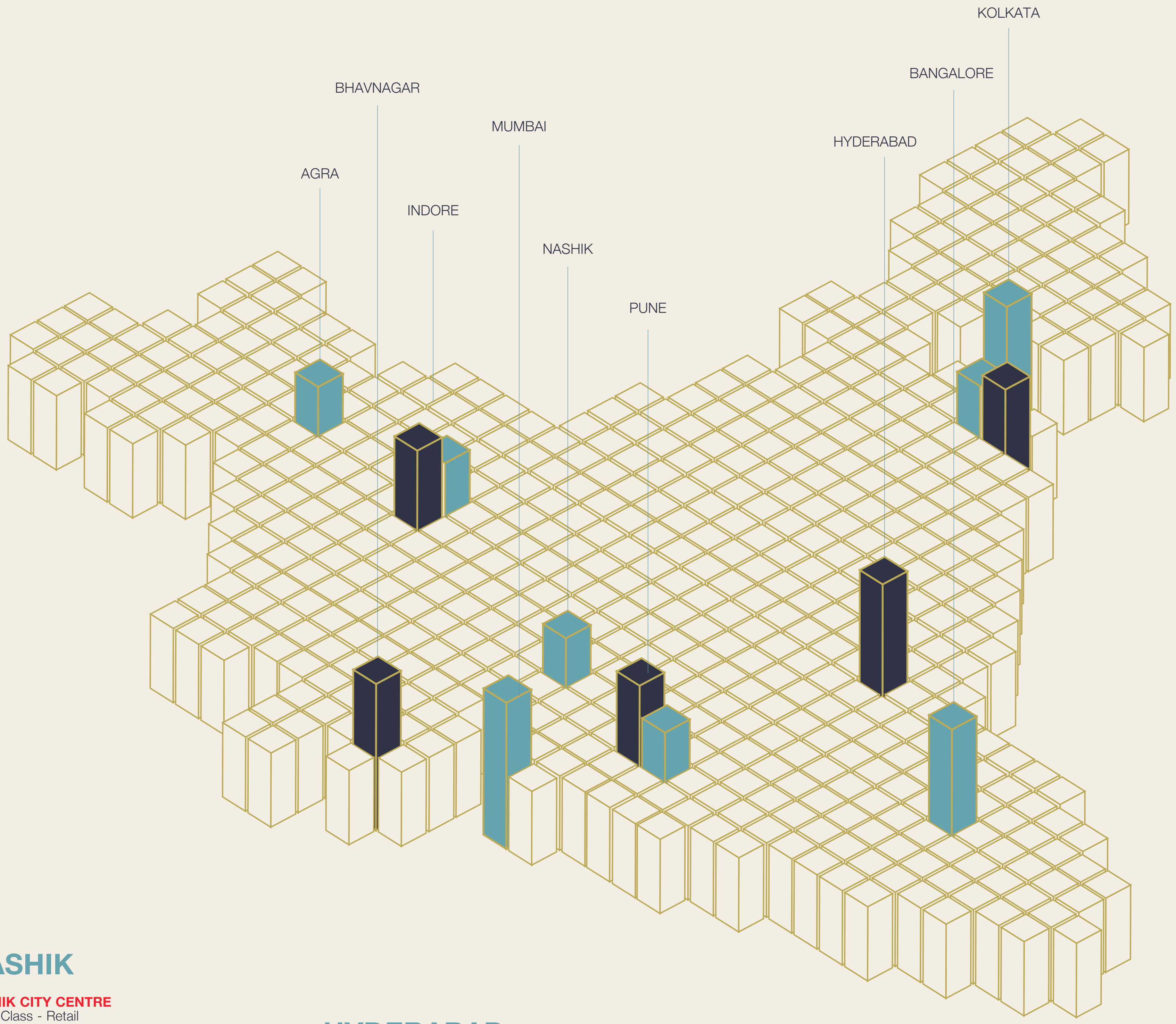
We have made significant progress in our goal of establishing a world class platform for Yatra's investments in Indian real estate. We have a strong base in India and, combining this with the extensive expertise of our team in aspects of real estate development, we remain confident of delivering attractive risk-mitigated returns to Yatra's shareholders. In this dynamic market environment we continue to be focused on the fundamentals of real estate management ensuring value accretion. While hardly any institution or individual remained immune to the dramatic economic downturn, the question now is who will be most adept and best positioned to forge ahead across this altered landscape.

Investment Portfolio

Yatra's key strength lies in its highly diversified portfolio which has been created in partnership with some of the most well positioned development companies in India.

Over the next few pages, we present each of our investments in detail.

Yatra's Geographic Diversification



AGRA

MARKET CITY
Asset class - Retail Mall
Investment Date - November 2007
Equity Stake - 28%
Valuation Gain/(Loss) - (31.91)%

KOLKATA

IT SEZ
Asset Class - Office, Residential
Investment Date - December 2007
Equity Stake - 50%
Valuation Gain/(Loss) - (28.76)%

TAJ GATEWAY
Asset Class - Hospitality
Investment Date - July 2008
Equity Stake - 40%
Valuation Gain/(Loss) - 120%

FORUM IT SEZ
Asset Class - Office
Investment Date - December 2007
Equity Stake - 49%
Valuation Gain/(Loss) - (41.75)%

PUNE

MARKET CITY
Asset class - Retail, Hospitality & Office
Investment Date -
July 2007 – Retail & Office SPV;
November 2007 – Hospitality SPV
Equity Stake - 24% - Retail & Office SPV;
20% - Hospitality SPV
Valuation Gain/(Loss) - 4.31%

RESIDENTIAL PROJECTS
Asset Class - Residential
Investment Date - April 2007
Equity Stake - 49%
Valuation Gain/(Loss) - (38.39)%

MUMBAI

OFFICE BLOCK
Asset Class - Office
Investment Date - April 2008
Equity Stake - 15%
Valuation Gain/(Loss) - N.A.

NASHIK

NASHIK CITY CENTRE
Asset Class - Retail
Investment Date - June 2007
Equity Stake - 50%
Valuation Gain/(Loss) - (28.37)%

INDORE

TREASURE MARKET CITY
Asset Class - Retail, Office & Hospitality
Investment Date - June 2007
Equity Stake - 28.9%
Valuation Gain/(Loss) - (19.34)%

TREASURE CITY
Asset Class - Residential
Investment Date - June 2007
Equity Stake - 40%
Valuation Gain/(Loss) -7.41%

HYDERABAD

SAKET ENGINEERS PRIVATE LIMITED
Asset Class - Enterprise Level Investment
Investment Date - April 2008
Equity Stake - 26.05%
Valuation Gain/(Loss) - (18.89)%

BHAVNAGAR

HIMALAYA MALL
Asset Class - Retail
Investment Date - September 2007
Equity Stake - 50%
Valuation Gain/(Loss) - (16.67)%

BANGALORE

MARKET CITY
Asset class - Retail, Residential & Hospitality
Investment Date - March 2008
Equity Stake - 30%
Valuation Gain/(Loss) - (53.09)%

Yatra Capital Limited

Treasure Market City, Indore

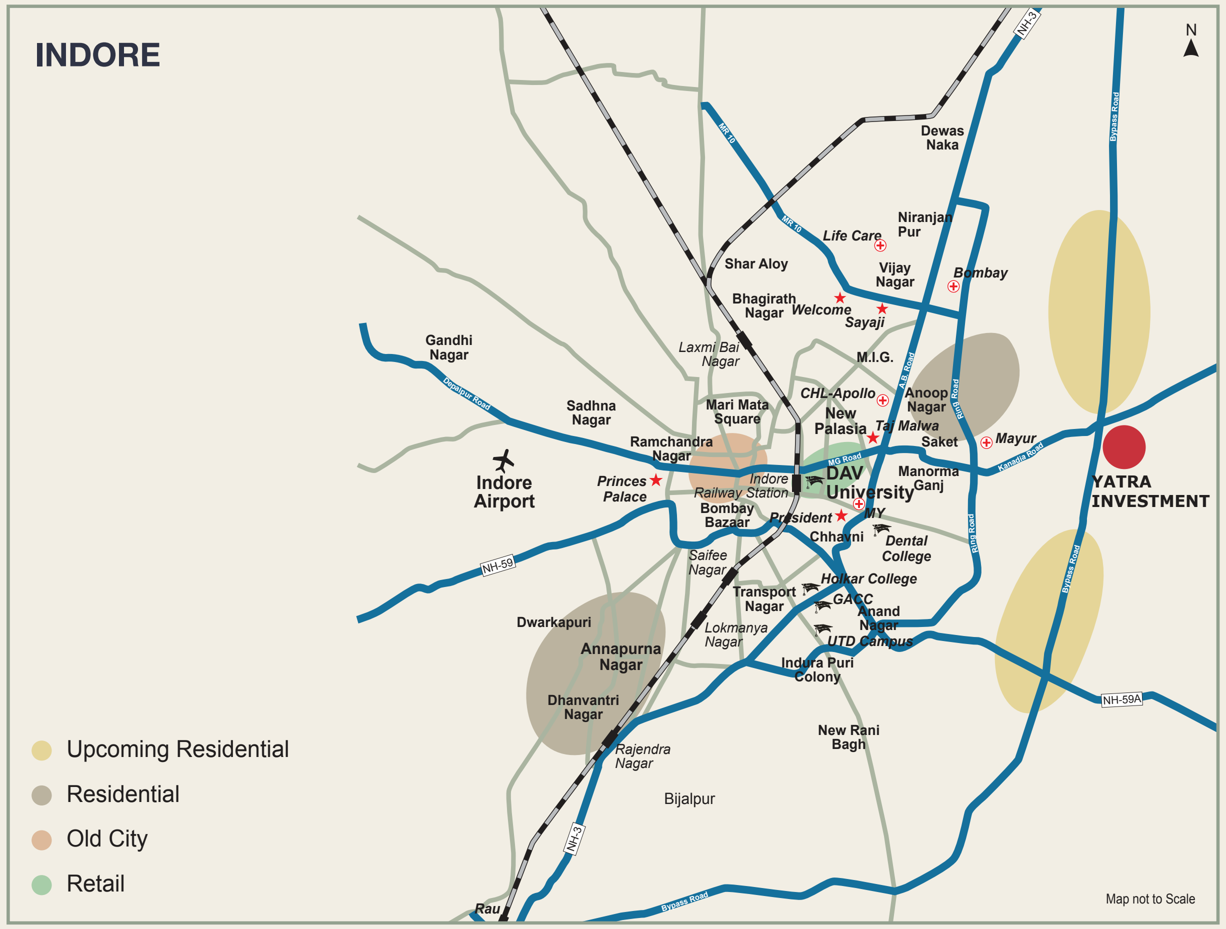
ASSET CLASS - RETAIL, HOSPITALITY & OFFICE
DEVELOPMENT SIZE - 1.95 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 10.99 MILLION
LOCATION - INDORE, MADHYA PRADESH
DEVELOPMENT PARTNER - TREASURE WORLD DEVELOPERS PRIVATE LIMITED
INVESTMENT DATE - JUNE 2007
EQUITY STAKE - 28.9 %
VALUATION GAIN/(LOSS) - (19.34) % (OVER 31 MARCH 2008)

Indore City

Indore, with a population of over 1.5 million, is one of the rapidly growing Tier II cities in India. Traditionally, this central Indian city has been a regional hub for the manufacturing, textile and agro industries. In recent years, the city has transformed itself into a dynamic commercial centre with a strong presence of services, education and trade, along with manufacturing.

Partner

Treasure World Developers Private Limited, a leading developer of urban city centres, shopping malls and townships in Tier II cities across India.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €41.80 million; Sanctioned: €12.20 million
- **Construction Status** - 33% of RCC work completed.
- **Sales/Leasing Status** - 255,000 sq ft of the retail space has been pre let
- **Completion Date** - March 2011

Batanagar Information Technology Special Economic Zone, Kolkata

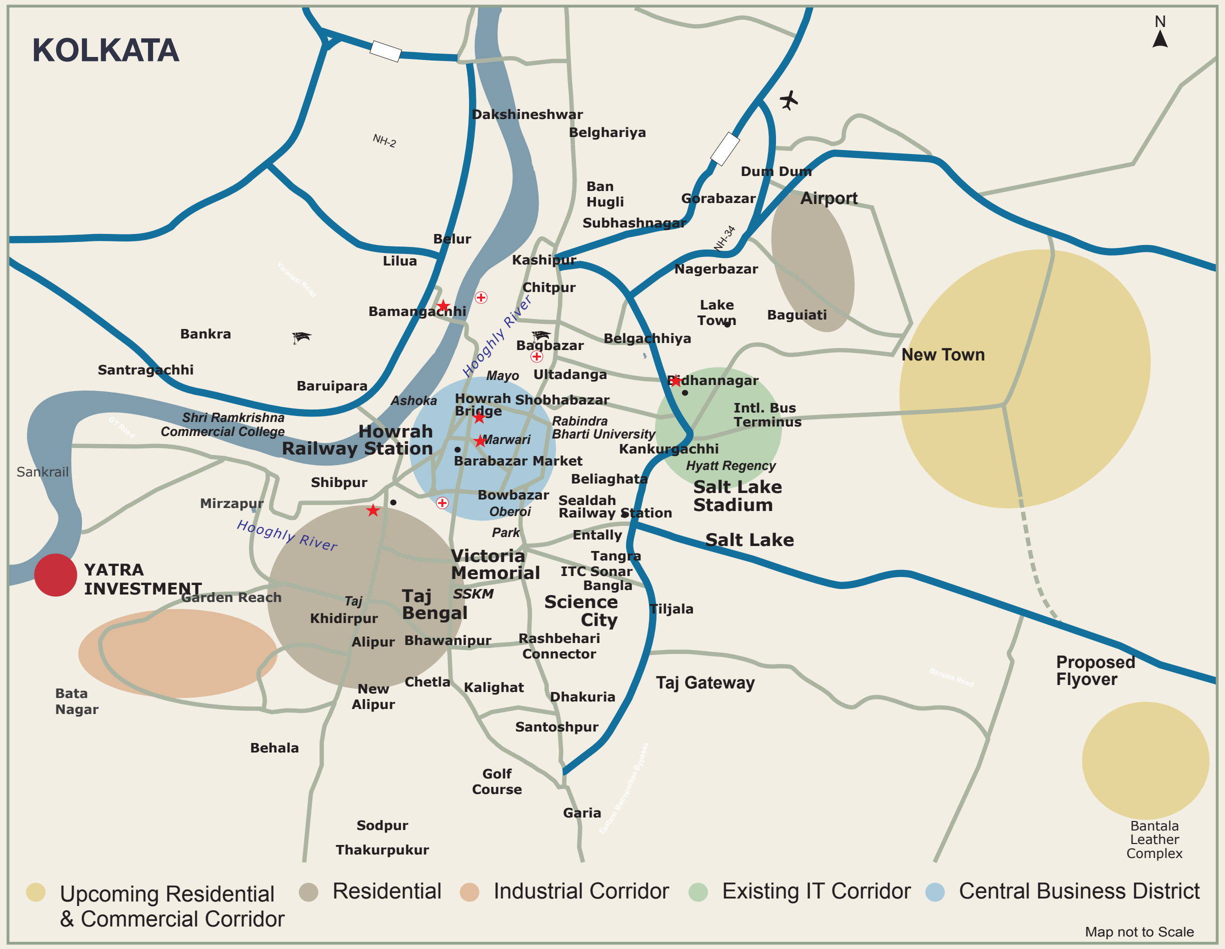
ASSET CLASS - IT SPECIAL ECONOMIC ZONE
DEVELOPMENT SIZE - 2.62 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 20.28 MILLION
LOCATION - KOLKATA, WEST BENGAL
DEVELOPMENT PARTNER - RIVERBANK DEVELOPERS PRIVATE LIMITED
INVESTMENT DATE - DECEMBER 2007
EQUITY STAKE - 50%
VALUATION GAIN/(LOSS) - (28.76) % (OVER 31 MARCH 2008)

Kolkata City

With a population in excess of 14 million, Kolkata is the largest and most prominent city in eastern India. Progressive government policy in recent years has improved the socio-economic environment in both the city and the state of West Bengal. A number of large infrastructure projects have prompted global companies to establish operations including IBM, Siemens, Cognizant, HSBC, Deutsche Bank and American Express. As a result, Kolkata has witnessed considerable activity and evolution in its real estate landscape.

Partner

Riverbank Developers Private Limited, a joint venture between Bata India Limited (BIL) and Calcutta Metropolitan Group Limited (CMGL). BIL is one of the oldest multinational companies operating in India, while CMGL is a partnership between the United Credit Belani Group (a prominent local development group) and Kolkata Municipal Development Authority.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €64.70 million; Phase 1 Debt: €13.8 million term sheet received
- **Construction Status** - The project is at piling and basement stage. Project structure and phasing is being re-evaluated.
- **Sales/Leasing Status** - Typically, office leasing picks up only closer to the project completion date
- **Completion Date** - February 2012

Nashik City Centre, Nashik

ASSET CLASS - RETAIL DEVELOPMENT
DEVELOPMENT SIZE - 0.88 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 8.89 MILLION
LOCATION - NASHIK, MAHARASHTRA
DEVELOPMENT PARTNER - SARDA GROUP
INVESTMENT DATE - JUNE 2007
EQUITY STAKE - 50%
VALUATION GAIN/(LOSS) - (28.37) % (OVER 31 MARCH 2008)

Nashik City

Nashik, the wine capital of India, is part of the Mumbai-Pune-Nashik Golden Triangle promoted by the Maharashtra state government as an area for economic development. With a population of over 1.3 million, Nashik is also a hub for auto and auto-ancillary industries, and is emerging as an aviation centre.

Partner

The Sarda Group, which is a Nashik based diversified business group with a history of pioneering initiatives in the city. Key business activities of the group include real estate, consumer products, hospitality, education and niche floriculture.

Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €8.3 million; Sanctioned: €8.3 million. Currently in the process of refinancing construction debt through rent securitization.
- **Construction Status** - Construction of the mall has been completed and the mall is operational. Currently Westside, Big Bazaar, Pantaloon, Reliance Trends and United Colors of Benetton have already commenced commercial operations and several other stores are completing fit-outs and are due to open by the end of 2009
- **Sales/Leasing Status** - 60% of the retail space has been committed (definitive agreements signed for 50% with the balance 10% under Letters of Intent). Post commencement, we expect greater interest from prospective tenants. Also exploring the option to lease the fourth floor to a hotel operator. The existing key tenants are – Big Bazaar (39,234 sq ft), Westside (20,708 sq ft), Pantaloons (18,145 sq ft), Reliance Digital (11,478 sq ft), Reliance Trends (18,222 sq ft), Cinemax (30,197 sq ft) and Reliance Home Store (8,570 sq ft)
- **Completion Date** - Completed

YATRA CAPITAL LIMITED

Treasure City, Bijalpur

ASSET CLASS - RESIDENTIAL
DEVELOPMENT SIZE - 5.2 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 7.88 MILLION
LOCATION - INDORE, MADHYA PRADESH
DEVELOPMENT PARTNER - TREASURE WORLD DEVELOPERS PRIVATE LIMITED
INVESTMENT DATE - JUNE 2007
EQUITY STAKE - 40 % (42.77 % OF PROFITS)
VALUATION GAIN/(LOSS) - 7.41 % (OVER 31 MARCH 2008)

Indore City

Indore, with a population of over 1.5 million, is one of the rapidly growing Tier II cities in India. Traditionally, this central Indian city has been a regional hub for the manufacturing, textile and agro industries. In recent years, the city has transformed itself into a dynamic commercial centre with a strong presence of services, education and trade, along with manufacturing.

Partner

Treasure World Developers Private Limited, a leading developer of urban city centres, shopping malls and townships in Tier II cities across India.

Current Status

- **Land Acquisition** - Completed
- **Development Plans** - In Process
- **Planning Approvals** - In Process
- **Debt** - Projected: €21.65 million; Sanctioned: Nil. Overall debt requirement expected to reduce significantly as we intend to build as we sell.
- **Construction Status** - Construction is expected to commence shortly. Plotted developments, row houses and mid-market affordable housing are being launched in the first phase.
- **Sales/Leasing Status** - Approximately 150,000 sq ft of plots have been pre sold
- **Completion Date** - March 2014

YATRA CAPITAL LIMITED

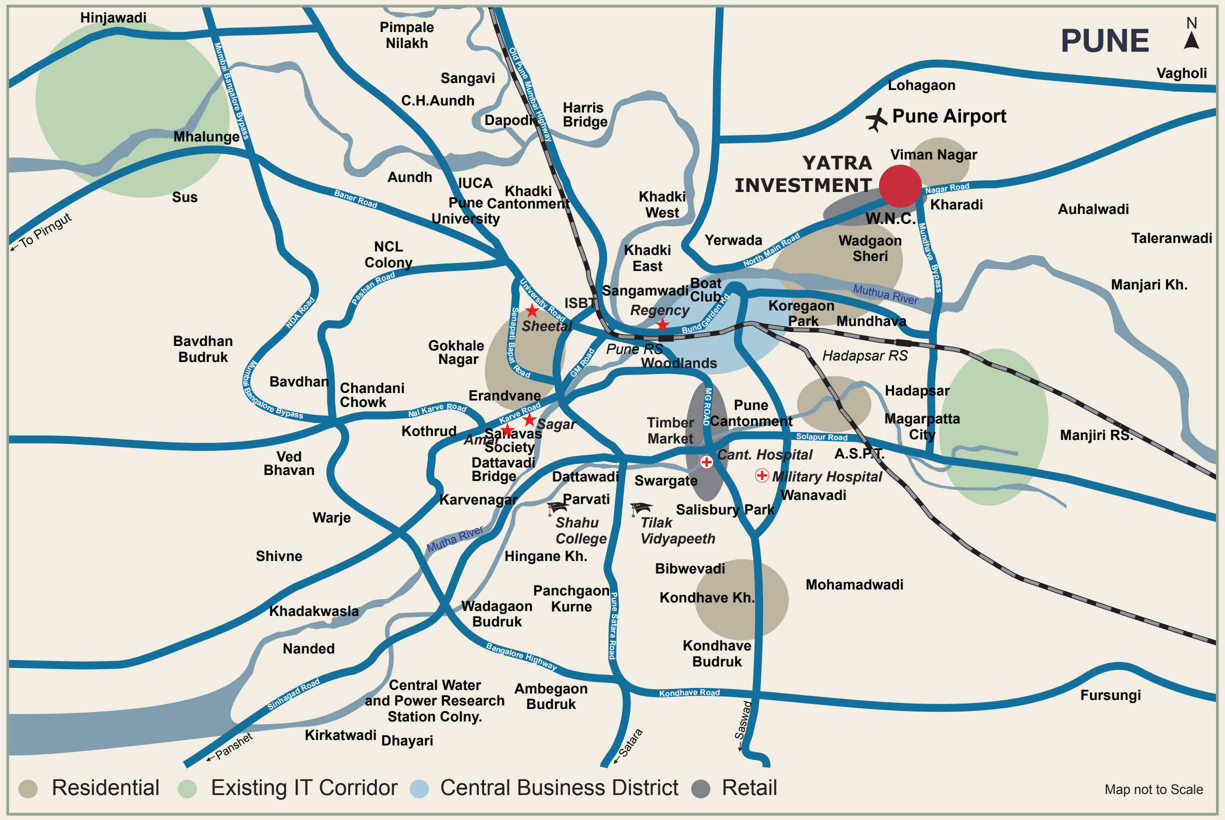
Market City, Pune

ASSET CLASS - RETAIL, HOSPITALITY & OFFICE
DEVELOPMENT SIZE - 1.8 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 21.63 MILLION
LOCATION - PUNE, MAHARASHTRA
DEVELOPMENT PARTNER - THE PHOENIX MILLS LIMITED
INVESTMENT DATE - JULY 2007 – RETAIL & OFFICE IPC; NOVEMBER 2007 – HOSPITALITY IPC
EQUITY STAKE - 24 % - RETAIL & OFFICE IPC ; 20 % - HOSPITALITY IPC
VALUATION GAIN/(LOSS) - 4.31 % (OVER 31 MARCH 2008)

Pune City
With rapid growth and development in the last few years, Pune has emerged as a pre-eminent centre for economic activity nationally. Located 160 kilometers south-east of Mumbai and with a population of over five million, Pune has become a preferred location for manufacturing, automotive and information technology sectors. The city also has a large concentration of higher education institutions, a fact that has certainly helped accelerate the economic growth owing to the availability of a well-educated talent pool.

Partner
The Phoenix Mills Limited is a leading real estate development company specializing in the construction of retail shopping malls, hotels and mixed use projects across India.

It has been instrumental in setting up one of Mumbai's premier retail destinations, High Street Phoenix, a 2.5 million square feet integrated mixed-use development comprising retail, hospitality and commercial space.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €55.49 million; Sanctioned: €55.55 million
- **Construction Status** - 45% of RCC work completed.
- **Sales/Leasing Status** - 318,000 sq ft of retail space has been pre let. 100,000 sq ft pre sold to an investor in Bazaar Mall.
- **Completion Date** - March 2010

Forum IT Parks- Kolkata

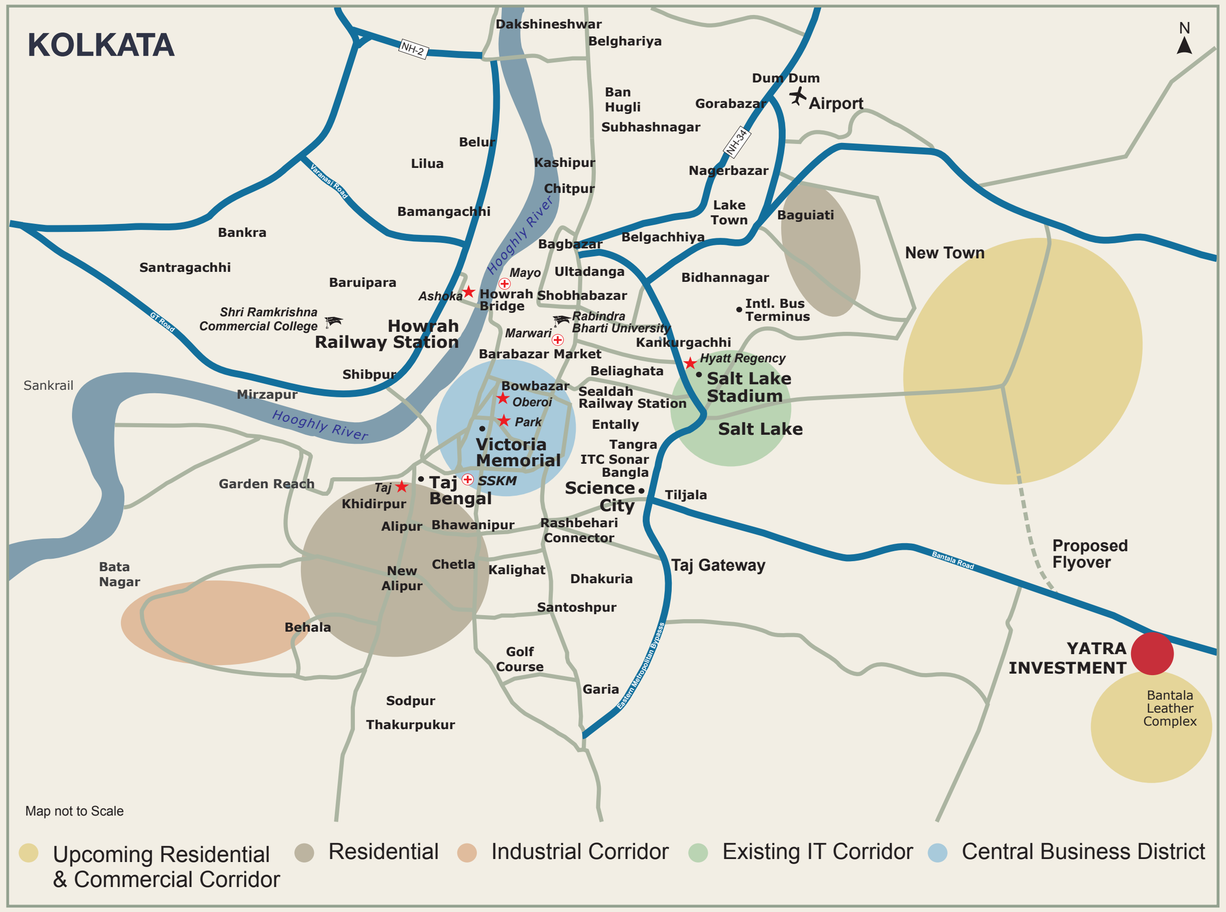
ASSET CLASS - IT SPECIAL ECONOMIC ZONE
DEVELOPMENT SIZE - 1.94 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 16.68 MILLION
LOCATION - KOLKATA, WEST BENGAL
DEVELOPMENT PARTNER - FORUM PROJECTS HOLDINGS PRIVATE LIMITED
INVESTMENT DATE - DECEMBER 2007
EQUITY STAKE - 49%
VALUATION GAIN/(LOSS) - (41.75) % (OVER 31 MARCH 2008)

Kolkata City

With a population in excess of 14 million, Kolkata is the largest and most prominent city in eastern India. Progressive government policy in recent years has improved the socio-economic environment in both the city and the state of West Bengal. A number of large infrastructure projects have prompted global companies to establish operations including IBM, Siemens, Cognizant, HSBC, Deutsche Bank and American Express. As a result, Kolkata has witnessed considerable activity and evolution in its real estate landscape.

Partner

Forum group is a leading Real Estate developer in Kolkata with a successful track record of over 20 years.
Forum has executed some of Kolkata's prominent real estate developments including Forum Mall - the city's first large format shopping mall, Infinity – the first large format IT space and Technopolis - the first green building in the world registered under the United Nations Framework Convention on Climate Change as a Clean Development Mechanism (CDM) project.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - In Process
- **Debt** - Projected: €37.82 million; Sanctioned: €39.28 million
- **Construction Status** - Piling work completed, civil construction on Phase I to commence soon.
- **Sales/Leasing Status** - N.A
- **Completion Date** - October 2012

Market City, Bangalore

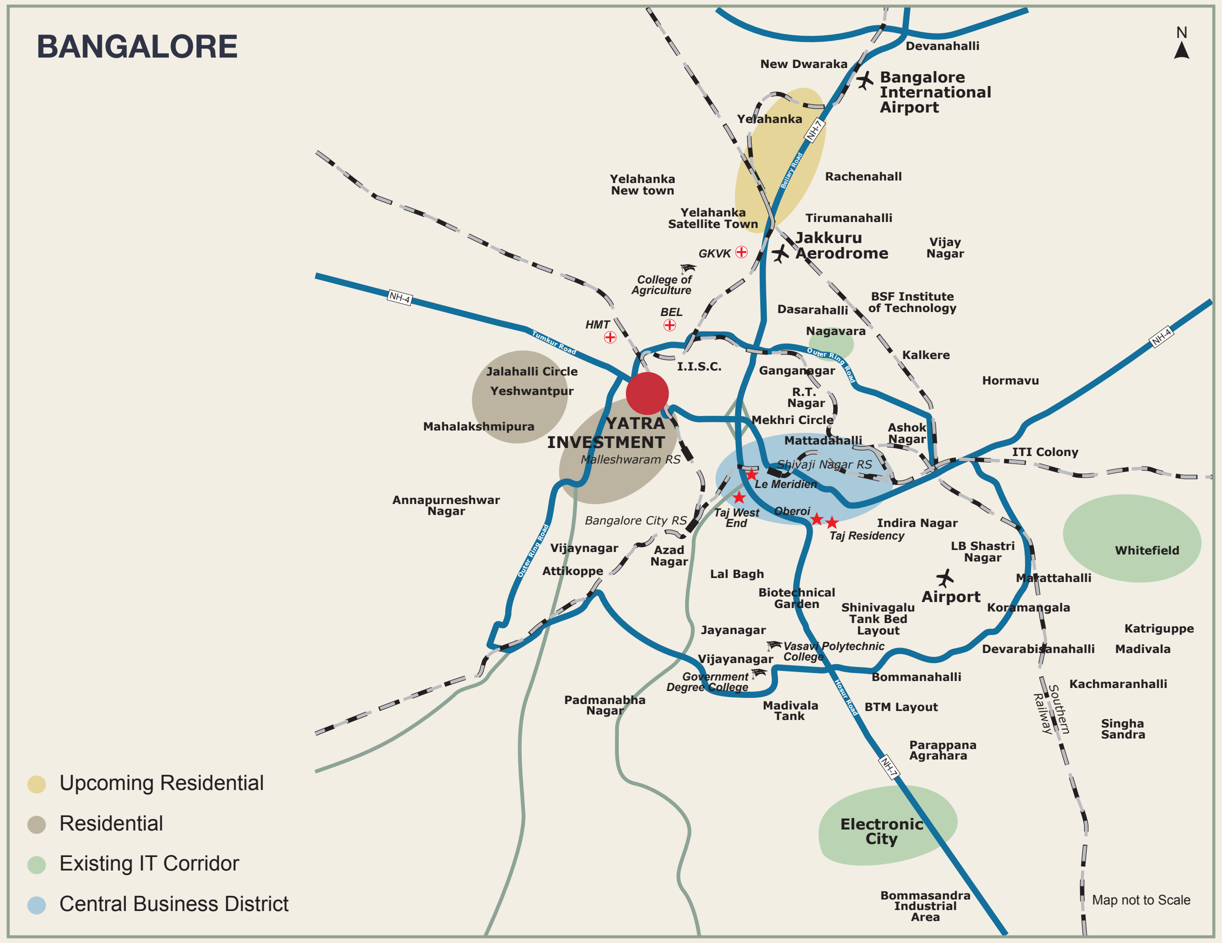
ASSET CLASS - RETAIL, RESIDENTIAL & HOSPITALITY
DEVELOPMENT SIZE - 2.4 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 28.07 MILLION
LOCATION - BANGALORE, KARNATAKA
DEVELOPMENT PARTNER - THE PHOENIX MILLS LIMITED
INVESTMENT DATE - MARCH 2008
EQUITY STAKE - 30%
VALUATION GAIN/(LOSS) - (53.09)% (OVER 31 MARCH 2008)

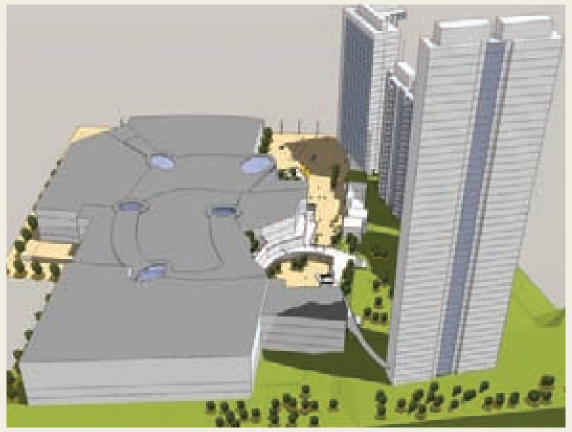
Bangalore City

With a population of over six million, Bangalore is home to a large number of multinationals, Indian corporates, public sector organisations and several renowned educational institutions. The city, also known as the "Silicon Valley" of India, has the largest aggregation of IT companies in the country including IBM, HP, Dell, GE, Infosys, Wipro and Accenture.
Other economic drivers include heavy industries, aerospace, telecom, machine tools, biotech and defence establishments.

Partner

The Phoenix Mills Limited is a leading real estate development company specialising in the construction of retail shopping malls, hotels and mixed use projects across India.
It has been instrumental in setting up one of Mumbai's premier retail destinations, High Street Phoenix, a 2.5 million square feet integrated mixed-use development comprising retail, hospitality and commercial space.





Current Status

- **Land Acquisition** - Completed
- **Development Plans** - In Process
- **Planning Approvals** - In Process
- **Debt** - Projected: €96.66 million; Sanctioned: €52.4 million
- **Construction Status** - Demolition and site clearing work completed.
- **Sales/Leasing Status** - Expected to commence once the development plans are finalised
- **Completion Date** - Dependent upon the final development plans

Residential Projects, Pune

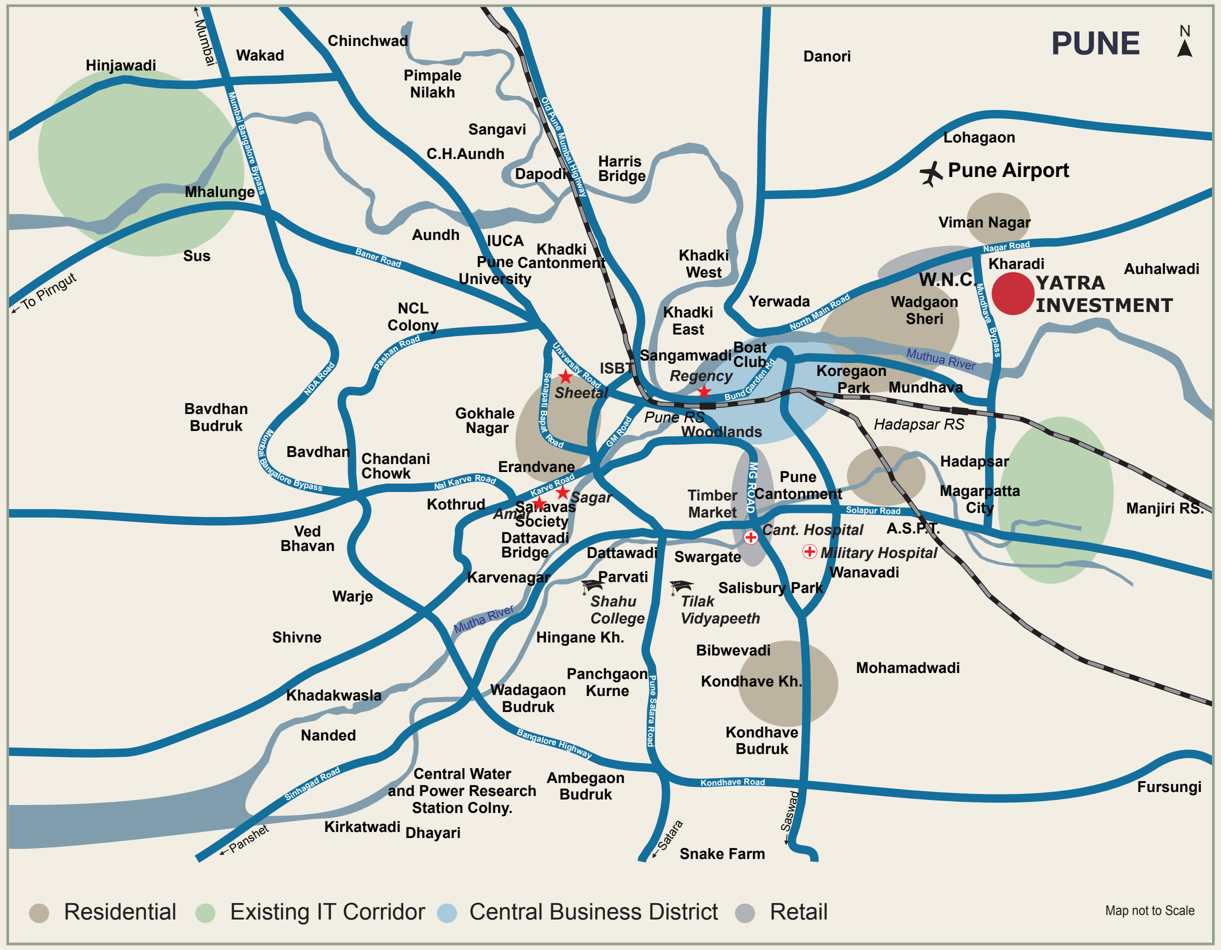
ASSET CLASS - RESIDENTIAL LED MIXED USE DEVELOPMENT
DEVELOPMENT SIZE - 1.7 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 17.05 MILLION
LOCATION - PUNE, MAHARASHTRA
DEVELOPMENT PARTNER - KOLTE PATIL DEVELOPERS LIMITED
INVESTMENT DATE - APRIL 2007
EQUITY STAKE - 49%
VALUATION GAIN/(LOSS) - (38.39)% (OVER 31 MARCH 2008)

Pune City

With rapid growth and development in the last few years, Pune has emerged as a pre-eminent centre for economic activity nationally. Located 160 kilometers south-east of Mumbai and with a population of over five million, Pune has become a preferred location for manufacturing, automotive and information technology sectors. The city also has a large concentration of higher education institutions, a fact that has certainly helped accelerate the economic growth owing to the availability of a well-educated talent pool.

Partner

Yatra's joint venture partner, Kolte Patil Developers Limited is a listed real estate development company with a successful track record of over 15 years. It is one of the most highly regarded developers in Pune and has delivered in excess of four million square feet of real estate across the city.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed for Phase I
- **Planning Approvals** - In process
- **Debt** - Projected: € 3.26 million; Sanctioned: Nil
- **Construction Status** - Site beautification and fencing completed. Construction would commence once the planning approvals are obtained
- **Sales/Leasing Status** - 100,000 sq ft pre leased to a school operator
- **Completion Date** - November 2013

YATRA CAPITAL LIMITED

Himalaya Mall, Bhavnagar

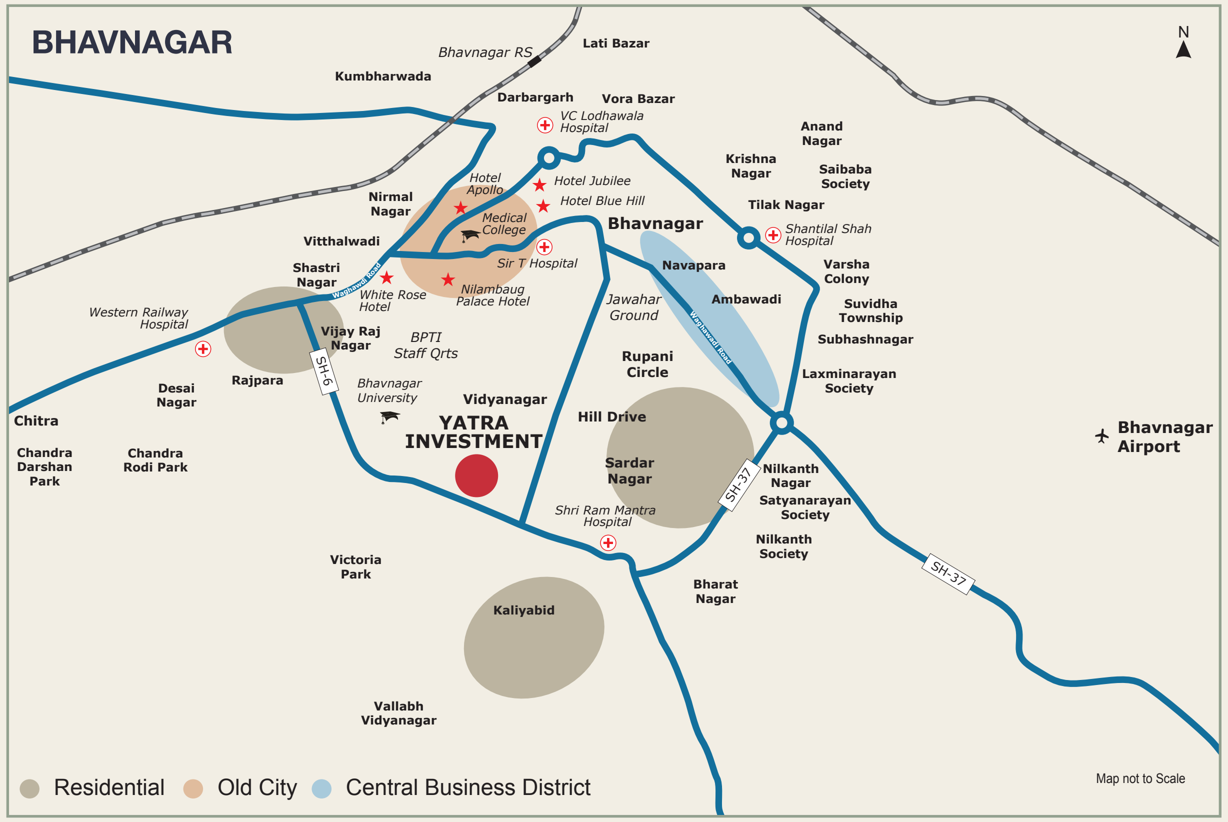
ASSET CLASS - RETAIL LED MIXED USE DEVELOPMENT
DEVELOPMENT SIZE - 0.57 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 6.31 MILLION
LOCATION - BHAVNAGAR, GUJARAT
DEVELOPMENT PARTNER - MODI BUILD-WELL LIMITED
INVESTMENT DATE - SEPTEMBER 2007
EQUITY STAKE - 50%
VALUATION GAIN/(LOSS) - (16.67) % (OVER 31 MARCH 2008)

Bhavnagar City

Bhavnagar (population: 500,000), an emerging Tier III city in western India, is a diamond and shipping hub as well as an important trading post for cotton products. As a prominent regional educational centre, it is also home to a student population of approximately 45,000.

Partner

Yatra's partner in the project is Modi Build-well Limited, which is part of the Ahmedabad-based Himalaya Group. The group is an active developer of destination malls in cities across western India under the brand Himalaya Mall. Currently, the company is developing malls in several cities in the states of Gujarat and Rajasthan.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €9.26 million; Sanctioned: €7.10 million
- **Construction Status** - Construction has been completed upto third floor slab
- **Sales/Leasing Status** - Approximately 120,000 sq ft has been pre let to anchors such as Big Bazaar, and Adlabs. Mall is expected to be opened in two phases given the current economic environment.
- **Completion Date** - September 2010

Phoenix United Mall, Agra

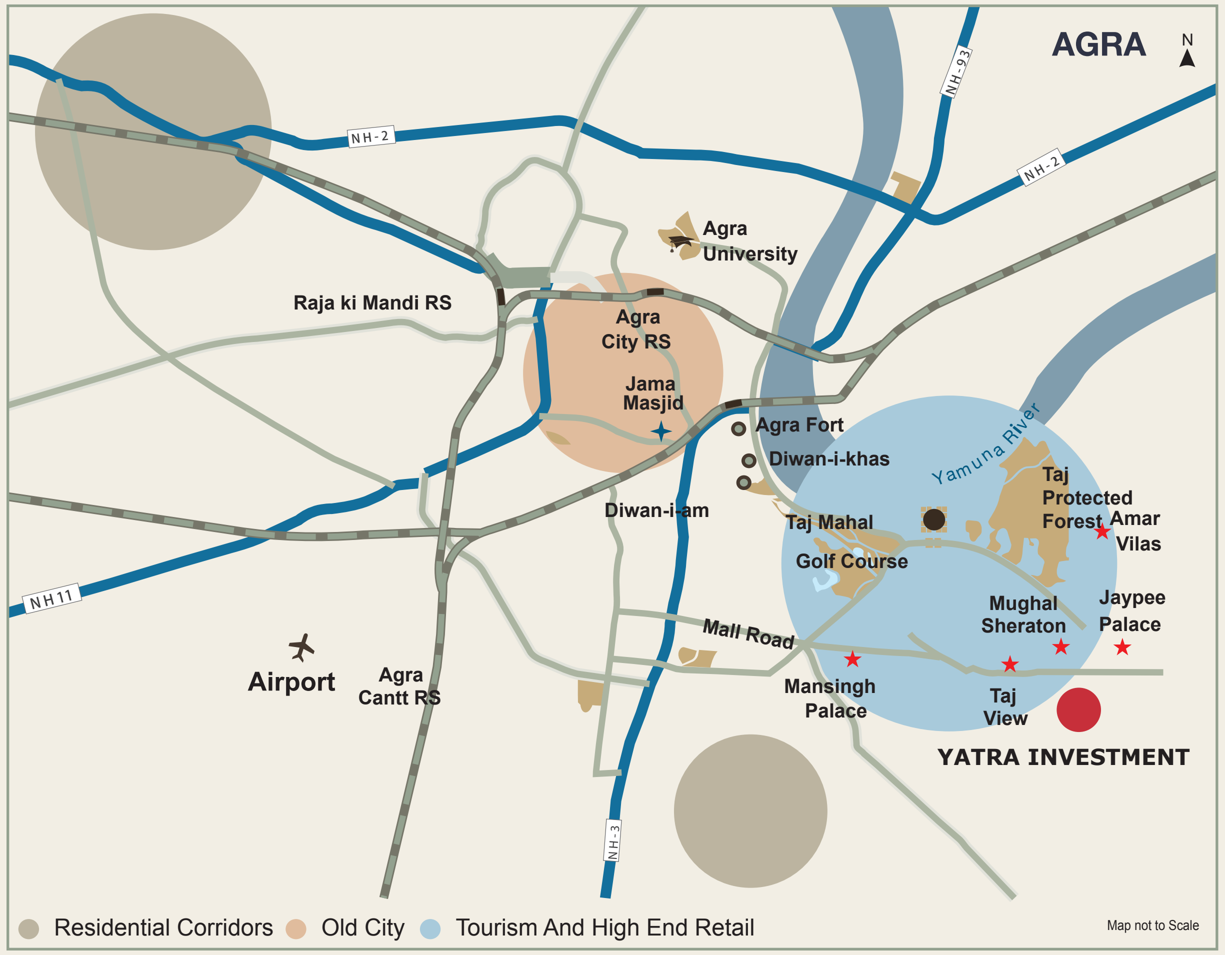
ASSET CLASS - RETAIL
DEVELOPMENT SIZE - 0.61 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 4.04 MILLION
LOCATION - AGRA, UTTAR PRADESH
DEVELOPMENT PARTNER - BIG APPLE REAL ESTATE PRIVATE LIMITED AND THE PHOENIX MILLS LIMITED
INVESTMENT DATE - NOVEMBER 2007
EQUITY STAKE - 28%
VALUATION GAIN/(LOSS) - (31.91)% (OVER 31 MARCH 2008)

Agra City

Home to the Taj Mahal, Agra is a historic city dating back over 400 years. The city attracts around two million visitors each year and a significant part of the 1.3 million local population is employed in the service sector catering to tourists. The city is also a robust manufacturing hub for leather products and ironware.

Partner

The Phoenix Mills Limited and Big Apple Real Estate Private Limited are the development partners for the proposed development. The Phoenix Mills Limited is a leading real estate development company specialising in the construction of retail malls, hotels and mixed-use projects across India. Big Apple Real Estate Private Limited is currently building retail malls in several cities in north India.



Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €18.5 million; Sanctioned: €16.75 million
- **Construction Status** - Excavation work completed
- **Sales/Leasing Status** - To commence post finalisation of development plans
- **Completion Date** - Dependent upon the final development plan

Taj Gateway, Kolkata

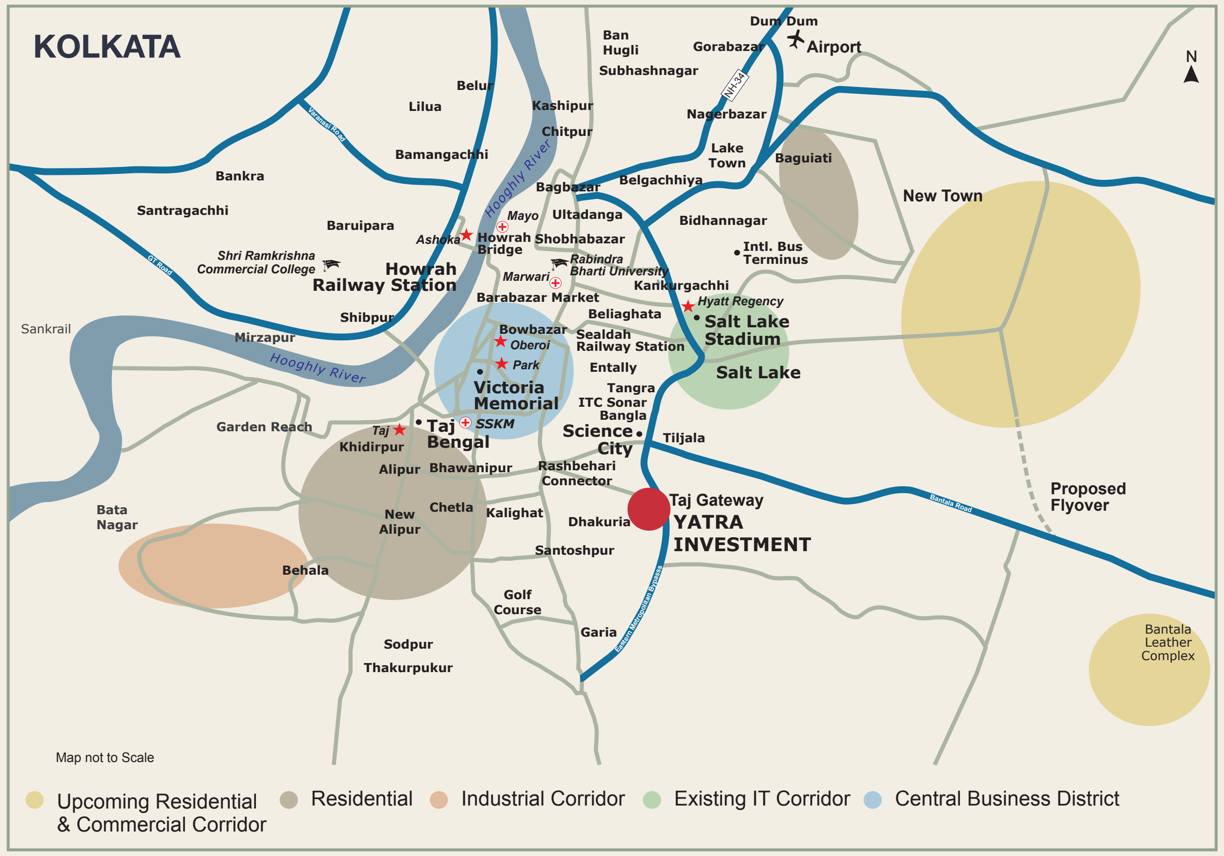
ASSET CLASS - HOSPITALITY
DEVELOPMENT SIZE - 0.20 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 4.48 MILLION
LOCATION - KOLKATA, WEST BENGAL
DEVELOPMENT PARTNER - JALAN GROUP
INVESTMENT DATE - JULY 2008
EQUITY STAKE - 40%
VALUATION GAIN/(LOSS) - 120 % (OVER AMOUNT COMMITED)

Kolkata City

With a population in excess of 14 million, Kolkata is the largest and most prominent city in eastern India. Progressive government policy in recent years has improved the socio-economic environment in both the city and the state of West Bengal. A number of large infrastructure projects have prompted global companies to establish operations, including IBM, Siemens, Cognizant, HSBC, Deutsche Bank and American Express.

Partner

The Jalan Group, a prominent Kolkata based family has a successful background in trading activities. The group has also been involved in property development and financial services.

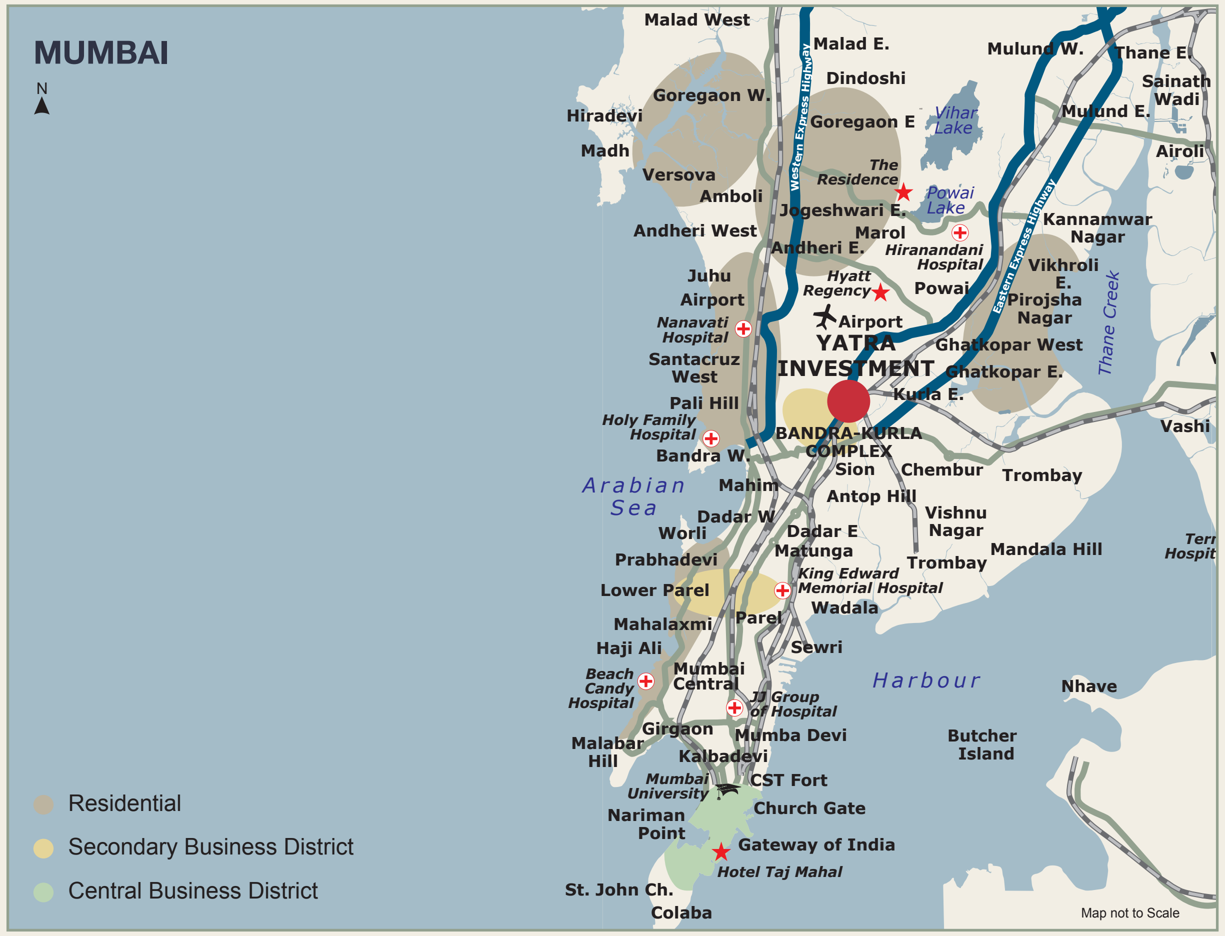


Current Status

- **Land Acquisition** - Completed
- **Development Plans** - Completed
- **Planning Approvals** - Received
- **Debt** - Projected: €9.96million; Sanctioned: €8.88 million
- **Construction Status** - 80% of piling work has been completed
- **Operating Agreement Status** - Hotel operator agreement has been signed with The Indian Hotels Company (Taj Gateway).
- **Completion Date** - September 2010

Office Block, Mumbai

ASSET CLASS - COMMERCIAL
DEVELOPMENT SIZE - 0.41 MILLION SQUARE FEET
YATRA'S COMMITMENT - EUR 15.70 MILLION
LOCATION - MUMBAI, MAHARASHTRA
DEVELOPMENT PARTNER - PARSVNATH DEVELOPERS LIMITED
INVESTMENT DATE - APRIL 2008
EQUITY STAKE - 15%
VALUATION GAIN/(LOSS) - N.A



Mumbai City

As India's premier business city, Mumbai has been at the forefront of the country's economic growth and is the financial capital of India, with almost every major company in India having a substantial presence in the city. Commercial real estate in the city is among the most expensive in the world with capital values being comparable to London and New York.

Partner

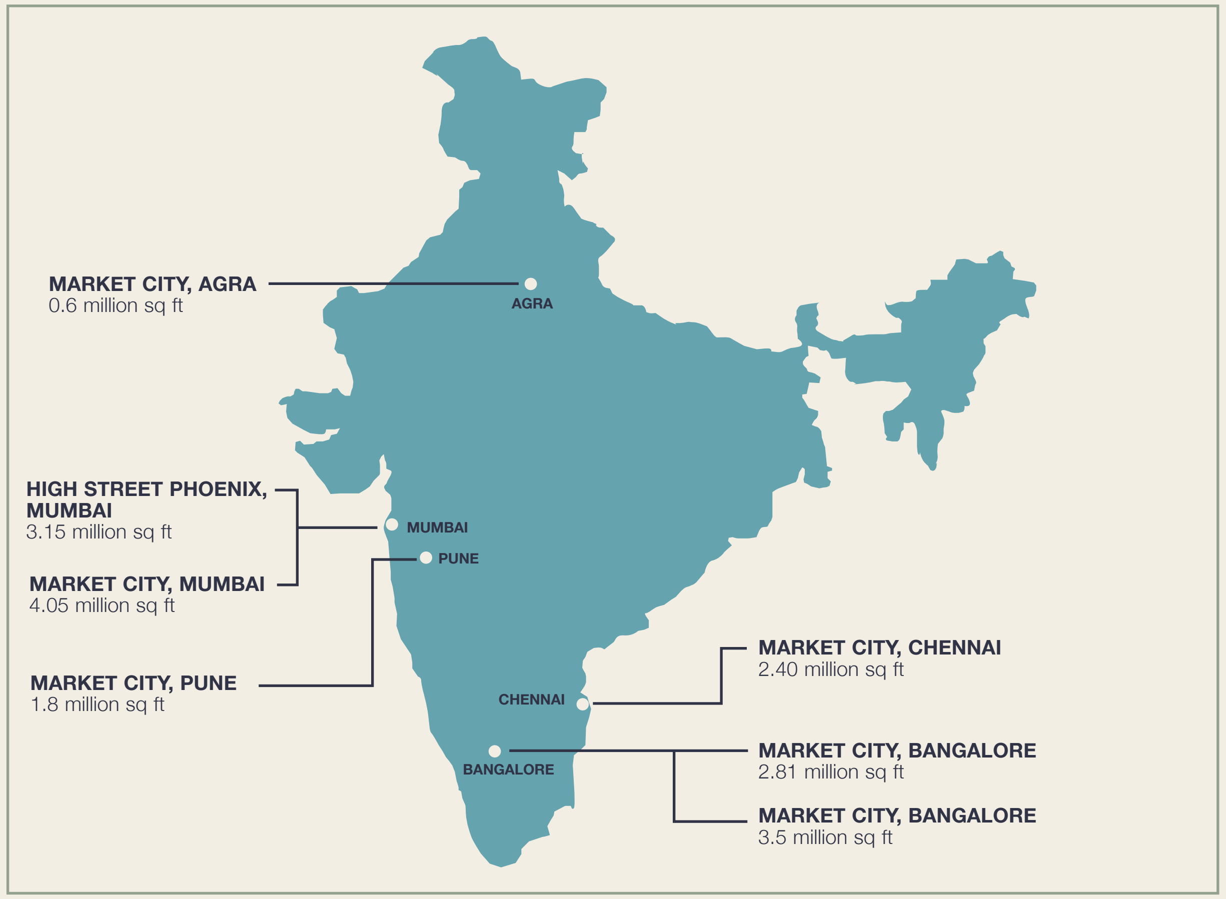
Parsvnath Developers Limited ("Parsvnath") has more than 17 years experience in developing real estate and has a presence in 48 cities and 17 states across India. To date Parsvnath has completed 12 residential, 12 commercial and seven metro mall projects in Delhi at metro rail stations. Parsvnath is listed on both of India's major stock exchanges, the National Stock Exchange and the Bombay Stock Exchange.

Current Status

Transaction currently under discussion with development partner.

The Phoenix Mills Limited (Listed Entity Level Investment)

INVESTMENT DATE - JUNE 2007
EQUITY STAKE - 0.44%
YATRA'S COMMITMENT - EUR 3.73 MILLION
VALUATION GAIN/(LOSS) - (82.51)% (OVER 31 MARCH 2008)



Yatra invested in The Phoenix Mills Limited ("Phoenix") for a 0.44% stake as a part of a preferential allotment in June 2007. Phoenix is listed on the Bombay Stock Exchange and the National Stock Exchange. Other institutional investors in the company include Citigroup Global Markets, Rhodes Diversified, Americorp Ventures, New Vernon India Ltd, T Rowe Price International, DWS, Sandstone Capital India Master Fund and Morgan Stanley & Co.

Phoenix is a leading developer of retail and mixed-use projects in India. The company is promoted by the Ashok Kumar Ruia group, a leading business house with diversified interests in textiles, chemicals, commodities and agriculture. The company's real estate business is spearheaded by Atul Ruia, a Wharton Business School alumnus. Phoenix's flagship project, High Street Phoenix Mumbai, is among the first malls in the country and a landmark retail destination. Located in Central Mumbai and spread over 17.3 acres, the project also comprises an office block, a five-star hotel to be operated by Shangri-La (under-construction), a multiplex being operated by PVR Cinemas and an entertainment complex.

Phoenix is developing large-scale retail-led mixed-use projects in four cities across the country under the brand Market City in city centre locations: Mumbai, Pune, Bangalore and Chennai. The projects will include retail, commercial, entertainment and hotel facilities designed to be "a city within a city". The group is also developing destination malls in several Tier II & Tier III cities across the country through various subsidiaries.

This strategic investment has enabled Yatra to participate with Phoenix at a project level in cities such as Bangalore, Pune and Agra.

Saket Engineers Private Limited (Unlisted Entity Level Investment)

ASSET CLASS - ENTERPRISE LEVEL INVESTMENT
YATRA'S COMMITMENT - EUR 6.84 MILLION
LOCATION - HYDERABAD, ANDHRA PRADESH
INVESTMENT DATE - APRIL 2008
EQUITY STAKE - 26.05%
VALUATION GAIN/(LOSS) - (18.89)% (OVER 31 MARCH 2008)

Hyderabad City

Hyderabad is the financial and administrative capital of the Indian state of Andhra Pradesh. The city is a leading IT hub of India with a number of prominent Indian and International firms present in the city. Apart from IT, the city is also a prominent trading, pharmaceutical and bio-technology hub.

Partner

Saket Group is a development and management company with a 17 year track record in Hyderabad. The company conceptualizes, designs, markets and manages various types of real estate assets, including custom-made homes, residential communities and recreational facilities, all with a focus on the mid-market segment.

Saket is currently undertaking a number of residential developments and has extensive well-positioned land banks of over 150 acres in growth corridors in the city.

Current Status

- **Development Plans** - Completed for projects under development
- **Planning Approvals** - Received for two projects under development
- **Current Status** -
  - **Sriyam Sales** -100 units out of 350 units, **Construction** - Tower 1: Structure work completed till 18th Floor, brickwork completed upto 8th floor. Tower 2: Structure work completed till 12th floor, brickwork completed upto 5th floor
  - **Pranaam Sales** - 56 units out of 333 units, **Construction** - Tower 1: 6th floor slab complete. Brickwork completed 2nd floor Tower 2: Foundation work going on.
    - During the year the company has acquired additional land of around 50 acres
    - The company's debt declined from EUR 5.44 million in 2008 to EUR 3.41 million in 2009

FROM LEFT TO RIGHT: (Front Row) Christopher Lovell, Sir Nigel Broomfield, David Hunter.
(Back Row) Ajoy Veer Kapoor, William Kay, Malcolm King, Rohin Shah.

Board of Directors

The Directors of the Company, all of whom are non-executive, are responsible for supervising the activities of the Investment Manager and for the overall investment activities of the Company. The Directors are:

Sir Nigel Broomfield

Sir Nigel Broomfield joined the Army from Cambridge University in 1959 and retired in 1969.
He joined the Foreign and Commonwealth Office in 1969 and served in London, Bonn, Moscow and New Delhi before becoming Ambassador in East Berlin from 1988 to 1990 at the time of the fall of the Berlin Wall. He served as Ambassador to Germany from 1993 to 1997.
On retiring from the Foreign and Commonwealth Office, Sir Nigel became Director of the Ditchley Foundation near Oxford, a private charity engaged in organising high level conferences on political, economic and social issues. He retired from Ditchley in 2004 and moved to live in Jersey where he has had associations for over 40 years.
Sir Nigel is a non-executive Director of Lancaster Management (Jersey) Ltd; and Adviser to the President of Smiths Detection (UK). He is President of the German/British Chamber of Commerce and Industry in London and since 2005 he has been Chairman of Leonard Cheshire Disability.

David Hunter

David Hunter is Managing Director of Hunter Advisers, a property fund consultancy which offers advice on the launch and operation of property funds in the UK and overseas. Coupled with this role, he has a number of non-executive positions where he oversees the activities of fund managers.
David was a well-known UK property fund manager with over 20 years experience and an exceptional track record of building and running fund management businesses. In recent years, he was responsible for managing GBP 6.5 billion in the UK and Europe with Arlington Property Investors.
David was President of the British Property Federation 2003-04 and led the industry delegation which successfully negotiated with the UK Government for the introduction of REITs.

Ajoy Veer Kapoor

Ajoy Kapoor is an entrepreneur and banker in a career spanning over 25 years, with global exposure to real estate investment, development and management.
Ajoy's last assignment was Global Head, Strategy & Implementation Corporate Real Estate at HSBC, UK where he was responsible for strategic management and project implementation of 75 million square feet across 79 countries.
Prior to that, he was a Managing Committee Member and Regional Head in India, Corporate Real Estate & Strategic Sourcing at Standard Chartered Bank, managing a mixed portfolio of over 11 million square feet.
Ajoy has also been involved in development management of several million square feet of real estate during his various assignments. Between 1980–1995, he built and sold Lamco, a chain of convenience stores.
Ajoy is one of the leading real estate professionals in India and is an active member of this community. Within India, Ajoy is well known for creating and delivering value in a complex environment.

William Kay

William Kay is Managing Director of Minerva Financial Services Limited in Jersey, a licensed trust company specialising in the formation and administration of offshore trusts and companies. William is also Managing Director of Minerva Fund Administration Limited.
Formerly, he was the Managing Director of Barclays Private Bank & Trust Limited in the Channel Islands, 1994 – 2000. He joined the Barclays Group in 1975 and was a Senior Executive 1992 - 2001. William is on the board of a number of Jersey companies focused on investing into Indian real estate.

Christopher Lovell

Christopher Lovell is a solicitor and has practised since 1979. He was a Partner with Theodore Goddard between 1983 and 1993 before setting up his own firm.
He became a Partner and Director of Channel House Trustees Limited a Jersey regulated trust company, in 2000. Channel House Trustees Limited was acquired by Capita Group Plc in September 2005.
He was a Director of BFS Equity Income and Bond PLC between 1998 and 2004 and Chairman of BFS Managed Properties between 2001 and 2005.
Mr Lovell is currently a director of Capita Trustees Limited and in addition to being a director of a number of funds for which Capita provides administrative services is also a director of Dawnay Day Treveria PLC, Aseana Properties Limited, Public Service Properties Investment Limited and Nordic and Russia Properties Limited.

Rohin R Shah

Rohin Shah is a chartered surveyor (FRICS) and Managing Director of Meghraj Properties Limited in London.
He is currently responsible for a UK portfolio of commercial property with a value in the region of GBP 750 million with mandates to invest another GBP 750 million into the UK markets. His key client base is 60 private family offices.
He has been involved with the Indian Property Market since 1992 and established Trammell Crow Meghraj (earlier known as Chesterton Meghraj) in April 1995 as one of the first foreign property consultants in India. Trammell Crow Meghraj was merged with Jones Lang LaSalle in 2007 to become Jones Lang LaSalle Meghraj, the largest real estate consultant in the country.
He started his career with Jones Lang LaSalle in 1986 and for six years was based in their London offices. He has a first class Bachelor's Degree in Land Management from Reading University, a Master's Degree in Property Investment from City University and has spent 10 years sitting on various committees at the Royal Institution of Chartered Surveyors from 1989 to 1999. He has assisted the RICS establish a presence in India.

Malcolm King

After qualifying at a general practice firm in 1968 Malcolm was one of the first in his profession to gain an MBA by taking a full time two-year course at the Ivey Business School of the University of Western Ontario, Canada. Joining King & Co in 1970 he headed the investment part of the business for 23 years.
In 1993 Malcolm restructured the asset management side of the business, which grew the properties under management from GBP 850 million to the current level of more than GBP 10 billion.
He was Senior Partner from 1987 to 2005 and International Chairman from 1992 - 2006. In 1992 he conceived and engineered the merger of King & Co with J P Sturge to form King Sturge. During his time as Senior Partner the company's turnover increased from just over GBP 11 million to approximately GBP 100 million and a staff of nearly 1600.
He is senior non-executive of Redrow Plc and a non-executive director of a Jersey based private property company as well as the managing director of a UK based private property company and is a member of the Property Advisory Committee of Imperial College, London and Sue Ryder Care.

Directors' Report

The Directors present their report and the financial statements of Yatra Capital Limited ("the Company") and its subsidiaries (together the "Group") for the year ended 31 March 2009.

The Company

The Company was incorporated in Jersey on 26 May 2006. The Company was admitted to the Euronext Amsterdam Market on 6 December 2006. The Company has been established to invest in FDI-compliant Indian real estate opportunities. The Company will invest in a broad base of assets covering commercial, retail, residential, special economic zones, hospitality and logistics, enabling returns from development, long term capital appreciation and income. The consolidated financial statements comprise the results of the Company and its subsidiaries (together referred to as the "Group").

Business Review

A review of the Group's activities during the year is set out in the Chairman's Statement and Investment Manager's Report in pages 2 and 5 respectively.

Results and Dividend

The Group's results for the financial year ended 31 March 2009 are shown in the Consolidated Income Statement and related notes (page 50 – 74). The Directors do not propose to declare a dividend for the year under review (2008-Nil).

Directors

All the Directors are non-executive and the present membership of the Board of Directors ("Board") is set out on page 38 – 39. All directors served office throughout the year. At the Annual General Meeting of the Company, each Director is nominated for re-election.

Director	Date of Appointment
Sir Nigel Broomfield	31 October 2006
David Hunter	5 June 2006
William Kay	26 May 2006
Ajoy Veer Kapoor	5 June 2006
Malcolm King	5 June 2006
Christopher Lovell	5 June 2006
Rohin Shah	5 June 2006

Directors' Interests

The following directors had interests in the shares of the company as at 31 March 2009:

Director	Number of Ordinary Shares
Sir Nigel Broomfield	4,761
David Hunter	6,667
Malcolm King	7,500

Mr Rohin Shah is also a director of:
- K2 Property Limited, a subsidiary of the Company
- Saffron Capital Advisors Limited, the appointed Investment Manager to K2 Property Limited

Mr Ajoy Veer Kapoor is also a director of:
- K2 Property Limited, a subsidiary of the Company
- Saffron Capital Advisors Limited, the appointed Investment Manager to K2 Property Limited

Mr William Kay is also a director of:
- Minerva Fund Administration Limited, the appointed administrator to the Company

Directors' Remuneration

During the year the directors received the following emoluments from the Company

Director	Remuneration (in EUR)*
Sir Nigel Broomfield	31,072
David Hunter	31,072
William Kay	30,292
Ajoy Veer Kapoor	31,072
Malcolm King	31,072
Christopher Lovell	31,072
Rohin Shah	31,298

* The above figures reflect the amount paid during the year, exchange rate considered as on date of payment.

There are no service contracts in existence between the Company and its directors. However, each of the directors was appointed by a letter of appointment, which sets out the main terms of the appointment.

Substantial Shareholding

Shareholders with shareholdings of more than 5% of the issued ordinary shares of the Company as at 31 March 2009 are as follows.

Shareholder	Stake
Morley Fund Management	24.89%
QVT Financial LP	15.00%
Standard Life Investments	13.95%
Alpine	9.99%
Fortis Investment Management	6.63%

Management

The Investment Manager provides investment management services to the Group and project management, property advisory, property management and monitoring services to those members of the Group which acquire properties, in each case in accordance with the investment objective, investment policy and restrictions of the Group.

Directors' Responsibility Statement

Company law requires the directors to prepare financial statements of the Company and the Group in accordance with applicable law and regulations. The directors are mandated to prepare financial statements of each financial year in accordance with the requirements of Jersey company law. In addition, the directors have elected to prepare the financial statements of the Group and Parent Company in accordance with International Financial Reporting Standards. 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 Company and the Group 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 to enable them to ensure that the financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS) and the historical cost convention as modified by the revaluation of investments and comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud, errors and non-compliance with the law or regulations.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

Corporate Governance

A statement of Corporate Governance can be found on page 44

Key Risks

There are a number of risks attributed towards the execution of the Group's strategy. The directors wish to highlight the key risks.

- Real estate investments are long-term, illiquid investments and therefore the Group may not be able to exit at the time and price at which these investments were underwritten. The Group seeks to mitigate these risks by diversifying its portfolio across different asset classes, cities and development partners.
- Further to the above, the fact that the Indian real estate investments market is thinly traded and lack of significant depth creates a further risk for the company's potential exit from its projects.
- Regulations governing foreign investments in India are subject to government changes that may adversely affect the Group's performance. The Group, through the Investment Manager, monitors this risk by seeking advice from specialist lawyers and tax advisors and by structuring its investments accordingly.

- The Group receives interest income on its variable rate bank balances and fixed rate treasury deposits. The group is exposed to interest rate risk in respect of these balances and deposits.
- The Group invests in Indian companies and the fair value of these investments is denominated in Indian Rupees. A movement in foreign exchange rates would affect the value of the investments and the unrealised gain or loss.

The Board will continue to monitor and, where possible, control the risks and uncertainties that could affect the business.

Annual General Meeting

The Annual General Meeting of the company will be held in due course and 21 days prior notice will be given to shareholders.

Auditors

The auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office as auditors.

By Order of the Board

Nigel Broomfield

W. Kay

Sir Nigel Broomfield
Chairman

William Kay
Director

31 July 2009

Corporate Governance

It is the Group's policy to comply with best practices on good corporate governance. The Group recognises that effective governance is a fiduciary responsibility fundamental to its long-term success. The Group and the Company's Board place great value on a management structure that incorporates effective checks and balances, proper procedures for managing risks attached to opportunities, and accountability towards stakeholders with regard to the policies pursued.

Role of the Board

The Board has determined that its role is to consider and determine the following key matters, which it considers are of strategic and operational importance to the Group:

- Review the overall objectives for the Group and set the Group's strategy for fulfilling those objectives within an appropriate risk framework;
- Consider any shifts in strategy that may be appropriate in light of market conditions;
- Review the capital structure of the Group including consideration of any appropriate use of gearing both for the Group and in any joint ventures in which the Group may invest from time to time;
- Appoint the Investment Manager, Administrator and other appropriately skilled service providers and monitor their effectiveness through regular reports and meetings;
- Review key elements of the Group's performance including Net Asset Value and payment of dividends;
- Companies (Jersey) Law, 1991 requirements such as the approval of the periodic financial statements and approval and recommendation of dividends (if any).

The directors bring independent views to the board. They have diverse experience having expertise in chartered surveying, the civil service, banking, law, administration and fund management to add to the Board's effectiveness particularly in the area of corporate strategy, governance and risk.

Board Decisions

The Board ensures during its meetings that all strategic matters are considered. The operational obligations of the Board have been delegated through appropriate arrangements to the Investment Manager and the Administrator, as all members of the Board are non-executive directors.

Whilst administrative matters have been delegated, the Group takes inputs from an independent Investment Committee on all aspects of its investments and divestments as it considers that these are implementation matters that are significant enough to be of strategic importance and hence should be brought to the attention of the Board. Please see page 46 for details of the Investment Committee.

The directors take decisions objectively and in the best interests of the Group being collectively and individually responsible for its success. They are accountable to shareholders and take into consideration the need to foster the Group's business relationships with other stakeholders in discharging their obligations.

Yatra Capital Limited

Board Meetings

The Board holds four meetings annually and also meets as and when required from time to time to consider specific issues reserved for decision by the board. The table below shows the attendance at the Board meetings for the year under review.

Director	Attendance at Scheduled Meetings
Sir Nigel Broomfield	4
David Hunter	3
William Kay	4
Ajoy Veer Kapoor	4
Malcolm King	4
Christopher Lovell	3
Rohin Shah	3

Committees of the Board

Audit Committee

The Board approved the establishment of an Audit Committee on 26 November, 2007. The committee is chaired by Malcolm King and also includes Ajoy Veer Kapoor and Christopher Lovell. The Audit Committee meets at least three times a year and, if required, the meetings can also be attended by the Investment Manager, the Administrator and the Independent Auditors.

The Audit Committee is responsible for ensuring that the financial performance of the Company is properly monitored, controlled and reported on. The Committee's primary responsibility is to review accounting policies and the financial statements, understand and agree the principles underlying those, engage in discussions with external auditors and ensure that an effective internal control framework exists. Some of the key points covered under the terms of reference of the Audit Committee are:

- To oversee the selection process of external auditors of the Group and make recommendations to the Board for their appointment and re-appointment and approval of fees;
- To ensure the integrity of the financial statements of the Company and the Group;
- To monitor and review the independence of the auditor, their objectivity and effectiveness, taking into consideration relevant professional regulatory requirements;
- To keep under review the effectiveness of internal financial controls;
- To ensure that a member of the Audit Committee attends the AGM to address any questions.

During the year the Committee met on five occasions with full attendance. It is up to the discretion of the Audit Committee members to meet as appropriate with the Company's valuers, Investment Manager and Administrators to discuss the scope and conclusion of their work.

Remuneration Committee

The Remuneration Committee, chaired by William Kay, includes the Chairman Sir Nigel Broomfield, Ajoy Veer Kapoor and Chris Lovell. The Committee is responsible for the terms of appointment and remuneration of the Company's Directors and the incentive policies of the Group as a whole.

Investment Committee

The Group has appointed an independent Investment Committee. The Investment Committee's role is to review and approve all investment decisions. The Committee is comprised of five members, three of whom are board members of the Company. The Investment Committee is made up of five senior individuals who are subject matter experts. The Investment Committee is chaired by David Hunter and comprises Ajoy Kapoor, Anuj Puri, Malcolm King and Harkirat Singh.

Further details on David Hunter, Ajoy Kapoor and Malcolm King are on page 38 – 39. Brief profiles of Anuj Puri and Harkirat Singh are given below:

Anuj Puri

Anuj Puri is Chairman and Country Head of Jones Lang LaSalle Meghraj, and is responsible for the overall direction, strategy and growth of the firm, which is the largest real estate services firm in India. He is also the Chairman of The Real Estate and Construction Committee of the Confederation of Indian Industries (CII) – Western Zone and a Fellow of RICS (Royal Institution of Chartered Surveyors). He has been appointed as a non-executive director of Dainik Jagran, India's largest selling broadsheet daily newspaper. He has over 18 years experience in multi-disciplinary consulting ranging from real estate to social development projects. His key expertise lies in planning and undertaking demand assessment studies, valuation and transaction services including marketing strategies based on technical analysis of real estate markets.

Harkirat Singh

Harkirat Singh began his banking career at the Citibank training centre in Lebanon. He then moved to Grindlays Bank, where he was the country head, India for foreign exchange and securities. Following this, he worked in Deutsche Bank for 18 years, starting the bank's operation in India in 1981. He was CEO of Deutsche Bank India from 1993 to 1999. He led Deutsche Bank's first foray into venture capital with an investment in India's first venture capital company, Indus Venture Capital India Private Limited.

After leaving Deutsche Bank, he was appointed Special Advisor to the managing board of Rabobank International. In 2002, Rabobank was granted approval for establishing a private bank in India and Harkirat was CEO and Managing Director of the new entity until end 2003. He was also the Country Head UK and Global Head of capital markets with Rabobank.

Harkirat was a member of the Board of Governors of the National Institute of Bank Management in India, a member of the advisory board of GEMS, a private equity fund based in Hong Kong, Chairman of the finance committee of the Indian Merchants Chamber and a member of the CEO Forum of the Economic Intelligence Unit of The Economist.

Table of attendance for the Investment Committee is given below:

Members	Attendance at Scheduled Meetings
David Hunter (Chairman)	5
Ajoy Kapoor	5
Malcolm King	4
Anuj Puri	4
Harkirat Singh	4

Total number of meetings for the year was 5.

Shareholder Relations

Communication with shareholders is given high priority and the Company undertakes regular dialogue with its shareholders. Members of the Investment Manager make themselves available to meet with key shareholders, analysts, future investors and the media.

The Board is provided with regular feedback by the Investment Manager at its board meetings. The Board is also fully informed on any market commentary on the Company made by its directors, Investment Manager and other professional advisors, including its brokers. The Board seeks to have an effective investor relations process and monitors it consistently to ensure the effectiveness of the Company's communications. The notice of the annual general meeting is posted to the shareholders at least 21 clear days in advance of the meeting. Shareholders or their proxies are encouraged to attend and participate in the annual general meeting. The Chairman and the Investment Manager will be available at the Annual General Meeting to address any questions that the shareholders wish to raise.

Independent Auditors' Report

To the members of Yatra Capital Limited

Report on the Financial Statements
We have audited the accompanying financial statements of Yatra Capital Limited which comprise the company and consolidated balance sheets as at 31 March 2009 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes (the "financial statements").

Directors' Responsibility for the Financial Statements
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of Jersey law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of the company and the group as at 31 March 2009 and of the financial performance and cash flows of the group for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Report on Other Legal and Regulatory Requirements
We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Performance Highlights, the Chairman's Statement, the Investment Manager's

Independent Auditors' Report (continued)

Report, the Investment Portfolio, information on the Board of Directors, the Directors' Report, report on corporate governance, RICS valuation letter from Knight Frank (India) Private Limited, RICS valuation letter from CB Richard Ellis South Asia Private Limited and Corporate Information.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The maintenance and integrity of the Yatra Capital Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 110 of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP
Chartered Accountants

Jersey, Channel Islands

31 July 2009

Consolidated & Company Balance Sheets

As at 31 March 2009

	Notes	Group 2009 EUR	Group 2008 EUR	Company 2009 EUR	Company 2008 EUR
ASSETS					
Non-current assets					
Financial assets at fair value through profit or loss	7	175,535,862	223,590,789	-	-
Investments in subsidiary undertakings	8	-	-	212,132,319	212,132,319
Advance on equity contribution	9	296,560	-	-	-
		175,832,422	223,590,789	212,132,319	212,132,319
Current assets					
Prepayments and other receivables	10	4,807,686	6,511,123	142,583	186,988
Cash and Cash equivalents	11	53,831,581	79,542,255	47,332,557	46,439,061
		58,639,267	86,053,378	47, 475,140	46,626,049
Total assets		**234,471,689**	**309,644,167**	**259,607,459**	**258,758,368**
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	12	-	-	-	-
Share premium	12	211,906,108	211,906,108	211,906,108	211,906,108
Retained earnings		20,827,908	75,950,457	2,846,039	1,951,302
Total equity		232,734,016	287,856,565	214,752,147	213,857,410
Minority interest	13	1,341,367	2,642,861	-	-
		234,075,383	290,499,426	214,752,147	213,857,410
Current liabilities					
Amount due to subsidiary	15	-	-	44,807,073	44,807,073
Accruals and other payables	16	395,522	644,169	48,239	93,885
Other financial liabilities	14	784	18,500,572	-	-
		396,306	19,144,741	44,855,312	44,900,958
Total equity and liabilities		**234,471,689**	**309,644,167**	**259,607,459**	**258,758,368**

The financial statements were approved by the Board of Directors and authorised for issue on 31 July 2009.
They were signed on its behalf by Sir Nigel Broomfield and William Kay.

Nigel Broomfield

Sir Nigel Broomfield
Chairman

W. Kay

William Kay
Director

The notes on pages 54 to 74 form an integral part of these financial statements.

Consolidated Income Statement

For the year ended 31 March 2009

	Notes	Group Year ended 31 March 2009 EUR	Group Year ended 31 March 2008 EUR
INCOME			
Interest income		2,123,529	3,455,024
Dividend income		9,824	7,832
Net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	6	(52,299,467)	81,426,254
		(50,166,114)	84,889,110
EXPENSES			
General Administration Expenses:			
Investment advisory fee	18	4,229,441	2,393,403
Custodian, secretarial and administration fees		180,650	125,814
Legal and professional costs		723,459	1,448,429
Directors' fees	18	208,726	270,953
Directors' insurance		75,762	55,851
Audit fees		341,363	258,833
Listing agents fees		13,200	10,000
Other administrative expenses		193,390	110,816
Loss on foreign currency translation		291,938	107,858
		6,257,929	4,781,957
(Loss)/Profit for the year		**(56,424,043)**	**80,107,153**
Attributable to:			
Equity holders of the Company		(55,122,549)	77,464,297
Minority interest	13	(1,301,494)	2,642,856
		(56,424,043)	**80,107,153**
(Loss)/Earnings per share - basic and diluted (EUR per share)	21	(2.57)	5.13

The notes on pages 54 to 74 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2009

	Stated capital	Share premium	Retained earnings/ (accumulated losses)	Total equity	Minority interests	Total
		Attributable to Equity Holders				
	EUR	EUR	EUR	EUR	EUR	EUR
Group:						
At 31 March 2007	-	97,000,000	(1,513,840)	95,486,160	-	95,486,160
Arising on acquisition		-	-		5	5
Issue of Shares	-	119,999,996	-	119,999,996	-	119,999,996
Placement costs	-	(5,093,888)	-	(5,093,888)	-	(5,093,888)
Profit for the year	-	-	77,464,297	77,464,297	2,642,856	80,107,153
At 31 March 2008	-	211,906,108	75,950,457	287,856,565	2,642,861	290,499,426
Loss for the Year	-	-	(55,122,549)	(55,122,549)	(1,301,494)	(56,424,043)
At 31 March 2009	-	**211,906,108**	**20,827,908**	**232,734,016**	**1,341,3671**	**234,075,383**

The notes on pages 54 to 74 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	Notes	Group Year ended 31 March 2009 EUR	Group Year ended 31 March 2008 EUR
Cash flows from operating activities			
(Loss)/Profit for the year		(56,424,043)	80,107,153
Adjustments for:			
Dividend income		(9,824)	(7,832)
Interest income		(2,123,529)	(3,455,024)
Net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	6	52,299,467	(81,426,254)
		(6,257,929)	(4,781,957)
Increase/(Decrease) in prepayments and other receivables		1,682,048	(4,633,582)
(Decrease)/Increase in accruals and other payables		(248,647)	488,531
Net cash used in operating activities		(4,824,528)	(8,927,008)
Cash flow from investing activities			
Purchase of financial assets at fair value through profit or loss	7	(22,744,328)	(119,368,580)
Advance on equity contribution	9	(296,560)	-
Dividend received		9,824	7,832
Net cash used in investing activities		(23,031,064)	(119,360,748)
Cash flows from financing activities			
Proceeds from issue of shares		-	114,906,939
Interest received		2,144,918	3,602,583
Net cash from financing activities		2,144,918	118,509,522
Net decrease in cash and cash equivalents		(25,710,674)	(9,778,234)
Cash and cash equivalents at beginning of the year		79,542,255	89,320,489
Cash and cash equivalents at end of the year/period	11	**53,831,581**	**79,542,255**

The notes on pages 54 to 74 form an integral part of these financial statements.

Notes to the Financial Statements

1. General Information

Yatra Capital Limited (the "Company") is a limited liability company incorporated in Jersey whose registered office address is 43/45 La Motte Street, St Helier, JE4 8SD, Jersey. The Company is governed by the Collective Investment Funds (Jersey) Law 1988, as amended and the subordinate legislation made thereunder. The purpose of the Company is to enable pooling of funds by investors for investment in K2 Property Limited ("K2"), together referred to as the "Group".

K2 was incorporated on 19 May 2006 and is domiciled as a limited liability company under the laws of the Republic of Mauritius. K2 holds a category 1 Global Business Licence issued by the Financial Services Commission in Mauritius.

The Group makes investments in companies established to carry out real estate development and ownership across India ("Portfolio Companies").

Saffron Capital Advisors Limited, an investment management company incorporated in Mauritius ("SCAL") advises the Group with respect to its investment activities. The administration of the Company is undertaken by Minerva Fund Administration Limited.

The Company's ordinary shares are listed and traded on Eurolist by Euronext, operated by Euronext Amsterdam.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented unless otherwise stated and are set out below.

2.1 Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4.

As set out in Note 1, the Company makes investments in K2 which are disclosed as investments in subsidiary undertakings in the balance sheet of the Company. K2 makes investments in Portfolio Companies established to undertake real estate investment in India. By virtue of the controlling interest held by the Company in K2 as at 31 March 2009, the Company has consolidated the position and results of K2 in accordance with the accounting policies set out in note 2.2.

Summary of Significant Accounting Policies (Continued)

Details of the interests held by the Group in Portfolio Companies are set out in note 7

As at 31 March 2009, neither the Company nor K2 hold a controlling interest in any of the Portfolio Companies in respect of which K2 has invested. As set out in note 2.3, investments in Portfolio Companies are accounted for as financial assets at fair value through profit or loss. The estimates and assumptions applied in determining the fair value of these investments is set out in note 4.1.

(a) Standards, amendments and interpretations effective in 2008

The following interpretations to published standards are mandatory for accounting periods beginning on or after 01 April 2008 but none are relevant to the Group's operations:

IFRIC 11, 'IFRS 2 – Group and treasury share transactions';

IFRIC 12, 'Service concession arrangements'; and

IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'

(b) Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

Several standards, amendments and interpretations to existing standards have been published and are not yet relevant. The Group will apply those standards, amendments and interpretations to existing standards in the period they become relevant.
The Board is currently considering the impact of the following on the financial statements in the periods of initial application beginning on or after 01 April 2009.

- IAS 1 (Revised), 'Presentation of financial statements' (effective from 01 January 2009);
- IAS 1 (Amendment), 'Presentation of financial statements' (effective from 01 January 2009);
- IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 01 January 2009);
- IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 01 July 2009);
- IAS 36 (Amendment), 'Impairment of assets' (effective from 01 January 2009);
- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 01 January 2009);
- IAS 23 (Amendment) Borrowing Costs (effective from 1 January 2009);
- IFRS 2 (Amendment) Share Based Payments (effective from 1 January 2009);
- IFRS1 (Amendment) First time adoption of IFRS and IAS 27 Consolidated and Separate financial statements (effective from 1 January 2009);
- IFRS 5 (Amendment) Non current assets held for sale and discontinued operations (effective from 1 January 2009);
- IFRS 8 Operating Segments (effective 1 January 2009);

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

- IAS 28 (Amendment) Investments in associates (effective from 1 January 2009);
- IAS 38 (Amendment) Intangible Assets (effective from 1 January 2009);
- IAS 19 (Amendment) Employee Benefits (effective from 1 January 2009);
- IAS 16 (Amendment) Property, Plant and equipment (effective from 1 January 2009);
- IAS 31 (Amendment) Interests in Joint Ventures (effective from 1 January 2009);
- IAS 29 (Amendment) Financial Reporting under Hyper-inflationary economies (effective from 1 January 2009);
- IAS 40 (Amendment) Investment Property (effective from 1 January 2009)
- IAS 41 (Amendment) Agriculture (effective from 1 January 2009);
- IAS 20 (Amendment) Accounting for government grants and disclosure of government assistance (effective from 1 January 2009);
- IFRIC 13 Customer Loyalty programmes(effective 1 July 2009) ;
- IFRIC 15 Agreements for construction of Real Estates (effective from 1 January 2009)
- IFRIC 16 Hedges of a net investment in a foreign operation;
- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009); and

There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period' and IAS 18, 'Revenue', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Group's and Company's financial statements and have therefore not been analysed in detail.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the net book value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the net book value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

(b) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Investments in subsidiary undertakings

Investments in subsidiaries are initially recognised and subsequently carried at cost in the Balance Sheet of the Company.

Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised in the income statement.

2.3 Financial Assets at Fair Value through Profit or Loss

(a) Classification

The Group invests in joint ventures and associates. A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. An associate is an entity over which the Group has significant influence but no control, generally accompanying a shareholding of between 20% and 50% of the voting rights. As allowed under International Accounting Standards, IAS 31 Interests in Joint Ventures and IAS 28, Investments in associates, the Group has designated its investments in joint ventures and associates as financial assets held at fair value though profit or loss.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Group's documented investment strategy. The Group's policy is for the Board to evaluate the information about these financial assets on a fair value basis together with other related financial information. These financial assets are not expected to be realised within 12 months of the balance sheet date and are therefore classified under non current assets.

The Board as advised by the Investment Manager has taken an appropriate classification of investments at the time of purchase and re-evaluates the classification on a regular basis.

(b) Recognition/derecognition

Purchases and sales of investments are recognised on the "trade date" – the date on which the Group commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

(c) Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the income statement. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are recognised in the income statement in the year in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the income statement using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement within dividend income when the Group's right to receive payments is established and is shown gross of withholding tax.

(d) Fair value estimation

The fair value of financial instruments traded in an active market is based on closing quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants as recommended by the Royal Institution of Chartered Surveyors ("RICS").

2.4 Foreign Currency Translation

(a) Functional currency

Items included in the financial statements are measured using the currency of primary economic environment in which the Group operates (the "functional currency"). The Board considers the Euro as the currency that most faithfully represents the economic effects of the underlying events, transactions and conditions. The financial statements are presented in Euro ("EUR"), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the income statement within the fair value net gain or loss.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

(c) Group companies

The results of the financial position of the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency of Euro as follows:

i. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

ii. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

iii. all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

2.5 Trade receivables and payables

Trade receivables and payables are recognised on accrual basis and are fair valued as on the balance sheet date.

2.6 Interest and Dividend

- Interest income is recognised on accrual basis
- Dividends are recognised when the shareholders has a right to receive payment

2.7 Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term, highly liquid investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.8 Stated capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds of the issue

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

2.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where the effect of the time value of money is material, the amount of a provision is calculated as the present value of the amounts expected to be required to settle the obligation. Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur.

2.10 Current and deferred income tax

The current income tax charge is calculated on the basis of currently enacted tax laws. The Board periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The principal temporary differences arise from tax losses carried forward. Deferred income tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

2.11 Financial instruments

Financial instruments carried on the balance sheet include financial assets at fair value through profit or loss, advances on equity contributions, other receivables, cash at bank and accruals and other payables which approximate their fair values. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.
Disclosures about financial instruments to which the Group is a party are provided in Note 3.

2.12 Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.13 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 to 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 return that are different from those of segments operating in other economic environments.

Notes to the Financial Statements (Continued)

3. Financial Risk Management

3.1 Strategy in using financial instruments

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Group's overall risk management policies focus on the volatility of financial markets and seek to minimise potential adverse effects on the Group's financial performance and flexibility.

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk. The Group's financial instruments comprise investments held at fair value through profit or loss, cash and cash equivalents and other items such as accruals and other payables and receivables which arise from its operations.

The Group and the Company held no derivative instruments as at 31 March 2009 (2008- Nil).

3.2 Market Risk

(a) Cash flow and fair value interest rate risk
The Group's cash flow is monitored at regular intervals by the Board. The interest rates at which cash and deposits are placed are fixed in nature and hence the Group is not exposed to the risk of fluctuating interest rates except for the variable rate interest income on the bank balances. Since the financial statements of both the Group and the Company show cash at amortised cost, the question of fair value risk for the same does not arise.

(b) Foreign currency risk
i. Transactions
Foreign currency risk arises when future commercial transactions or recognised monetary assets and liabilities are denominated in a currency other than the Group's functional currency.

The Group holds investments in entities operating in India and hence is exposed to foreign currency exchange risk as its investments are denominated in Indian Rupees ("INR") and may be undertaken in phased stages. It also has accruals and other payables denominated in United States dollars ("USD") and INR but those are not material. All the other financial assets and liabilities are denominated in Euro.

The Group has in place a policy that requires Group companies including the Company to manage their foreign currency risk against the functional currency. Forward contracts may be used on a transaction by transaction basis with a view to hedging foreign currency exposure. The Group will continue to monitor foreign currency risk and the need for hedging transactions.

ii. Financial assets at fair value through profit or loss

At 31 March 2009, the fair value of investments denominated in INR amounted to EUR 175,535,862 (2008 – EUR 223,590,789). Consequently, the Group is exposed to the risks that the exchange rate of the EUR relative to the INR may change in a manner, which has an adverse effect on the reported fair value of its investments. However, the

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

investments are carried at fair value and the impact of changes in INR to the EUR is included in the fair value movements, considered in price risk below. At 31 March 2009,assuming the price of the financial assets denominated in INR remains unchanged, if INR had strengthened by 8% (2008- 8%) against the EUR, the fair value would have increased by EUR 15.28 million (2008- EUR 19.43 million) and had the INR weakened by 8% the fair value would have decreased by EUR 13.04 million (2008- EUR 16.57 million).

iii. Capital commitments
At 31 March 2009, the Group had outstanding capital commitments of EUR 10.24 million (2008 - EUR 23.81 million). The Company did not have any outstanding capital commitment at 31 March 2009. Had the INR depreciated against the EUR by 8% over the last year then the Group would have had at 31 March 2009 an outstanding capital commitment of EUR 9.42 million (2008 - EUR 22.06 million). Had the INR appreciated against the EUR by 8% over the last year then the Group would have had at 31 March 2009 an outstanding capital commitment of EUR 11.06 million (2008 - EUR 25.89 million).

(c) Price risk
The Group is exposed to price risk as the investments of the Group as stated in the consolidated balance sheet are classified as financial assets at fair value through profit and loss.

The Group has retained the services of two independent international property valuers, namely, CB Richard Ellis South Asia Private Limited and Knight Frank (India) Private Limited to conduct the valuation of the property development projects held by the Indian Portfolio Companies (IPCs) as at 31 March 2009. The table below provides a sensitivity analysis showing the impact of increases/decreases in the fair value of investments on the Group's post tax profit for the year and on its net assets. The analysis is based on the assumption that the valuation of the property development projects held by the IPCs increased/decreased by 20% (2008 - 5%) reflecting the current market trend, with other variables held constant.

Year ended 31 March 2009	**Increase in fair value by 20% (EUR)**	**Decrease in fair value by 20% (EUR)**
Increase/(decrease) in loss and net assets	EUR 39.39 million	EUR (39.39) million
Year ended 31 March 2008	**Increase in fair value by 5% (EUR)**	**Decrease in fair value by 5% (EUR)**
Increase/(decrease) in profit and net assets	EUR 12.51 million	EUR (12.51) million

The Group has invested in unquoted IPCs. An investment in an Indian company operating the real estate sector involves significant risks including ownership/title risk and development risk. The Group relies upon the services of the Investment Manager and key service providers in India, such as legal advisors, to help mitigate these risks through measures including the conduct of full and proper due diligence, negotiation and completion of investment and joint venture documentation with due regard to appropriate risk allocation, and close performance monitoring to manage risk on an ongoing basis.

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

3.3 Credit Risk

Credit risk arises when a failure by a counter party to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Group's credit risk arises principally from cash at bank. The Group's policy is to maintain cash balances and short term deposits with a reputable banking institution and to monitor the placement of cash and deposit balances on an ongoing basis. As at 31 March 2009, all cash balances and short term deposits were placed with the HSBC Banking Group, the approved bankers to the Group, which has a rating as on March 09 of "-AA" from Standard and Poors.

The Group has invested less than 2% of its investible funds in the securities of a company listed on the Bombay Stock Exchange. It is the Company's policy that all the transactions in listed securities are settled /paid for upon delivery using appropriately licensed brokers. The risk of default with respect to such settlement is considered minimal, as delivery of securities sold is only completed once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Group's credit risk also arises in respect of other receivables. The Board has considered the recoverability of these balances as at 31st March 2009 and does not consider the risk of failing to recover these amounts to be significant.

3.4 Liquidity Risk

Liquidity risk arises when the maturity of assets and liabilities of a company do not match. As a policy, the Group minimises these risks by maintaining sufficient cash and highly liquid current assets. As at 31 March 2009, the total financial liabilities of the Group amounted to EUR 0.39 million, of this total EUR 784 is classified within the balance sheet as 'other financial liabilities'. This amount represents the share capital of Advisor shares in K2 had it been liquidated as on 31 March 2009.

As detailed on the next page (page 64) the outstanding capital commitments of the Group amounted to EUR 10.24 million as at 31 March 2009. The cash balance of the Group as at 31 March 2009 amounted to EUR 53.83 million and hence the Group maintains sufficient liquid assets available to finance the outstanding capital commitments.

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

Name of subsidiary	Description	2009 Commitment Total (EUR million)	2009 Commitment Balance (EUR million)	2008 Commitment Total (EUR million)	2008 Commitment Balance (EUR million)
K2 A Residential Limited	Residential Projects, Pune	17.05	0.00	17.90	5.82
K2 C Retail Limited	Market City, Pune	17.05	0.00	17.05	0.00
K2 A Hospitality Limited	Market City, Pune	4.58	0.00	4.72	2.98
K2 Property Limited	Listed Entity level investment	3.73	0.00	3.73	0.00
K2 C Residential Limited	Nashik City Centre, Nashik	8.89	0.00	7.42	0.00
K2 C Residential Limited	Treasure Market City, Indore	10.99	4.75	10.06	5.67
K2 C Residential Limited	Treasure City, Bijalpur	7.88	0.00	6.56	2.08
K2 A Retail Limited	Phoenix United Mall, Agra	4.04	0.00	3.89	0.00
K2 B Retail Limited	Himalaya Mall, Bhavnagar	6.31	1.93	6.48	0.00
K2 A Commercial Limited	Batanagar IT SEZ, Kolkata	20.28	0.00	20.28	0.00
K2 B Commercial Limited	Forum IT Parks, Kolkata	16.68	0.00	16.70	0.29
K2 D Retail Limited	Market City, Bangalore	20.04	0.00	17.86	0.00
K2 B Hospitality Limited	Market City, Bangalore	8.03	0.00	10.16	0.00
K2A Private Equity Limited	Unlisted Entity Level, Hyderabad	6.84	0.00	6.97	6.97
K2 A Hospitality Limited	Taj Gateway, Kolkata	4.48	3.56	0.00	0.00
Total initial / outstanding commitments		**156.87**	**10.24**	**149.78**	**23.81**

DETAILS	GROUP Due - Less than 12 months		GROUP Due - Less than 12 months	
	2009 EUR Millions	2008 EUR Millions	2009 EUR Millions	2008 EUR Millions
Accruals and other payables	0.39	0.64	--	--
Other financial liabilities	--	--	--	18.5
Outstanding Commitments	8.46	19.06	1.78	4.75
Total payable	**8.85**	**19.70**	**1.78**	**23.25**

On the basis of the above, the Board considers liquidity risk to be low. The amount of outstanding commitments as on 31 March 2009 has been converted using the exchange rate of INR/EUR of 67.44 (2008- 62.38) prevailing at the balance sheet date.

3.5 Fair Values

The carrying amount of financial assets at fair value through profit or loss, advance on equity contribution, loans to subsidiaries, other receivables, cash and cash equivalents, accruals and other payables and net asset attributable to holders of the Company's shares approximate their fair values.

Notes to the Financial Statements (Continued)

Financial Risk Management (Continued)

3.6 Capital risk management

The Group's objectives when managing capital are to safeguard the ability of each of the companies within the Group to continue as a going concern in order to provide returns and value for shareholders. The Group has no borrowings and accordingly it has a nil gearing ratio.

4.Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

As part of its ongoing business, the Company, through the Board, makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are outlined below.

Fair value of financial assets at fair value through profit or loss

The Group holds financial instruments that are not quoted in active markets in the form of unquoted shares of the IPCs. The principal activities of these IPCs are to select sites, acquire land, construct, develop, let, sell and manage real estate projects in India.

In determining the fair value of the IPC's , in the absence of an active market, consideration is given by the Directors and Investment Manager to the fair value of the underlying net asset value ("NAV") of each IPC. The major components of the NAV of each IPC are the land and any development and/or any capital work in progress in it. Their net assets also include other current assets and liabilities. The fair value of the Group's investments in the IPCs has been determined based on the net assets of these IPCs, as adjusted for (1) differences between IFRS and Indian GAAP and (2) fair valuation of all of the underlying assets and liabilities. Adjustments have been made to the extent of undisbursed capital commitment and tax expected to be suffered on the gain arising on the fair valuation. Having determined the fair value of the NAV, the Group carries these investments based on its pro-rata ownership, no discount or premium to the NAV being applied to reflect control or liquidity.

The fair value of IPCs, recorded as financial assets at fair value through profit or loss, could differ from the value that would have been used had a ready market for those similar assets existed or from the value of which those assets could have been disposed of at arm's length transactions and such differences could be material.

The valuations of each project held by each IPC in the Group have been carried out and certified by independent international property valuers namely CB Richard Ellis and Knight and Frank, based on the guidelines issued by the Royal Institution of Chartered Surveyors (RICS), U.K. The valuers have used Discounted Cash Flow technique (DCF), under the income approach to value the projects. The valuers have used a systematic approach to gather, classify and analyse the data which is required by the income approach to value an asset. Under the discounted cash flow method of the income approach, all the future cash flows arising from the projects are forecasted using precisely stated assumptions and market information such as rental rates and the cost of constructions. These cash flows are then discounted to a present value using an appropriate discount rate. This gives the market value of each project as on 31 March 2009, which is then used in the fair valuation of the NAV of each IPC.

The valuation techniques adopted by the valuers make use of observable data, assumptions and estimates, which the Board relies on. Given the inherent uncertainty in performing the valuation of development projects of this nature and the underlying assumptions involved, the value ultimately realised for these projects may differ from the current valuation and such difference may be material.

Notes to the Financial Statements (Continued)

Critical accounting estimates and judgements (Continued)

4.2 Critical judgements

Functional currency

The Board considers the Euro as the currency that most faithfully represents the economic effects of the underlying events, transactions and conditions. The Euro is the currency in which the Company measures its financial performance and reports its results. This determination also considers the competitive environment in which the Company operates compared to other European investment products.

5.Taxation

5.1 Current Tax - Jersey

The Company is domiciled in Jersey, Channel Islands, and pays an annual fee of GBP 600 for exemption from Jersey income tax. There are no estate, corporation, capital gains or other taxes payable by the Company.

Effective from 1 January 2009, Jersey's tax regime has changed. The new regime imposes corporate income tax rates of 0%, 10% or 20%. The rate of 10% will apply to certain regulated financial services companies and the rate of 20% will apply to utilities and income arising from land in Jersey.

Because the Company does not fall within either of the categories set out above, the effect of the new tax regime is limited to the change of status from exempt to liable to Jersey income tax at 0%.

5.2 Current Tax - Mauritius

All Group companies which are located in Mauritius are liable to pay income tax on net income at a rate of 15%. K2 and each of its subsidiaries in Mauritius are however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of the Mauritius tax payable in respect of foreign source income tax thus reducing its maximum effective tax rate to 3%. A company holding at least 5% of the share capital of an Indian company and receiving dividends may claim a credit for tax paid by the Indian company on its profits out of which the dividends were distributed including Dividend Distribution Tax.

No Mauritian capital gains tax is payable on gains arising from the sale of the Group's investments and any dividend and redemption proceeds paid by any company in the Group to its shareholders are not subject in Mauritius to any withholding tax.

At 31 March 2009, accumulated tax losses within the Group in respect of Mauritian tax amounted to EUR 1,977,498 (2008 - EUR 1,308,340) which can be carried forward and set-off against income derived in the five succeeding income years and therefore no provision for taxation in Mauritius has been made.

The extent to which Group profits / (losses) are taxable in Mauritius is attributable to the results of K2. K2's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 15%. Information in respect of K2's profit for the year ended 31 March 2009 is set out below:

	K2 2009 EUR	K2 2008 EUR
(Loss) /Profit for the year	(75,818,568)	96,627,676
Tax calculated at domestic Rates applicable in respective countries	11,371,816	14,494,707
Impact of:		
Non-allowable expenses	11,333,936	499,944
Net Exempt income	(61,525)	(105,910)
Income not subject to tax	-	(14,990,313)
Deferred tax asset not recognised	99,405	101,572
	-	-

Notes to the Financial Statements (Continued)

Taxation (Continued)

5.3 Current Tax - Cyprus

K1 Property is subject to corporation tax on its taxable profits at the rate of 10% (2008 – 10%), in Cyprus. As at 31 March 2009, K1 Property had accumulated tax losses of EUR 36,179 (2008 – EUR 16,795).

Under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases, 50% of this will be exempt from corporation tax thus having an effective tax rate burden of 15%. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 15% in Cyprus.

5.4 Current Tax - India

The Group invests in India and the Board expects that the Group will obtain benefits under the double taxation treaty between India and Mauritius ("Tax Treaty"). To obtain benefits under the Tax Treaty, each relevant company in the Group must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. Each of K2 and its subsidiaries in Mauritius have obtained tax residence certification from the Mauritian authorities and such certification is determinative of resident status for treaty purposes.

A company which is tax resident in Mauritius under the Tax Treaty, but has no branch or permanent establishment in India, will not be subject to capital gains tax in India on the sale of securities but is subject to Indian withholding tax on interest earned on Indian securities at the rate of 20.60%.

No with holding tax is payable on dividends distributed by Indian companies and such dividends are exempt in the hands of shareholders. Indian companies making distributions are however liable to a Dividend Distribution Tax equivalent to 16.995% of the dividends distributed.

5.5 Deferred income tax

A deferred income tax asset has not been recognised in respect of tax losses carried forward as the Board considers that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. The unprovided deferred tax balance at 31 March 2009 arising from accumulated tax losses amounted to EUR 58,240 (2008 – EUR 38,746) for the Group.

6. Net changes in fair value on financial assets and financial liabilities at fair value through profit or loss

Net changes in fair value on financial assets and liabilities at fair value through profit or loss are comprised as follows:

	Note	Group 2009 EUR	Group 2008 EUR
(Loss)/Gain on fair valuation of financial assets	7	(70,799,255)	99,926,826
Gain/(Loss) on fair valuation of financial liabilities	14	18,499,788	(18,500,572)
Total net (loss)/gain for the year ended 31 March 2009		**(52,299,467)**	**81,426,254**

Notes to the Financial Statements (Continued)

7. Financial assets at fair value through profit or loss

Details of the listed and unlisted shares are as follows:

Group	Listed shares EUR	Unquoted shares EUR	Subscription monies EUR	Total EUR
At 31 March, 2008	3,836,732	214,635,557	5,118,500	223,590,789
Additions	-	22,744,328	-	22,744,328
Loss on fair valuation	(3,165,737)	(67,633,518)	-	(70,799,255)
At 31 March 2009	**670,995**	**169,746,367**	**5,118,500**	**175,535,862**

Following are the Financial assets at Fair Value through Profit or loss held by the Group:

Name of Entity	Cost EUR	Fair Value EUR	Percentage Holding
Listed Equity Investments			
Phoenix Mills Limited	3,735,949	670,995	<1.00%
Unlisted Equity Investments			
Alliance Hospitality Services Pvt. Ltd – Market City, Pune	4,580,931	5,310,950	20.00%
City Centre Mall Nashik Pvt. Ltd. – Nashik City Centre	8,929,916	8,379,212	50.00%
Indore Treasure Market City Private Limited – Treasure Market City, Indore	6,251,096	10,117,676	28.90%
Gangetic Developers Pvt. Ltd. – Phoenix United Mall, Agra	4,035,167	5,303,020	28.00%
Forum IT Parks Private Limited – Forum IT Parks, Kolkata	16,680,328	25,143,771	49.00%
Kolte Patil Real Estate Private Limited – Residential Projects, Pune	17,042,647	15,766,917	49.00%
Modi Organisors Pvt. Ltd. – Himalaya Mall, Bhavnagar	4,081,872	5,474,569	50.00%
Palladium Constructions Private Limited – Market City, Bangalore	20,042,747	21,666,326	30.00%
Platinum Hospitality Services Private Limited – Market City, Bangalore	8,034,286	12,468,275	30.00%
Riverbank Holdings Private Limited – Batanagar IT SEZ, Kolkata	20,282,856	24,567,541	50.00%
Indore Treasure Town Pvt. Ltd. – Treasure City, Bijalpur	7,901,869	14,071,546	42.77%
Vamona Developers Private Limited – Market City, Pune	17,047,066	12,736,449	24.00%
Saket Engineers Private Limited – Unlisted Entity level	6,844,478	9,473,790	26.05%
Jalan Intercontinental Hotels Pvt Ltd – Taj Gateway, Kolkata	917,083	4,384,825	40.00%
At 31 March 2009	**146,408,291**	**175,535,862**	-
At 31 March 2008	**123,663,963**	**223,590,789**	-

Notes to the Financial Statements (Continued)

8. Investment in Subsidiary Undertakings

Company		2009 EUR	2008 EUR
At 1April, 2008		212,132,319	96,525,096
Investments in subsidiary undertakings during the year		-	115,607,223
At 31 March 2009	**EUR**	**212,132,319**	**212,132,319**

The Company has investments in both direct and indirect subsidiaries. Indirect subsidiaries are those entities in respect of which the Company has the power to govern the financial and operating polices by virtue of an investment in a direct subsidiary.

A list of the significant investments in subsidiaries, including the name, principal activity, country of incorporation and the proportion of ownership interest is given below:

8.1 Direct Subsidiary

Name of Subsidiary	Principal Activity	Country of incorporation	Class of share	Percentage held by the Company
K2 Property Limited	Investment holding	Mauritius	Ordinary	100%

8.2 Indirect Subsidiary

Name of Subsidiaries	Principal Activity	Country of incorporation	Class of share	Percentage held by the Group
K2 Private Equity Limited	Investment Holding	Mauritius	Ordinary	100%
K2 Hospitality Limited	Investment Holding	Mauritius	Ordinary	100%
K2 Residential Limited	Investment Holding	Mauritius	Ordinary	100%
K2 Commercial Limited	Investment Holding	Mauritius	Ordinary	100%
K2 Retail Limited	Investment Holding	Mauritius	Ordinary	100%
K2C Residential Limited	Investment Holding	Mauritius	Ordinary	97%
K1 Property Investments Limited	Investment Holding	Cyprus	Ordinary	100%
K2A Private Equity Limited	Investment Holding	Mauritius	Ordinary	100%
K2A Hospitality Limited	Investment Holding	Mauritius	Ordinary	100%
K2B Hospitality Limited	Investment Holding	Mauritius	Ordinary	100%
K2A Residential Limited	Investment Holding	Mauritius	Ordinary	100%
K2B Residential Limited	Investment Holding	Mauritius	Ordinary	100%
K2D Residential Limited	Investment Holding	Mauritius	Ordinary	100%
K2A Commercial Limited	Investment Holding	Mauritius	Ordinary	100%
K2B Commercial Limited	Investment Holding	Mauritius	Ordinary	100%
K2C Commercial Limited	Investment Holding	Mauritius	Ordinary	100%
K2A Retail Limited	Investment Holding	Mauritius	Ordinary	100%
K2B Retail Limited	Investment Holding	Mauritius	Ordinary	100%
K2C Retail Limited	Investment Holding	Mauritius	Ordinary	100%
K2D Retail Limited	Investment Holding	Mauritius	Ordinary	100%
K2E Retail Limited	Investment Holding	Mauritius	Ordinary	100%
K2F Retail Limited	Investment Holding	Mauritius	Ordinary	100%

Notes to the Financial Statements (Continued)

Investment in subsidiary undertakings (Continued)

The Board has reviewed the carrying value of all investments as at 31 March 2009 to determine whether an impairment provision is required. The directors conclude that there was no indication of impairment as at 31 March 2009 (2008-Nil).

9. Advance on equity contribution

The Group through the subsidiary K2B Retail Limited made an advance payment of EUR 296,560 representing payment of INR 20 million for additional share application monies in Modi Organisors Private Limited.

10. Prepayments and other receivables

	Group 2009 EUR	Group 2008 EUR	Company 2009 EUR	Company 2008 EUR
Amount due from Tangerine Developers Private Limited	3,299,229	3,566,848	-	-
Prepayments on management fees (Note 18)	1,189,003	2,331,869	-	-
Amount due from the Investment Advisor	-	289,575	-	-
Other receivables	171,174	322,831	142,583	186,988
Amount paid to Jarul Promoter & Developers Private Limited	148,280	-	-	-
Total	**4,807,686**	**6,511,123**	**142,583**	**186,988**

11. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances:

	Group 2009 EUR	Group 2008 EUR	Company 2009 EUR	Company 2008 EUR
Cash at bank	**53,831,581**	**79,542,255**	**47,332,557**	**46,439,061**

12. Stated capital and share premium

Authorised and Issued Stated Capital

	Number of Ordinary shares of no par value	Stated Capital EUR	Share Premium EUR	Total EUR
As at 31 March 2008	21,428,571	-	211,906,108	211,906,108
During the year		-	-	-
As at 31 March 2009	**21,428,571**	**-**	**211,906,108**	**211,906,108**

Notes to the Financial Statements (Continued)

Stated capital and share premium (Continued)

All issued ordinary shares of the Company are fully paid and have been admitted to the official listing of Eurolist by Euronext. The Company's capital is represented by these ordinary shares each of which carries one vote and has full entitlement to dividends when declared. The Company has no restrictions or specific capital requirements on the issue and re-purchase of ordinary shares. The relevant movements on capital are shown on the statement of changes in equity. In accordance with the objectives outlined in Note 1 and the risk management policies in Note 3, the Company endeavours to invest the proceeds from the issue of ordinary shares in appropriate investments while maintaining sufficient liquidity to meet re-purchase requirements when necessary, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

13. Minority interests

Minority interests arise at the level of K2 and its subsidiaries and represent the carried interest share of profits of K2C Residential Limited, an indirect subsidiary of the Group, that would be allocated to the holders of carried interest shares of K2C Residential Limited had it been liquidated on 31 March 2009 based on the fair value of the investment within the consolidated balance sheet as at 31 March 2009.

Minority interests within the Consolidated Balance Sheet as at 31 March 2009 are therefore comprised as follows:

	Group 2009 EUR	Group 2008 EUR
Minority interest – K2C Residential Limited	**1,341,367**	**2,642,861**

14. Other financial liabilities

At 31 March 2009, the Company's subsidiary K2 Property Limited had issued 1,250,000 Class A shares and 1,687,865 Class B shares to Yatra Capital Limited, 67,500 Class C shares to Saffron Capital Securities Limited, 7,500 Class C shares to Yasu Management Limited and 25,000 Class D shares to Saffron Capital Advisors Limited. All the shares have a par value of USD 0.01 each.

K2 has a finite life of 15 years, which can be extended by the Board of Directors of K2 by two successive terms of one year. The terms of issue to K2 of the Class A Shares and the Class B Shares provide that the portfolio of assets underlying each share class are to be wound up and proceeds distributed to the Company within seven years of the date of subscription by the Company for the shares of the relevant class. This period may be extended by the board of the Company by one or two further periods of one year each. The shares issued by K2 are therefore classified as Financial Liabilities within the balance sheet of K2 for the year ended 31 March 2009.

The Company owns the entire issued Class A and Class B shares of K2. In accordance with the accounting policy set out in note 2.2, intra-group balances are eliminated on consolidation.

Because the Class C and Class D shares are not held by the Company, a Financial Liability is recognised within the consolidated balance sheet as at 31 March 2009 representing the estimated fair value of the amounts attributable to the holders of Class C and Class D shares.

Yatra Capital Limited

Notes to the Financial Statements (Continued)

Other financial liabilities (Continued)

Issued shares of K2 as at 31 March 2009 as follows:

	Class of Shares	EUR
Issued and fully paid		
1,250,000 Shares of USD 0.01 each	A	9,652
1,687,865 Shares of USD 0.01 each	B	11,560
75,000 Shares of USD 0.01 each	C	588
25,000 Shares of USD 0.01 each	D	196
Total		**21,996**

Class A and Class B shares are redeemable at the option of K2 Property Limited. Holders of Class A and Class B shares are referred to as Investor shareholders whereas holders of Class C and Class D shares are referred to as Advisor shareholders. Both Investor and Advisor shareholders are entitled to vote at shareholders' meetings.

All classes of shares have identical rights except with respect to dividends and other distributions and with respect to certain voting rights. Advisor shareholders will be entitled to a "carried interest" share of profits of K2 equivalent to 20% of all the profits arising on K2 provided that the Investor shareholders have been paid, by way of distributions, a sum equivalent to their respective contributions plus a "hurdle rate of return", being an annual compound return of 11% on their net contributions. For the avoidance of doubt, the "carried interest" share of profits shall be applied to all profits arising from K2, including the hurdle rate of return specified above.

The "carried interest" shall be divided between the Advisor shareholders pro rata to the number of such Class C shares and Class D shares held at the time of the distribution provided that the carried interest shall not be paid to the extent that it shall have the effect of reducing the hurdle rate of return payable to Investor shareholders.

For the year ended 31 March 2009, K2 recorded a loss attributable to the holders of K2 shares of which an estimated amount of EUR 18,499,788 has been recorded in respect of the fair value attributable to C and D share classes which are not held within the Group. This amount represents the reduction in the carried interest share of profits of K2 that would be allocated to the Advisor shareholders had K2 been liquidated on 31 March 2009 based on the carrying value of the net assets within the balance sheet of K2 as at 31 March 2009.

For the avoidance of doubt, any entitlement of Class C and Class D shareholders to a carried interest share of profits will only become payable once K2 has distributed to the Investor Shareholders an amount equivalent to their respective contributions plus a hurdle rate of return as set out above.

The fair value of Other Financial Liabilities as at 31 March 2009 is therefore comprised as follows:

	Group 2009 EUR	Group 2008 EUR
Opening fair value as at 1st April 2008	18,500,572	-
Amount recognised on issuance of Class C and D shares by K2	-	-
(Gain)/ Loss on fair valuation of financial liabilities	(18,499,788)	18,500,572
Total	**784**	**18,500,572**

Notes to the Financial Statements (Continued)

15. Amount due to subsidiary

The amount due by the Company to its subsidiary K2 is EUR 44,807,073 (2008 – EUR 44,807,073) and represents unpaid share capital. The balance payable is interest free and is payable within one year.

16. Accruals and other payables

	Group 2009 EUR	Group 2008 EUR	Company 2009 EUR	Company 2008 EUR
Amount due to related parties (Note 18)	-	51,296	-	39,935
Other payables	157,421	109,182	48,239	-
Accruals	238,101	483,691	-	53,950
Total	**395,522**	**644,169**	**48,239**	**93,885**

17. Distribution payable

No dividend was paid during the year ended 31 March 2009 (2008 - Nil).

18. Related party transactions

The Group entered into transactions with related parties in respect of Investment management fees, directors and administration fees as mentioned underneath:

(a) Investment Manager fee

The Group is advised by Saffron Capital Advisors Limited, (the "Investment Manager"), an investment management group incorporated in Mauritius. The annual fees payable under the Investment Management Agreement are equivalent to 2% of the capital committed to K2 by its shareholders. Total fees paid to the Investment Manager for the year amounted to EUR 4,229,441 (2008 - EUR 2,393,403). The investment management fees are payable in advance for a six month period and the amount prepaid to the Investment Manager as at 31 March 2009 is EUR 1,189,003 (2008 - EUR 2,621,444).

Rohin Shah and Ajoy Kapoor, who are directors of Yatra Capital Limited are also directors of the Investment Manager.

(b) Secretarial and administration fee

Minerva Fiduciary Services (Mauritius) Limited ("K2 Administrator") has been appointed to provide administrative, registrar and secretarial services to K2. The administration, secretarial and other fees paid to the K2 Administrator for the year amounted to EUR 48,854 (2008 – EUR 36,240). The services of the K2 Administrator may be terminated by either party by giving not less than ninety days notice.

Minerva Fund Administration Limited ("Administrator") has been appointed by the Company to provide administrative, registrar and secretarial services to the Company.

Total administration fees paid to the Jersey administrator for the year amounted to EUR 109,585 (2008 - EUR 61,842).

William Kay who is one of the Directors of Yatra Capital Limited is also a director of Minerva Fund Administration Limited.

Notes to the Financial Statements (Continued)

Related party transactions (Continued)

(c) Directors' remuneration
The total remuneration paid to Directors for the year under review was EUR 208,726 (2008 - EUR 270,953).

(d) Directors' shareholding
The following Directors had interest in the shares of the company as at 31st March 2009.

Director	Number of ordinary shares
Sir Nigel Broomfield	4,761
David Hunter	6,667
Malcolm King	7,500

(e) Ultimate Controlling Party
In the opinion of directors there is no party who meets the definition of Ultimate Controlling Party.

19. Events after the balance sheet date

On 21 May 2009, a "Put Option Notice" was issued by K2A Residential Limited for the purchase of shares in Kolte Patil Real Estate Private Limited (KPRE) to the promoters of KPRE. The promoter of KPRE has confirmed to the exercise of this Option by paying 29% of the agreed amount by the end of July 2009 and the balance of the amount by the end of October 2009.

On 26 June 2009, an amount of EUR 1.46 million was approved by the group for additional equity infusion in City Centre Mall Nasik Private Limited, which was disbursed on 22 July 2009.

20. Capital commitments

The capital commitments of the Group are disclosed under Note 3.4.

21. (Loss)/Earnings per share

Basis earnings per share is calculated by dividing the net profit attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	2009 EUR	2008 EUR
(Loss) / Gain attributable to equity holders of the Company	(55,122,549)	77,464,297
Weighted average number of ordinary shares in issue	21,428,571	15,103,718
Basic (loss)/earnings per share – basic and diluted (EUR per share)	**(2.57)**	**5.13**

The Company has not issued any other shares or instruments that are considered to have dilutive potential.

22. Segment Information

The Group is organised into one main business segment, focusing on achieving medium term capital growth by investing in property related investments. The Group's secondary reporting format is geographical segments based on the location of the investments, all of which are located in India.

Knight Frank

K2 Property Limited
C/o – Minerva Fiduciary Services Mauritius Ltd.
Suite 2004, Level 2,
Alexander House,
35, Cypercity, Ebene,
Mauritius

24 June 2009

Dear Sirs,

VALUATION AND REPORT OF DEVELOPMENT SITES LOCATED IN BANGALORE, KOLKATA AND HYDERABAD FOR K2 PROPERTY LIMITED

We refer to your instruction for our firm to advice on the Market Values of the above mentioned properties for Accounting purposes.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In arriving at our opinion of the Market Values, we have used the Comparison Method, Cost Method and the Discounted Cash Flow Approach

All of the properties are development sites or are in the course of development. The valuations were carried out as at 31 March 2009. Accordingly, we have inspected the subject properties between 9 and 30 March 2009.

The valuations are subject to the bases, assumptions and limiting conditions as provided in our Valuation Reports dated 24 June 2009. The proposed development details on which each valuation is based are as set out in our property reports and we have relied on information provided by the Client including the title particulars, conceptual development plans with proposed floor areas and proposed phasing plan.

We were further requested to assume that the proposed development plans will be approved accordingly.

For the purpose of the reports we have assumed that the properties are not subject to environmental contamination. However, as we are not experts in this field we recommend that you engage an appropriate consultant to confirm our assumptions. If the subsequent investigation identifies any environmental contamination on the sites our reports may require revision.

Knight Frank (India) Pvt. Ltd., Udyog Bhavan, 29, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001
T +91 (0)22 2267 0876 F +91 (0)22 2267 0899
www.knightfrank.com

The valuations have been prepared by the valuation team from Knight Frank India and overseen by Gulam Zia for conformity to the RICS guidelines and internationally accepted standards within the local context and limitations.

All value analysis, projections and valuation workings including the discount rate used is in the opinion of the team from Knight Frank India deemed appropriate.

The property details on which each valuation is based are as set out in our property reports and we have relied on information provided by Saffron Capital Advisors Limited on behalf of K2 Property Limited including the proposed projects for the sites, buildable areas and construction costs. Appropriate checks were made by Knight Frank India on various assumptions to cross check with standard market practices and we have assumed that all information provided by the Client is correct, comprehensive and reliable.

Our reports dated 24 June 2009 and this letter are for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of our reports nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Thank you.

For Knight Frank (India) Pvt. Ltd.

Gulam Zia, MRICS

National Director – Research & Advisory Services

For conformity to internationally acceptable standards

Sashi Makkapati

National Head – Valuation

CBRE
CB RICHARD ELLIS

CB Richard Ellis South Asia Private Limited
PTI Building (Third Floor)
4 Parliament Street
New Delhi 110001
T +91 11 23357448-53
F +91 11 23317670
vamshi.krishna@cbre.com

K2 Property Limited
C/o Minerva Fiduciary Services (Mauritius) Limited
Suite 2004, Level 2, Alexander House
35, Cyber City
Ebene, Mauritius

01st June 2009

Dear Sirs

Valuation and Report as at 31st March, 2009 of the Property Portfolio for K2 Property Limited

In accordance with instructions from K2 Property Limited dated 14th February, 2009, CB Richard Ellis has carried out a valuation of 7 properties located in different parts of India on behalf of K2 Property Limited for accounting purposes. The properties valued are:

- **Gangetic Developers Pvt. Ltd.** – Retail Development, Fatehabad Road, Agra, Uttar Pradesh
- **Modi Developers** – Mixed Use Development, Ring Road, Bhavnagar, Gujarat
- **Twenty First century Pvt. Ltd.** – Mixed Use Development, Major Route (MR) 3, Bijalpur, Indore, Madhya Pradesh
- **Five Star Developers Pvt. Ltd.** - Mixed Use Development, Major Route (MR) 10, Indore, Madhya Pradesh
- **City Centre Mall Nashik Pvt. Ltd.** – Retail Development, Lawate Nagar, Nashik, Maharashtra
- **Kolte Patil Developers** – Mixed Use Development, Kharadi, Pune, Maharashtra
- **Vamona Developers Pvt. Ltd.** – Retail Development, Nagar Road, Pune, Maharashtra
- **Alliance Hospitality Services Pvt. Ltd.** – Hospitality Development, Nagar road, Pune, Maharashtra

All the properties discussed above are development assets. Further, the last two properties comprising of a retail development by Vamona Developers and hospitality development by Alliance Hospitality Services are being developed on the same land parcel and constitutes one single integrated development. However, for the purpose of this valuation exercise, the two components have been considered as two different and non-related properties.

The valuations for the above properties were carried out as at 31st March, 2009 and the basis and the assumptions on which the valuation have been carried out are as provided in the valuation reports of respective properties.

CBRE
CB RICHARD ELLIS

All the properties were inspected between February 2009 and March 2009.

The valuations have been prepared in accordance with The RICS Appraisal and Valuation Standards. We have valued the properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole. As instructed, the schedule of capital values contained in the property report provides the 100% value of properties in their current state and does not account for the ownership % share that K2 Property Limited has in each project.

The properties have been valued by a valuer who is qualified for the purposes of the valuation in accordance with the RICS Appraisal and Valuation Standards. The valuations have been carried out by the valuation teams from CBRE in Delhi and Mumbai and the process has been overseen and managed by CBRE in Hongkong. CBRE have acted as External Valuers.

The property details on which each valuation is based are as set out in our respective property report and we have relied on information provided by K2 Property Limited, including the proposed sites for the projects, buildable areas, construction timelines and cost of funds. Appropriate checks were made by CBRE on various assumptions to cross check with the standard market practices. We have assumed that all information provided is correct and comprehensive.

We have not undertaken, nor are we aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the properties and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigations into the past or the present uses of the properties, nor of any neighborhood land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Our report dated 31st March, 2009 and this letter, is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Yours faithfully,

For and on behalf of
CB Richard Ellis Limited

Gary C Ip MRICS MHKIS RPS(GP)
Senior Director
Valuation and Advisory Services

Vamshi Krishna Kanth
Head - Valuation and Advisory Services,
India

Yatra Capital

"We will continue to manage our assets in a proactive way with a concentration on the market we are serving and tight cost control. Where necessary we will restructure and repositon our investments in cooperation with our development partners in the interest of our shareholders."

- Sir Nigel Broomfield
Chairman of Yatra Capital

"Whilst the current market condition remains challenging, our investments are well positioned in terms of their location, experienced and well resourced development partners and appropriate pricing. Yatra is well diversified in style, geography, product structure and this together with proactive asset management, should provide risk mitigation to the current short term challenges."

- Saffron Capital Advisors
Investment Manager

Corporate Information

Registered Office:
PO Box 218
43/45 La Motte Street
St Helier
JE4 8SD
Jersey

Directors:
Sir Nigel Hugh Robert Allen
Broomfield
Ajoy Veer Kapoor
Christopher Henry Lovell
David Ian Hunter
Malcolm James Geoffrey King
Rohin Raja Shah
William Kay

Investment Manager to K2
(Investment Manager)
Saffron Capital Advisors Limited
Suite 2004, Level 2
Alexander House
35 Cyber City, Ebene
Mauritius

Independent Auditor:
PricewaterhouseCoopers CI LLP
Twenty Two Colomberie
St Helier
JE1 4XA
Jersey

Administrator:
Jersey

Minerva Fund Administration Limited
PO Box 218
43/45 La Motte Street
St Helier
JE4 8SD
Jersey

Mauritius

Minerva Fiduciary Services (Mauritius) Limited
Suite 2004, Level 2, Alexander House
35, Cyber City
Ebene
Mauritius

Legal Advisors:
Jersey

Carey Olsen
47 Esplanade
St. Helier
St. Helier
Jersey JE 10BD

United Kingdom

Mishcon de Reya
Summit House
12 Red Lion Square
London WC 1R 4QD
United Kingdom

Mauritius

Mukund Gujadhur
River Court
St Denis Street
Port Louis
Mauritius

India

Nishith Desai Associates
93 – B Mittal Court
Nariman Point
Mumbai 400 021
India

India

AZB & Partners
Express Towers, 23rd Floor
Nariman Point
Mumbai 400 021
India

India

Khaitan & Co.
4th Floor, Meher Chambers
R K Marg, Ballard Estate
Mumbai 400 001
India

Contact Information

Yatra Capital Limited, Jersey

Gavin Wilkins	+44 1534 702 815	gavin.wilkins@minerva-trust.com

Weber Shandwick, London

Stewart Harris	+ 44 2070 670 745	SJHarris@webershandwick.com

Fairfax I.S. Plc, London

James King	+44 2075 985 368	jking@fairfaxis.com
Rachel Rees	+44 2075 985 368	rrees@fairfaxis.com

ABN AMRO, Amsterdam

Derek Van Dam	+31 20 383 6771	derek.van.dam@nl.abnamro.com

Saffron Capital Advisors, Mauritius

Ajoy Veer Kapoor	+91 22 66221501	ajoyveerkapoor@saffroncapitaladvisors.mu
Vijay Ganesh	+230 467 7228	vganesh@saffroncapitaladvisors.mu

For more information on Yatra, please log on to **www.yatracapital.com.**
For more information on Saffron Advisors, please log on to **www.saffronadvisors.com.**

INVESTMENT MANAGER
SAFFRONCAPITALADVISORS