

YATRA CAPITAL LIMITED

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

INVESTMENT MANAGER

 **IL&FS** | IL&FS Investment Advisors LLC

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Performance Summary

- Yatra Capital Limited (“Yatra” or “the Company”) through its investment in K2 Property Limited (K2) has exited from 9 out of a total of 14 investments in its portfolio up to 30 September 2016. This includes 6 complete exits from a mixed-use project in Bhavnagar, a listed investment in Phoenix Mills Limited, Gangetic Developers Private Limited in Agra, Palladium Constructions in Bangalore, Vamona Developers Private Limited in Pune and City Centre Mall in Nashik and 3 phased exits of our full interest in Riverbank Holdings in Kolkata; Treasure Town in Bijalpur, Indore and Forum IT Parks in Kolkata. We have also partially exited from one of our ongoing assets Saket Engineers in Hyderabad. As of 30 September 2016, Yatra through its investment in K2 remains invested in 4 investments, of which one is an enterprise level investment which has several projects in the entity which are currently being developed.
- The Company redeemed 1,410,437 ordinary shares for EUR 10 mn during the period.
- Net Asset Value (“NAV”)* per share increased by 6.17% from EUR 7.09 as at 31 March 2016 to EUR 7.53 as at 30 September 2016.
- The net profit for the period ended 30 September 2016 derived from the investment activities of the Company was EUR 1.52 mn. This is as compared to a net loss of EUR 8.07 mn for the period ended 30 September 2015. Basic and diluted profit per share for the period ended 30 September 2016 was EUR 0.31 as compared to basic and diluted loss per share of EUR 1.03 for the period ended 30 September 2015.

**NAV per share is based on Yatra’s net assets derived from the Statement of Financial Position as at 30 September 2016 divided by the number of shares then outstanding and in issue.*

Chairman's Statement

Dear Shareholders,

I am pleased to report to you on the performance of the Company for the six-month period ended 30 September 2016.

The Company has reported a profit for the period of around EUR 1.82 million, deriving predominantly from above-forecast cash receipts and adjustments to the values of underlying portfolio assets, with a minor positive effect from currency movements. Further details of individual assets appear elsewhere in these interim financial statements. Investors will note that the Company's net asset value continues to reduce by virtue of its ongoing programme of capital returns to shareholders. Operationally, the Board members of the Investment Sub-Committee carried out their regular visit to India in October and met with our key partners in Pune and Hyderabad, taking the opportunity to emphasise the Company's objective of robust management to deliver maximum returns to shareholders. This is seen by the Investment Manager as being helpful in their ongoing negotiations. Costs continue to be reduced where it is viable and appropriate to do so, without prejudicing the Company's governance and regulatory systems and controls; and to that effect, the Company's remuneration committee has recommended to the board of directors a further reduction in directors' fees of 10% with effect from 1st October 2016, and such recommendation has been accepted.

Given that all of the Company's remaining portfolio assets are being moved towards realisation, macroeconomic factors continue to have a declining degree of influence on Company performance, but is notable that the INR:EUR rate has moved from 74.75 at the balance sheet date to 72.75 at the time of writing, continuing the trend seen since early September.

As part of the board's ongoing financial planning processes, an exercise has been conducted to seek to assess the likely expected and final outcome in net asset value ("nav") per share terms once all of the Company's remaining assets have been disposed of, liabilities settled, the Company's subsidiaries liquidated and the necessary steps taken to place the Company in a position to liquidate once the final return of capital to shareholders has been made. When taking into account contractual incentive fees which would accrue to the investment manager if and when the remaining assets are sold, based on the current assessed fair values of those assets, and being mindful of the governance, regulatory, administration and audit costs required to keep the group in good standing, together with the cost of the liquidation process itself, the board can now indicate that the additional sum to be returned to shareholders at the conclusion of the liquidation process is anticipated to be in the range of EUR 6.20- EUR 6.40 per share. The achievement of this estimate remains subject to material uncertainty, and assumes static currency rates. Further assessments of the likely outcome will be made and reported to you on a periodic basis.

The board and the investment manager have been reflecting upon the progress that the Company has made since the asset disposal programme was initiated through board recommendation and the shareholder vote in 2013. It is the board's view that the investment manager has performed creditably in achieving exits from portfolio assets that in several cases were far from straightforward, and that the proceeds received and thus the capital already returned to shareholders has been in the aggregate at the upper end of the range of possible outcomes. Additionally, the investment manager believes

that the timing for possible new real estate investments in India is very attractive as is their deal flow in relevant areas of the sector.

As a result, the board is consulting with major shareholders as to a possible change in the investment strategy of the Company. Such amendment, if approved by shareholders in general meeting, would result in the cash flow realisations from existing investments in the process of being divested (including cash on hand) being re-invested in Indian residential real estate assets with the aim of providing an attractive and stable annual income yield, alongside capital gains, to investors over the long term. In the event that it is appropriate to do so, the Company will make further announcements on this and related matters. I wish to reiterate that while this consultation process is undertaken, the Company will actively continue its realisation programme without delay and will, in any event, seek to realise all its remaining portfolio assets on an expedited basis if shareholders ultimately decide to change the Company's investment strategy, as outlined.

As always, I would like to thank my board colleagues, our Investment Manager, IL&FS Investment Advisors LLC, our advisors, and you, our shareholders, for your continuing support.

Best wishes

A handwritten signature in blue ink, appearing to read 'Richard Boléat', with a stylized, flowing script.

Richard Boléat

Chairman

29 November 2016

Board of Directors

Richard Boléat

Richard Boleat qualified as a Chartered Accountant with Coopers & Lybrand in the UK in 1988. He subsequently worked in the Middle East, Africa and the UK for a number of commercial and financial services groups before returning to Jersey in 1990. He was formerly a Principal of Channel House Financial Services Group Limited prior to its acquisition by Capita Group plc ("Capita") in September 2005. Richard led Capita's financial services client practice in Jersey until September 2007, when he left the company to establish an independent corporate governance practice. He currently acts as Chairman of CVC Credit Partners European Opportunities Limited and Funding Circle SME Income Fund Limited, both of which are listed on the London Stock Exchange, and is an independent director of a number of other substantial collective investment and investment management entities.

Christopher Wright

Christopher Wright is Chairman and a co-founder of EM Alternatives LLC in Washington DC, emerging markets focused private equity asset management firm and a director of Merifin Capital Group, a private European investment firm. Until mid-2003 he served as Head of Global Private Equity for Dresdner Kleinwort Capital and was formerly a Group Board Member of Dresdner Kleinwort. He acted as Chairman of various investment funds prior to and following the latter's integration with Allianz Private Equity.

He is a co-founding director of Roper Technologies Inc (NYSE, S & P 500).

Mr Wright has chaired the investment committees of and/or serves on several advisory boards of third party managed LBO and venture capital funds in North America and Europe and has advised several other financial institutions, including Hansa Capital, CdB Webtech, Standard Bank of South Africa, Surya Capital, GP Investimentos, and IDeA Alternative Investments on their investments in private equity and other alternative assets around the world.

Mr Wright was educated at Oxford University (M.A.) and holds a Certified Diploma in Accounting and Finance (from the ACCA). He is Foundation Fellow, Corpus Christi College, Oxford.

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 in UK and international property companies, focused on delivering value for shareholders. Until 2005, David was a leading Pan-European property fund manager with over 20 years' experience and an exceptional track record of building and running fund management businesses.

David was President of the British Property Federation in 2003-04 and led the industry delegation which successfully negotiated with the UK Government for the introduction of REITs.

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 mn to the current level of more than GBP 8 billion when he retired.

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 mn to approximately GBP 100 mn and a staff of nearly 1,600. He was the senior Non-Executive of Redrow Plc and was a director of RICS Business Services. He is non-Executive Chairman of a Jersey based private property company; non-Executive of two other private property companies and Managing Director of a family property company. He was a pro bono member of the property advisory committees of both Imperial College London and Sue Ryder.

George Baird

George was born in Dundee, Scotland in 1950 and qualified with AYMM in 1974 before moving to Jersey in 1980 to work for the States of Jersey in the finance area. In 1991 he was appointed Treasurer of the States of Jersey, one of the most senior positions in the Civil Service reporting to the Finance and Economics Committee whose main responsibility was defining and implementing government financial and budget strategy. In 1999 he moved to Mourant as Group Finance and Operations Director until his retirement in 2002. Since then he has built up a portfolio of non- executive directorships in the Channel Islands to include several property companies where he plays a prominent role on the Investment and Audit Committees.

Ramesh Bawa

Mr Bawa has rich experience of around three decades in the Banking and Financial Services Sector. He has built up a strong and effectual relationship and has a large network of business association with Banks/ Financial Institutions / Insurance Companies both domestically and internationally. Mr Bawa had worked with organizations like Syndicate Bank and National Housing Bank. In 1995, he joined IL&FS Group and at IL&FS he went on to hold various senior positions. Then, in October 2006, he became the Managing Director and the Chief Executive Officer of IL&FS Financial Services Ltd and recently in May 2015 he has also been entrusted with the responsibility of Managing Director of IL&FS Investment Managers Limited, a Private Equity arm of IL&FS Group. He is also on the Board of several IL&FS Group companies which are related to the financial services and infrastructure sector. He holds a Post-Graduation Degree in Personnel Management & Industrial Relationship and also a Masters Degree in Political Science. Mr Bawa has been appointed on the Board of the Company effective 1 July 2016 which has been confirmed by the Jersey Financial Services Commission on 25 November 2016.

Directors' Report

The Directors present their interim report and the unaudited financial statements of Yatra Capital Limited ("the Company") for the period ended 30 September 2016.

The Company

The Company was established in Jersey on 26 May 2006. The Company's ordinary shares were admitted to listing on the Euronext Market on 6 December 2006. The Company was established to invest in Foreign Direct Investment (FDI) compliant Indian real estate development opportunities. The Company has invested in a broad base of assets covering commercial, retail, residential, special economic zones and hospitality, targeting returns from development, long term capital appreciation and income. The Company continues to exit the remaining portfolio to return the money to shareholders.

Business Review

A review of the Company's activities during the period is set out in the Chairman's Statement on page 3. The Company redeemed 1,410,437 ordinary shares for EUR 10 mn on 30 September 2016. The number of ordinary shares in issue as at 30 September 2016 were 3,465,217.

Results and Dividend

The Company's results for the period ended 30 September 2016 are shown in the Statement of Profit or Loss and Other Comprehensive Income (page 17) and related notes (pages 20 to 43). The Directors do not propose to declare a dividend for the period under review (30 September 2015 - Nil).

Directors

All the directors of the Company are independent and non-executive with the exception of Ramesh Bawa, who is a director of IL&FS Investment Managers Limited, the holding company of IL&FS Investment Advisors LLC, the Investment Manager to the K2 Property Limited. The membership of the Board of Directors ("Board") is set out below.

| Director | Date of Appointment |
|--|----------------------------|
| David Hunter | 5 June 2006 |
| Malcolm King | 5 June 2006 |
| Richard Boléat (Chairman) | 27 January 2010 |
| Christopher Wright | 27 January 2010 |
| George Baird (Chairman of the Audit and Risk Committee) | 8 March 2012 |
| Ramesh Bawa | 1 July 2016 |

All the directors served in office throughout the period except Mr Ramesh Bawa. Shahzaad Dalal, who was a director of the Company, resigned on 1st July 2016.

Directors' Interests

The following directors had interests in the shares of the Company as at 30 September 2016.

| Director | Number of Ordinary Shares |
|--------------------|---------------------------|
| Christopher Wright | 2,338 |
| David Hunter | 4,734 |
| Malcolm King | 5,325 |

All the directors are also directors of K2 Property Limited, a subsidiary of the Company.

Directors' Remuneration

During the period, the directors received the following emoluments from the Company:

| Directors of the Company | Remuneration (in EUR) |
|--------------------------|-----------------------|
| David Hunter | 20,250 |
| Malcolm King | 19,125 |
| Richard Boléat | 27,000 |
| Christopher Wright | 20,250 |
| George Baird | 21,375 |

There are no service contracts in existence between the Company and its directors. However, each director was appointed by a Letter of Appointment, which sets out the main terms of the appointment. All the directors offer themselves for re-election each year at the Annual General Meeting of the Company.

Management

IL & FS Investment Advisors LLC ("IIAL" or "the Investment Manager") provides investment management services to K2 Property Limited and project management, property advisory, property management and monitoring services to those subsidiaries of K2 Property Limited which acquire properties, in each case in accordance with the investment objective, investment policy and restrictions of the Company, K2 Property Limited and its subsidiaries. IIAL is a wholly owned subsidiary of IL&FS Investment Managers Limited ("IIML"), which is in turn a subsidiary of Infrastructure Leasing & Financial Services Limited ("IL&FS") a company incorporated in India. IIML is listed on the National Stock Exchange of India Limited and BSE Limited. IIAL also provides coordination of public relations, investor relations and other general operating services to the Company.

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards and applicable law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

With regard to Regulation 2004/1109/EC of the European Union (the "EU Transparency Directive"), the directors confirm to the best of their knowledge that:

- the financial statements for the period ended 30 September 2016 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by law and in accordance with International Financial Reporting Standards; and
- the Directors' report and Chairman's statement give a fair view of the development of the Company's business, financial position and the important events that have occurred during the period and their impact on these financial statements.

The principal risks and uncertainties faced by the Company are disclosed below and in note 3 of these financial statements.

Corporate Governance

A statement of Corporate Governance can be found on pages 12 to 15.

Key Risks

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

- Real estate investments are long-term, illiquid investments and therefore the Company may not be able to realize the current NAV. The Company seeks to mitigate these risks by enhancing the marketability of, and exploring additional methods of disposing of, its interests.
- The Indian companies in which the Company invests through its investment in K2 obtain construction loans from banks and financial institutions. These are secured by way of a mortgage on the land and the property to be developed. In case of default in repayment, the lending banks have a first charge on the land and property so provided as well as the other assets of the land owning company.

- Changes to regulations governing foreign investments including repatriation of funds may adversely affect the Company's performance. The Company, through the Investment Manager, monitors this risk and, where applicable, procures advice from specialist lawyers and tax advisors in respect of the structuring of its investments.
- The Company through its investment in K2 invests in Indian companies ("Portfolio Companies") and these investments are denominated in Indian Rupees. The Company's issued shares are denominated in EUR, and the Company and its investment in K2 are therefore exposed to currency risk whereby a movement in the Indian Rupee / EUR exchange rate will affect the value of the investments and result in unrealised and realised gains or losses thereon.
- The Company, through its investment in K2, is exposed to counterparty risk, principally as a result of the joint venture and leveraged nature of its investment portfolio. There is dependence upon the continued activity, performance and solvency of its joint venture real estate development partners. Additionally, the success of the development activities is contingent upon the continued willingness of domestic Indian financial institutions to provide development and construction finance on acceptable terms.
- Where the Company, through K2, has contracted to dispose of interests in Portfolio Companies or their underlying assets, there is a credit risk in respect of the willingness and ability of the counterparties to honor the relevant agreements. The Board reviews this risk and applies appropriate discount rates to the contracted values of these agreements.
- Portfolio Companies are heavily dependent on obtaining consent from statutory bodies at key stages of the development process, the subsequent sign off / acceptance of completed schemes and subsequent release of funds. All these stages can involve protracted timescales.
- The Company, through its investment in K2, holds minority stakes in the Portfolio Companies and hence cannot control the governance function or day-to-day operations of these Portfolio Companies.
- Portfolio Companies are exposed to the risk of frivolous legal intervention by third parties causing delays in execution of projects due to the relatively slow movement of the judicial processes in India.

The Board continues to monitor and, where possible, take steps to mitigate these key risks and other uncertainties to which the Company and its investment in K2 are exposed.

Annual General Meeting

The last Annual General Meeting of the Company was convened on 14 September 2016.

Independent Auditors

KPMG Channel Islands Limited was reappointed as auditor at the Annual General Meeting held on 14 September 2016.

By Order of the Board



Richard Boléat
Chairman



George Baird
Director and Audit & Risk Committee
Chairman

29 November 2016

Corporate Governance Report

It is the Company's policy to comply with best corporate governance practices. The Company recognizes that effective governance is a fiduciary responsibility fundamental to its long-term success. The Board endeavors to foster a management culture based on effective checks and balances, proper procedures for managing risks attached to opportunities, and accountability towards stakeholders with regard to the policies pursued. The Company has been a member of the Association of Investment Companies, UK since January 2012. The Company has considered the principles and recommendations of the AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Company complies with all the principles of the AIC Code of Corporate Governance except for the policy on tenure of directors and preparation of a viability statement. The Board concludes that the requirement of the AIC Code on tenure of directors is not relevant for the Company due to the fact that the Company is in the process of a disposal program which the Board presently anticipates that it would result in its winding up in the foreseeable future. Consequently, the Company does not believe that it would be appropriate or meaningful to produce a viability statement.

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 Company:

- the overall objectives for the Company and the Company's strategy for fulfilling those objectives within an appropriate risk framework;
- any shifts in strategy that may be appropriate in light of market conditions;
- the capital structure of the Company and its subsidiaries including consideration of any appropriate use of gearing both for the Company and its subsidiaries and in any joint ventures or similar arrangements in which they may invest from time to time;
- the engagement of the Investment Manager, Administrators and other appropriately skilled service providers and the monitoring of their effectiveness through regular reports and meetings;
- the key elements of the Company's performance including Net Asset Value and distributions;
- compliance with company law and regulatory obligations, including the approval of the financial statements and the recommendation as to dividends (if any).

The directors bring independent views to the board and a diversity of experience including chartered surveying, civil service, banking, law, administration, treasury, financial accounting, corporate finance and fund management to add to the Board's effectiveness, particularly in the area of property, performance of emerging markets, corporate strategy, governance and risk management. The directors take decisions objectively and in the best interests of the Company being collectively and individually responsible for its success. They are accountable to shareholders and take into consideration the need to foster the Company's business relationships with other stakeholders in discharging their obligations.

The Board has conducted a self-assessment exercise for the year ended 31 March 2016 and will continue to do so annually. The Board members have reaffirmed their independence wherever appropriate other than as disclosed elsewhere in these financial statements.

The directors believe that this interim report and financial statements, taken as a whole, present a fair, balanced and understandable assessment of the Company's position and prospects.

Board Decisions

The Board ensures during its meetings that strategic matters are considered as well as matters of particular concern to shareholders. 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. The independent directors of the board meet separately at least once a year to review the performance of the Board as a whole.

Board Meetings

The Board holds at least four meetings annually and also meets as and when required to consider specific issues reserved for decision by the Board. The Board met 3 times during the period under review. Attendance at Board meetings by individual board members is disclosed as follows:

| Director | Attendance at Meetings |
|--------------------|------------------------|
| David Hunter | 3 |
| Richard Boléat | 3 |
| Malcolm King | 3 |
| Christopher Wright | 2 |
| George Baird | 2 |
| Ramesh Bawa | 1 |

Committees of the Board

Audit & Risk Committee

The Audit & Risk Committee (ARC) is comprised entirely of independent directors: George Baird (Chairman), Christopher Wright, Richard Boléat and Malcolm King, who are each considered to have the requisite expertise in matters of finance and accounting. George Baird is also Chairman of the Audit & Risk Committee of K2 Property Limited. The ARC meets at least three times a year and, if required, meetings can also be attended by the Investment Manager, the Administrator and the Independent Auditor.

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

- To oversee the selection process of external auditors and make recommendations to the Board in respect of their appointment, re-appointment and remuneration;
- To ensure the integrity of the financial statements;

Audit & Risk Committee (Continued)

- To monitor and review the independence of the auditors, their objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements;
- To keep under review the effectiveness of internal financial controls;
- To ensure that a member of the ARC attends the Annual General Meeting of the Members;
- To oversee the effectiveness of the processes and controls used by the Company to monitor and manage risk within the parameters adopted by the Board; and
- To review the Company's major risk exposures and the steps taken to monitor and control such exposures.

The directors believe that due to the structure and size of the Company, no internal audit function is appropriate or required.

During the period under review, the ARC met 3 times. The table below shows the attendance of the ARC members at the meetings for the period under review:

| Director | Attendance at Meetings |
|--------------------|------------------------|
| Richard Boléat | 2 |
| Malcolm King | 2 |
| Christopher Wright | 3 |
| George Baird | 3 |

Remuneration and Nominations Committee

The Remuneration and Nominations Committee (RNC) comprises Richard Boléat, Ramesh Bawa and David Hunter (Chairman) of which the majority is independent of the Investment Manager. Shahzaad Dalal ceased to be a member of the RNC from his date of resignation. RNC is responsible for the terms of appointment and remuneration of the Company's directors and the incentive policies of the Company, K2 Property Limited and its subsidiaries as a whole. The RNC met once during the period under review. The table below shows the attendance of the RNC members at the meetings for the period under review:

| Director | Attendance at Meetings |
|----------------|------------------------|
| Richard Boléat | 1 |
| David Hunter | 1 |
| Ramesh Bawa | Nil |

Shareholder Relations

Shareholder communications are a priority of the Board and the Company maintains a regular dialogue with its shareholders. The Company promptly posts all relevant information and news to the Authority for Financial Markets, Euronext and on its website. The Chairman and representatives of the Investment Manager make themselves available to meet with key shareholders, analysts, current and future investors and the media. The Board is also fully informed on any market commentary on the Company made by the Investment Manager and other professional advisors, including its brokers. The

Board monitors its investor relations process consistently to ensure the effectiveness of the Company's communications. The notice of the Annual General Meeting is posted to the shareholders at least 42 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 representatives of the Investment Manager are available at the Annual General Meeting to address any questions that the shareholders wish to raise.

Financial statements

In compliance with the Dutch Financial Supervision Act (FSA) relating to the Company's Euronext Amsterdam Listing, the audited annual and the unaudited semi-annual financial statements of the Company are also uploaded on its website www.yatracapital.com

Statement of Financial Position

As at 30 September 2016

| | Notes | As at 30-Sep-16 EUR | As at 31-Mar-16 EUR |
|---|-------|---------------------------|---------------------------|
| ASSETS | | | |
| Non - Current assets | | | |
| Financial assets at fair value through profit or loss | 6 | - | 17,844,854 |
| | | - | 17,844,854 |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 6 | 26,059,843 | 16,341,184 |
| Prepayments and other receivables | 7 | 27,581 | 50,119 |
| Cash and cash equivalents | 8 | 113,582 | 463,470 |
| | | 26,201,006 | 16,854,773 |
| Total assets | | 26,201,006 | 34,699,627 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | | |
| Stated capital | 9 | 125,457,092 | 135,457,092 |
| Accumulated losses | | (99,372,336) | (100,888,932) |
| Total equity | | 26,084,756 | 34,568,160 |
| Current liabilities | | | |
| Accruals and other payables | 10 | 116,250 | 131,467 |
| | | 116,250 | 131,467 |
| Total equity and liabilities | | 26,201,006 | 34,699,627 |
| Number of ordinary shares in issue | | 3,465,217 | 4,875,654 |
| Net asset value per share | 16 | 7.53 | 7.09 |

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2016. They were signed on its behalf by Richard Boléat and George Baird.

Richard Boléat



Chairman

George Baird



**Director and Audit & Risk
Committee Chairman**

The notes on pages 20 to 43 form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 September 2016

| | Notes | Period ended 30 Sept 2016 EUR | Period ended 30 Sept 2015 EUR |
|---|--------|--|--|
| INCOME | | | |
| Net loss on foreign exchange | | (775) | (1,462) |
| Realised (loss)/ gain on financial assets at fair value through profit or loss | 6 | (34) | 53 |
| Gain on disposal of subsidiaries | | - | 26,960 |
| Unrealised gain/(loss) on financial assets at fair value through profit or loss | 3.6, 6 | 1,873,839 | - |
| | | 1,873,030 | 25,551 |
| EXPENSES | | | |
| Custodian, secretarial and administration fees | | 21,909 | 22,613 |
| Legal and professional costs | | 129,254 | 121,182 |
| Directors' fees | 12 | 108,000 | 120,000 |
| Directors' insurance | | 17,903 | 16,761 |
| Audit expenses | | 30,870 | 47,612 |
| Listing agents fees | | 11,498 | 12,840 |
| Travelling expenses | | 27,707 | 29,098 |
| Unrealized loss on financial assets at fair value through profit or loss | 3.6, 6 | - | 7,711,107 |
| Other administrative expenses | | 9,293 | 10,848 |
| | | 356,434 | 8,092,061 |
| Total Comprehensive Profit/(Loss) for the period before tax | | 1,516,596 | (8,066,510) |
| Taxation | 5 | - | - |
| Total Comprehensive Profit/(Loss) attributable to: | | | |
| Equity holders of the Company | | 1,516,596 | (8,066,510) |
| | | 1,516,596 | (8,066,510) |
| Basic and diluted profit/(loss) per share | 15 | 0.31 | (1.03) |

The notes on pages 20 to 43 form an integral part of these financial statements.

Statement of Changes in Equity**For the period ended 30 September 2016**

| | Note | EUR |
|--------------------------------|-------------|--------------------------|
| As at 31 March 2015 | | 84,545,413 |
| Redemption of shares | 9 | (38,000,000) |
| Loss for the year | | <u>(11,977,253)</u> |
| As at 31 March 2016 | | 34,568,160 |
| Redemption of shares | 9 | (10,000,000) |
| Profit for the period | | <u>1,516,596</u> |
| As at 30 September 2016 | | <u>26,084,756</u> |

The notes on pages 20 to 43 form an integral part of these financial statements.

Statement of Cash Flows

For the period ended 30 September 2016

| | | Period ended 30 Sept 2016 EUR | Period ended 30 Sept 2015 EUR |
|--|-------|--|--|
| | Notes | | |
| <i>Cash flows from operating activities</i> | | | |
| Total comprehensive profit/(loss) for the period before taxation | | 1,516,596 | (8,066,510) |
| Adjustments for: | | | |
| Realised loss / (gain) on financial assets at fair value through profit or loss and gain on disposal of subsidiaries | 6 | 34 | (27,015) |
| Unrealised loss / (gain) on fair valuation of financial assets at fair value through profit or loss | 6 | (1,873,839) | 7,711,108 |
| Cash used in operations | | <u>(357,209)</u> | <u>(382,417)</u> |
| Decrease in prepayments and other receivables | | 22,539 | 25,552 |
| Decrease in accruals and other payables | | <u>(15,217)</u> | <u>(3,809)</u> |
| Net cash used in operating activities | | <u>(349,888)</u> | <u>(360,674)</u> |
| <i>Cash flows from investing activities</i> | | | |
| Proceeds from redemption of shares in K2 | 6 | 10,000,000 | 38,000,000 |
| Proceeds from disposal of investment | 6 | - | 26,962 |
| Net cash generated from investing activities | | <u>10,000,000</u> | <u>38,026,962</u> |
| <i>Cash flows from financing activities</i> | | | |
| Payment on redemption of ordinary shares | 9 | <u>(10,000,000)</u> | <u>(38,000,000)</u> |
| Net cash used in financing activities | | <u>(10,000,000)</u> | <u>(38,000,000)</u> |
| Net decrease in cash and cash equivalents | | (349,888) | (333,712) |
| Cash and cash equivalents at beginning of the period | | 463,470 | 1,063,084 |
| Cash and cash equivalents at end of the period | 8 | <u>113,582</u> | <u>729,372</u> |

The notes on pages 20 to 43 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 and domiciled in Jersey with registered office address at First Floor Le Masurier House, La Rue Le Masurier, St Helier, Jersey, JE2 4YE. The Company is governed by the Collective Investment Funds (Jersey) Law 1988, as amended, and the subordinate legislation made there under and regulated by the Jersey Financial Services Commission. The purpose of the Company is to enable pooling of funds by investors for investment in K2 Property Limited ("K2") and its subsidiaries.

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. K2 and its subsidiaries make investments in companies established to carry out real estate development and ownership across India ("Portfolio Companies").

IL&FS Investment Advisors LLC, an investment management company incorporated and domiciled in the Republic of Mauritius ("the Investment Manager") advises the Company and K2 with respect to its investment activities. The administration of the Company is undertaken by Citco Jersey Limited with effect from 8 September 2014.

The Company's ordinary shares are listed and traded on the Euronext Market, under ISIN JE00B1FBT077.

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 periods presented unless otherwise stated and are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Interpretations adopted by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost basis, as modified by the fair valuation of investments.

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

As at 30 September 2016, the Company did not hold a controlling interest in any of the Portfolio Companies in which it has invested through its investment in K2. The estimates and assumptions applied in determining the fair value of these investments are set out in note 3.6.

Notes to the Financial Statements (Continued)

Summary of significant accounting policies (Continued)

The Company early adopted the Amendments to IFRS 10, IFRS 12 and IAS 27 (the “Amendments”) with a date of initial application of 1 April 2013. The Board of Directors concluded that the Company met the definition of an Investment Entity. As a result, the Company measures its investments in its subsidiary at fair value through profit or loss.

A qualifying investment entity is required to account for investments in controlled entities as well as investments in associates and joint ventures at fair value through profit or loss; the only exception would be subsidiaries that are considered an extension of the investment entity’s investing activities. The consolidation exemption is mandatory for qualifying investment entities.

An investment entity typically has the following characteristics:

- It should have more than one investment. The Company has invested in K2. K2, through its direct and indirect subsidiaries, has invested in multiple Portfolio Companies;
- It should have more than one investor. The Company has multiple investors;
- It should have Investors that are not related parties. With the exception of the Company’s directors, none of the Company’s investors are, to its knowledge, related parties; and
- It should have ownership interests in the form of equity or similar interests. The Company’s ownership interests are in the form of equity.

Standards and amendments to existing standards effective 1 April 2016.

There are no standards, interpretations and amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2016 that have a material impact on the Company.

There are no new standards and amendments to standards and interpretations adopted during the period.

Going concern

As agreed with the shareholders of the Company in June 2013, the Class A and Class B shares held by the Company in K2 were redeemable at the option of K2 on 30 September 2016. K2 did not elect to exercise this option. The Board in its meeting of 1 July 2016 agreed to seek a formal shareholders approval on the extension of the terms of the Investment Management Agreement with IIAL beyond 30 September 2016 after conducting a detailed assessment of the balance of the portfolio and the exit strategy for the same. The annual general meeting of the Company was held on 14 September 2016 wherein the resolution for extension of the Investment Management Agreement until a long stop date of 31 December 2018 was unanimously passed. Based on the foregoing the Company continues to be a going concern.

2.2 New standards and interpretations not yet adopted

New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2016 and earlier application is permitted; however, the Company has not early applied

Notes to the Financial Statements (Continued)

Summary of significant accounting policies (Continued)

the following new or amended standards in preparing these financial statements. The two new amendments potentially relevant to the Company are discussed below.

A. IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard includes changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Based on the assessment of the Board, these amendments will not have any material impact on the financial statements as the Company measures its investment in K2 at fair value through profit or loss and other financial instruments at cost after evaluation of impairments if any.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted. The Company is assessing potential impact on its financial statements resulting from application of IFRS 9.

B. IFRS 15 Revenue from Contracts with Customers

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will not have any impact on the Company.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Notes to the Financial Statements (Continued)

Summary of significant accounting policies (Continued)

The following new or amended standards are not applicable to the Company and are not expected to have a significant impact on the Company's financial statements:

| Standard/Interpretation | | Effective date Periods beginning on or after |
|-------------------------|--|--|
| Amendments to IAS 12 | <i>Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12</i> | 1 January 2017 |
| Amendments to IAS 7 | <i>Disclosure Initiatives – Changes in liabilities arising from financial activities</i> | 1 January 2017 |

2.3 Foreign currency translation

(a) Functional and presentation currency

For the purposes of the financial statements, the results and financial position of the Company is expressed in Euro, which is the functional currency of the Company. Euro is the functional currency because it is the currency of the primary economic environment in which the Company operates. Euro is the currency in which the majority of the costs of the Company are incurred, capital is realised and dividends are paid.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income. The EUR exchange rate used at the date of Statement of Financial Position for the translation of monetary assets and liabilities denominated in INR was 74.75 (31 March 2016 - 75.09), representing a 0.45% appreciation in the INR against the EUR over the period. Translation differences on non-monetary financial assets and liabilities re-measured at each reporting date, such as equity instruments classified as financial assets at fair value through profit or loss, are recognised in the Statement of Profit or Loss and Other Comprehensive Income within the net gain or loss on financial assets at fair value through profit or loss.

2.4 Financial assets at fair value through profit or loss

(a) Classification

The financial assets of the Company are classified as “financial assets at fair value through profit or loss” and “loans and receivables”.

K2 is wholly owned by the Company. K2 through its investments in underlying companies invests in joint ventures and associates.

Notes to the Financial Statements (Continued)**Summary of significant accounting policies (Continued)**

The Company adopted the Investment Entities exemption (Amendments to IFRS 10, IFRS 12 and IAS 27), issued in October 2012, such that all subsidiaries that represent investments shall not be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investments in particular subsidiaries at fair value through profit or loss in accordance with IAS 39 instead of consolidating those subsidiaries in its consolidated financial statements. Accordingly, the principles of consolidation under IFRS 10 are not applicable to the Company for the period ended 30 September 2016.

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Board to evaluate the information about these financial assets on a fair value basis together with other related financial information.

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.

Loans and receivables of the Company include cash and cash equivalents and other receivables.

(b) Recognition/de-recognition

Purchases and sales of investments are recognised on the "trade date" – the date on which the Company contracts to purchase or sell the investment. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Net gain from financial assets at fair value through profit and loss includes all realised and unrealised fair value changes and foreign exchange differences, but excludes dividend income. Realised gains/losses are calculated as the difference between the disposal value of its investment in K2 and the cost of the investment.

(c) Measurement

Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Profit or Loss and Other Comprehensive Income. 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 recognized in profit or loss of the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

(d) Fair value estimation

'Fair Value' is a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Notes to the Financial Statements (Continued)

Summary of significant accounting policies (Continued)

The fair value of financial instruments traded on an active market is based on the closing quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques.

The Company has adopted the investment entity exemption under IFRS 10 and records the adjusted net asset value of its direct subsidiary as the fair value of its investment in its direct subsidiary.

In determining the fair value of financial instruments in K2, and in turn the Portfolio Companies, a variety of methods and assumptions are used that are based on project status and market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants as prescribed by the Royal Institution of Chartered Surveyors ("RICS"). The methodologies, processes and significant unobservable inputs used in the valuation derived by the Investment Manager are detailed in notes 3.6 and 4.1 below. For valuing the Portfolio Companies where K2 has contracted exits, the net present value of the contracted exit amounts, discounted using a rate based on the credit risk associated with counterparties and tested for impairment, is considered as the fair value of the investment in that Portfolio Company.

2.5 Loans and receivables

Loans and receivables of the Company include cash and cash equivalents and other receivables.

A provision for impairment of amounts due from counterparties is established when there is objective evidence that the Company will not be able to collect all amounts due from the relevant counterparty.

2.6 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.

2.7 Accruals and other payables

Accruals and other payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 Stated capital

Ordinary shares are classified as equity. Ordinary shares which were bought back and recorded as treasury shares have been cancelled. Ordinary shares bought back by the Company via its tender mechanism and compulsory redemption have also been cancelled.

2.9 Realised / Unrealised gain / (loss) on financial assets at fair value through profit or loss

The realised gain / (loss) from financial assets at fair value through profit or loss (FVTPL) represents the difference between the carrying amount of a financial asset at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its sale or

Notes to the Financial Statements (Continued)

Summary of significant accounting policies (Continued)

settlement price. Net realised gain / (loss) from financial assets at FVTPL is calculated using the average cost method.

The unrealised gain / (loss) represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the period.

2.10 Transaction cost

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the Statement of Profit or Loss and Other Comprehensive Income as an expense.

2.11 Expenses

All expenses are recognized in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis.

2.12 Current and deferred income tax

The current income tax charge is calculated on the basis of currently enacted or substantively enacted tax laws at the reporting date in the countries in which the Company's activity generates taxable income. 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.

2.13 Financial instruments

Financial instruments carried in the Statement of Financial Position include financial assets at fair value through profit or loss and other receivables, cash at bank, accruals and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Disclosures regarding financial instruments to which the Company is a party are provided in Note 3.

2.14 Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from equity. Treasury shares are not held for sale or subsequent reissue and are cancelled.

2.15 Related parties

Related parties are both natural and legal persons where the person 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.

Notes to the Financial Statements (Continued)

Summary of significant accounting policies (Continued)

2.16 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 a group of assets and operations 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. The Company, through K2 and its subsidiaries, is engaged in real estate development companies in India, being a single reportable geographical segment having an economic environment that is subject to risks and returns which are different from geographical segments operating in other economic environments.

2.17 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 Financial risk management

3.1 Strategy in using financial instruments

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The Company's overall risk management policy focuses on management of risk at the Portfolio Company level and above and particularly seeks to minimize potential adverse effects on the Company's financial performance, flexibility and liquidity.

The Company's activities expose it to a variety of financial risks, the principal risks being credit risk, liquidity risk, and market risk (including foreign currency risk). The Company's financial instruments comprise of financial assets at fair value through profit or loss, cash and cash equivalents and other items such as prepayments and other receivables, accruals and other payables which arise from its operations.

This note presents information about the Company's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing risk and management of capital. Further quantitative disclosures are included throughout these financial statements. The Company held no derivative instruments as at 30 September 2016 (31 March 2016- Nil). A summary of the main risks is set out below:

3.2 Market risk

The Company is exposed to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market values. Market risks also arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

Notes to the Financial Statements (Continued)

Financial risk management (Continued)

(a) Cash flow and interest rate risk

Interest rate risk arises from the effect of fluctuations in the prevailing levels of market interest rates on the fair value of financial instruments and future cash flow. The Company's cash flow is monitored at regular intervals by the Board. As at 30 September 2016, the Company did not have significant interest bearing financial instruments; therefore the Company is not exposed to significant cash flow interest rate risk.

(b) Foreign currency risk

Foreign currency risk arises when future transactions or recognised monetary assets and monetary liabilities are denominated in a currency other than the Company's functional currency. The Company's significant monetary assets and liabilities are held in EUR, hence the Company is not directly exposed to foreign currency risk.

The Company, through K2 and its investments in underlying companies, invests in India and holds both monetary and non-monetary assets and liabilities denominated in currencies other than the EUR, the functional currency. It is therefore, indirectly exposed to foreign currency risk. IFRS 7 considers the foreign exchange exposure relating to financial assets and liabilities, such as the Company's investments, to be a component of market price risk and not foreign currency risk. However, the Company monitors the exposure on all foreign currency denominated financial assets and liabilities.

The Company has in place a policy that requires it to keep under review its 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 Company will continue to monitor foreign currency risk and the need for hedging transactions. During the period under review, no foreign currency hedging transactions took place, and the Company continues to have fully unhedged indirect INR exposures comprising substantially all of the Company's financial assets at fair value through profit or loss. The table below summarises the Company's financial assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the EUR:

| | 30 September 2016 | | 31 March 2016 | |
|----------------------|-------------------|-------|---------------|--------|
| | INR | GBP | INR | GBP |
| Company | | | | |
| Liabilities | | | | |
| Monetary liabilities | 3,308 | 5,689 | 5,659 | 28,704 |

The table below summarises the sensitivity of the Company's monetary and non-monetary assets and liabilities to changes in foreign currency movements at 30 September 2016. The analysis is based on the assumptions that the relevant foreign exchange rate appreciated/depreciated against the EUR by the percentage disclosed in the table below, with all other variables held constant. This represents the directors' best estimates of a reasonable possible shift in the foreign exchange rates, having regard to the historical volatility of those rates. There are no monetary and non-monetary assets determined other than in EUR.

Notes to the Financial Statements (Continued)
Financial risk management (Continued)

| Company | Reasonably possible shift in rate | | Reasonably possible shift in rate | |
|------------------------|-----------------------------------|-------------|-----------------------------------|---------------|
| | 30 September 2016 | | 31 March 2016 | |
| | % | EUR | % | EUR |
| Currency | | | | |
| GBP | | | | |
| - Monetary liabilities | +15%/(15 %) | 6,543/4,836 | +15 %/(15 %) | 33,009/24,398 |
| INR | | | | |
| - Monetary liabilities | + 15 %/(15 %) | 3,804/2,812 | +15 %/(15 %) | 6,508/4,810 |

(c) Price risk

The Company is exposed to price risk as the investments of the Company as stated in the Statement of Financial Position are classified as financial assets at fair value through profit or loss. Where non-monetary financial instruments, such as the Company's investments in the Portfolio Companies held through K2 and its underlying companies, are denominated in currencies other than the Euro, the price initially expressed in foreign currency and then converted into Euro will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign currency risk' above sets out how this component of price risk is managed and measured.

3.3 Credit risk

Credit risk arises when a failure by counterparty to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company'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 30 September 2016, all cash balances were placed with Barclays Bank Plc which had a long term credit rating of "A-(Negative)" from Standard and Poor's.

The Company's credit risk also arises in respect of other receivables as disclosed in note 7 below. The Board has considered the recoverability of these balances as at 30 September 2016 and does not consider the risk of failing to recover these amounts to be significant. Additionally, before the Company enters into transactions with another party, it makes an assessment of the credit worthiness of that party.

The Company's credit risk also arises in respect of receivables pertaining to contracted exit cash flows. The Board reviews this risk of contracted receivables on a regular basis and has put in place a regular impairment mechanism for assessing this risk as mentioned in note 3.6 of the financial statements.

Notes to the Financial Statements (Continued)

Financial risk management (Continued)

3.4 Counterparty risk

Counterparty risk is defined as the current and prospective risk to earnings or capital arising from a counterparty's failure to meet the terms of any obligation to the Company or otherwise to perform as agreed. Counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements. Indirect counterparty risk to the Company arises primarily from three types of commercial arrangements:

1. The continuing willingness by banks and other financial institutions to provide finance on agreed terms to Portfolio Companies, to enable those companies to execute their planned real estate development within budgeted tolerances.
2. The ability and willingness of the joint venture partners at Portfolio Company level to carry out the relevant real estate development project in accordance with agreed budgets, timescales and quality standards.
3. The ability and willingness of the joint venture partners of the Portfolio Companies to honour the contracted exit values at the specified timelines.

A failure by a constituent member of either of these commercial counterparty groups to perform as agreed could lead to a material negative performance of an individual Portfolio Company investment which could have a material impact on the Company's Statement of Financial Position. The Investment Manager seeks to ensure that counterparty risk is mitigated by way of continuous monitoring of Portfolio Companies, the joint venture partners, banks and financial institutions with whom they contract. Identified risks are escalated and actions taken as necessary.

3.5 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can do so only on terms that are materially disadvantageous. As a policy, the Company minimises these risks by maintaining sufficient cash to meet all anticipated future payment obligations. As at 30 September 2016, the total financial liabilities of the Company amounted to EUR 116,250 (31 March 2016: EUR 131,467), which are all due within one year.

At 30 September 2016, the Company had sufficient liquid financial assets to meet its current financial obligations. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings at the financial position date.

| Details | Due - less than 12 months | | Due - more than 12 months | |
|-----------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | 30 September 2016 EUR | 31 March 2016 EUR | 30 September 2016 EUR | 31 March 2016 EUR |
| Accruals and other payables | 116,250 | 131,467 | - | - |
| Total payable | 116,250 | 131,467 | - | - |

Notes to the Financial Statements (Continued)**Financial risk management (Continued)**

On the basis of the above, the Board considers that the company has no significant liquidity risk.

3.6 Fair values

The carrying amount of other receivables, cash and cash equivalents and accruals and other payables approximate their fair values. The financial assets at fair value through profit or loss represent the fair value of the Company's investment in K2.

The fair values of financial assets at fair value through profit or loss that are not traded in an active market are determined by using valuation techniques. The techniques used by the Company are explained in Note 4.1 below.

For the purpose of these financial statements the Company determines the fair value of its investment in K2 based on the net asset value (NAV) of K2 in its latest available unaudited financial statements. The directors review these details and consider, among other things, the following factors: (a) the net asset valuation; (b) the value date of the net asset value provided; and (c) the basis of accounting. When deemed necessary, adjustments to the NAV for relevant factors, such as liquidity and/or credit risks, are made to obtain the best estimate of fair value. As at the reporting date, the Board and the Investment Manager believe that the NAV of K2 as per its 30 September 2016 unaudited financial statements is representative of the fair value of its investment in K2.

The table below sets out information about significant unobservable inputs used as at 30 September 2016 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

| Description | Amount (EUR) | Valuation technique | Unobservable inputs | Range |
|--|--------------|---------------------|---------------------|-------|
| As at 30 September 2016 Unquoted investment | 26,059,843 | NAV | NAV of K2 | NA |
| As at 31 March 2016 Unquoted investment | 34,186,038 | NAV | NAV of K2 | NA |

The net asset value of the Company is sensitive to the fair value of K2.

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date.

Notes to the Financial Statements (Continued)

Financial risk management (Continued)

- Level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 inputs are inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the related market. The following table analyses within the fair value hierarchy of the Company's financial assets measured at fair value:

| Assets | Level 1 | Level 2 | Level 3 | Total Balance |
|--|----------------|----------------|-------------------|--------------------------|
| | EUR | EUR | EUR | EUR |
| 30 September 2016 | | | | |
| Financial assets designated at fair value through profit or loss (Non-Current) | - | - | - | - |
| Financial assets designated at fair value through profit or loss (Current) | - | - | 26,059,843 | 26,059,843 |
| Total | - | - | 26,059,843 | 26,059,843 |
| 31 March 2016 | | | | |
| Financial assets designated at fair value through profit or loss (Non-Current) | - | - | 17,844,854 | 17,844,854 |
| Financial assets designated at fair value through profit or loss (Current) | - | - | 16,341,184 | 16,341,184 |
| Total | - | - | 34,186,038 | 34,186,038 |

There has been no transfer between levels during the period ended 30 September 2016 (31 March 2016 – Nil). The changes in the financial assets at fair value through profit or loss classified at level 3 are as follows:

Notes to the Financial Statements (Continued)
Financial risk management (Continued)

| | 30 September 2016 | 31 March 2016 |
|---|------------------------------|----------------------|
| | EUR | EUR |
| Balance as at 1 April | 34,186,038 | 83,504,691 |
| Redemption of shares | (10,000,000) | (38,000,000) |
| Disposal of subsidiaries | - | (26,960) |
| Realised loss/(gain) on financial assets at fair value through profit or loss | (34) | 27,013 |
| Unrealised gain/(loss) on financial assets at fair value through profit or loss | 1,873,839 | (11,318,706) |
| Balance as at period / year ended | 26,059,843 | 34,186,038 |

Transfers between levels of the fair value hierarchy, if any, are deemed to have occurred at the end of the reporting period.

The Company, through K2 and its investments in underlying companies, has invested in unquoted shares in the Portfolio Companies. In the absence of observable prices, as described in Note 4.1, valuation techniques are used to compute the fair value of the investments held by K2 and its underlying companies. The fair value of un-exited portfolio companies as at 30 September 2016 is based on the internal desktop valuation carried out by the Investment Manager which are derived from the valuations prepared by the independent international property valuer - CB Richard Ellis South Asia Private Limited ("the Valuer") as at 31 March 2016 based on the guidelines issued by the Royal Institution of Chartered Surveyors (RICS), UK. The valuation makes use of the Discounted Cash Flow ("DCF") method, to value the different projects, based on the stage of each project. This method seeks to make use of recent real estate transactions similar in nature to each individual project, where available and relevant, and of a number of assumptions and judgments obtained from the Investment Manager. Hence, the investments which comprise substantially all of the net assets of K2 are classified under level 3.

The investment in the remaining Portfolio Companies where exits have been contracted have been valued using the net present value of the estimated cash flows based on the definitive legal documentation entered into for exit from these investments, and adjusted for any other relevant factors.

As at 30 September 2016, the investments made by the Company through K2 and its underlying companies are predominantly in residential developments and in the form of receivables from fully or phased exits.

a. Residential development

The valuation of residential developments are carried out using Earnings Before Interest, Taxes and Depreciation and Amortisation (EBITDA) level cash flows as reduced by the tax impact over the project life under the DCF method, discounted using a weighted average cost of capital (WACC), which the Investment Manager deems appropriate for the project being valued. The three significant inputs used in the DCF method are sales price, construction cost and WACC.

Notes to the Financial Statements (Continued)

Financial risk management (Continued)

The table below presents the sensitivity of the fair value of K2 incorporated in the Company's Statement of Financial Position to changes in the significant unobservable inputs for residential developments:

| Significant unobservable inputs | 30 September 2016 Movements EUR mn | 31 March 2016 Movements EUR mn |
|----------------------------------|---|--------------------------------------|
| Increase in sale price 5% | 0.98 | 1.00 |
| Decrease in sale price 5% | (1.01) | (1.02) |
| Increase in construction cost 5% | (0.75) | (0.84) |
| Decrease in construction cost 5% | 0.67 | 0.77 |
| Increase in WACC 5% | (0.30) | (2.02) |
| Decrease in WACC 5% | 0.32 | 2.47 |

The significant unobservable inputs used in the valuation in the case of sale price, WACC and construction cost vary from project to project depending upon on the product mix of each project, location etc.

b. Contracted exits

The significant input is the estimation of cash flows arising from contracted exits. The fair value would increase (decrease) if estimated cash flows were higher (lower).

The table below presents the sensitivity of the fair value of K2 incorporated in the Company's Statement of Financial Position to changes in the significant unobservable input for contracted exits.

| Significant unobservable inputs | 30 September 2016 Movements EUR mn | 31 March 2016 Movements EUR mn |
|--------------------------------------|--|--------------------------------------|
| Increase in estimated cash flows 10% | 0.83 | 0.72 |
| Decrease in estimated cash flows 10% | (0.83) | (0.72) |

3.7 Capital risk management

The Company's objectives when managing capital are to safeguard its ability and the ability of its subsidiaries to continue as going concerns in order to provide returns and value for shareholders. The Company and its subsidiaries have no borrowings and accordingly the gearing ratios are nil. The Portfolio Companies in which the Company's indirect subsidiaries have invested have borrowings related to their real estate development activities without any recourse to the Company.

Notes to the Financial Statements (Continued)
Financial risk management (Continued)
3.8 Financial instrument by category

The following is the table of the Company's current assets:

| 30 September 2016 Non-current and current assets | Loans and receivables EUR | Financial Assets at fair value through profit or loss EUR | Total EUR |
|---|--|--|--------------------------------|
| Financial assets at fair value through profit or loss (Non-Current) | - | - | - |
| Financial assets at fair value through profit or loss (Current) | - | 26,059,843 | 26,059,843 |
| Cash and cash equivalents | 113,582 | - | 113,582 |
| Other receivables | 13,861 | - | 13,861 |
| Total | 127,443 | 26,059,843 | 26,187,286 |
| 31 March 2016 Non-current and current assets | | | |
| Financial assets at fair value through profit or loss (Non-Current) | - | 17,844,854 | 17,844,854 |
| Financial assets at fair value through profit or loss (Current) | - | 16,341,184 | 16,341,184 |
| Cash and cash equivalents | 463,470 | - | 463,470 |
| Other receivables | 13,861 | - | 13,861 |
| Total | 477,331 | 34,186,038 | 34,663,369 |

The following table analyses within the fair value hierarchy of the Company's current assets:

| Assets | Level 1 | Level 2 | Level 3 | Total Balance |
|---------------------------|----------------|----------------|----------------|--------------------------------|
| | EUR | EUR | EUR | EUR |
| 30 September 2016 | | | | |
| Cash and cash equivalents | 113,582 | - | - | 113,582 |
| Other receivables | - | - | 13,861 | 13,861 |
| Total | 113,582 | - | 13,861 | 127,433 |
| 31 March 2016 | | | | |
| Cash and cash equivalents | 463,470 | - | - | 463,470 |
| Other receivables | - | - | 13,861 | 13,861 |
| Total | 463,470 | - | 13,861 | 477,331 |

Notes to the Financial Statements (Continued)

Financial risk management (Continued)

The following is the table of the Company's current liabilities:

| 30 September 2016 Current liabilities | Accruals and other payables EUR | Total EUR |
|--|--|----------------------|
| Accruals and payables | 116,250 | 116,250 |
| Total | 116,250 | 116,250 |
| 31 March 2016 | | |
| Accruals and payables | 131,467 | 131,467 |
| Total | 131,467 | 131,467 |

The following table analyses within the fair value hierarchy of the Company's current liabilities:

| Assets | Level 1 | Level 2 | Level 3 | Total Balance |
|--------------------------|----------------|----------------|----------------|--------------------------|
| | EUR | EUR | EUR | EUR |
| 30 September 2016 | | | | |
| Accruals and payables | - | - | 116,250 | 116,250 |
| Total | - | - | 116,250 | 116,250 |
| 31 March 2016 | | | | |
| Accruals and payables | - | - | 131,467 | 131,467 |
| Total | - | - | 131,467 | 131,467 |

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 Company, through K2 and its investment in underlying companies, holds financial instruments that are not quoted in active markets in the form of unquoted shares of the Portfolio Companies. In the absence of an active market, the fair value of such unquoted investments has been determined based on the fair value of the underlying net assets of the Portfolio Companies for which there are no contracted exits. The major components of the net assets of remaining invested Portfolio Companies is the land owned by it and any development and/or any capital work in progress, and its related borrowings. Their net assets also include other current assets and liabilities. The fair value of the investments held by K2 and its underlying companies in the Portfolio Companies has been determined based on the net assets of these Portfolio Companies, as adjusted for:

Notes to the Financial Statements (Continued)

Critical accounting estimates and judgements (Continued)

- (1) differences between IFRS and Indian GAAP; and
- (2) fair valuation of all of the underlying assets and liabilities.

For investments in Portfolio Companies held by K2 and its underlying companies, where a definitive full or phased exit has been agreed, the fair value has been determined as the net present value of the contracted exit cash flows.

The Board have considered the above in determining whether the net asset value of K2 per its 30 September 2016 unaudited financial statements is the most appropriate basis for estimating the Company's investment in K2, and they have concluded that it is.

4.2 Critical judgements

Functional currency

The Board considers the EUR as the currency that most faithfully represents the economic effects of the Company's underlying events, transactions and conditions. EUR 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.

Investment entity exemption

As explained in note 2.1, the Board of Directors has concluded that the Company met the definition of an Investment Entity. As a result, the Company measures its investments in its subsidiary at fair value through profit or loss.

Going concern

As agreed with the shareholders of the Company in June 2013, the Class A and Class B shares held by the Company in K2 were redeemable at the option of K2 on 30 September 2016. K2 did not elect to exercise this option. The Board in its meeting of 1 July 2016 agreed to seek a formal shareholders approval on the extension of the terms of the Investment Management Agreement with IIAL beyond 30 September 2016 after conducting a detailed assessment of the balance of the portfolio and the exit strategy for the same. The annual general meeting of the Company was held on 14 September 2016 wherein the resolution for extension of the Investment Management Agreement until a long stop date of 31 December 2018 was unanimously passed. Based on the foregoing the Company continues to be a going concern.

5 Taxation

5.1 Current tax – Jersey

The Company is domiciled in Jersey, Channel Islands. Any profits arising in the Company are subject to tax at the rate of 0% (2016: 0%).

Notes to the Financial Statements (Continued)
6 Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss are as follows:

| Company | EUR |
|--|-------------------|
| As at 31 March 2015 | 83,504,691 |
| Redemption of shares | (38,000,000) |
| Disposal of subsidiaries | (26,960) |
| Realised gain on financial assets at fair value through profit or loss | 27,013 |
| Unrealised loss on financial assets at fair value through profit or loss | (11,318,706) |
| As at 31 March 2016 | 34,186,038 |
| Redemption of shares | (10,000,000) |
| Realised gain on financial assets at fair value through profit or loss | (34) |
| Unrealised loss on financial assets at fair value through profit or loss | 1,873,839 |
| As at 30 September 2016 | 26,059,843 |

The current and non-current financial assets at fair value through profit or loss are as follows:

| | EUR | EUR |
|--|--------------------------|----------------------|
| Company | 30 September 2016 | 31 March 2016 |
| Classified as current during the period / year | 26,059,843 | 16,341,184 |
| Classified as non-current during the period / year | - | 17,844,854 |
| Total | 26,059,843 | 34,186,038 |

Financial assets classified under current assets are those that are expected to be realised within a period of less than 12 months.

Financial assets classified under non-current assets are those that are not expected to be realised within a period of less than 12 months. The Company has investments in both direct and indirect companies.

Indirect companies are those entities in respect of which the Company has the power to govern the financial and operating policies by virtue of an investment in a direct company.

Notes to the Financial Statements (Continued)**Financial assets at fair value through profit or loss (Continued)**

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

Direct investment

| Name of subsidiary | Principal Activity | Country of incorporation | Class of share | Percentage held by the Company |
|---------------------------|---------------------------|---------------------------------|------------------------|---------------------------------------|
| K2 Property Limited | Investment holding | Mauritius | Ordinary Class A and B | 100% |

K2 issued 1,250,000 Class A shares on 16 January 2007, and 1,687,865 Class B shares on 7 January 2008 to the Company and 75,000 Class C shares and 25,000 Class D shares to IFS Trustees (as Trustee of Saffron Investment Trust) hereinafter referred to as Advisor Shareholders. All the shares have a par value of USD 0.01 each.

K2 has a finite life of 15 years ending in 2020, which can be extended by the Board of Directors of K2 by two successive terms each of one year. Class A and Class B shares are redeemable at the option of K2. The present intention of the Directors is that the Class A and Class B shares will be fully redeemed on or before 31 December 2018.

During the period ended 30 September 2016, K2 redeemed 33,085 Class A shares for a consideration of EUR 2,554,798 and 108,700 Class B shares for a consideration of EUR 7,445,202. As at 30 September 2016, the Company held 731,545 Class A shares and 1,030,977 Class B shares of K2. The nominal share capital of Class C and Class D shares is USD 1,000.

Notes to the Financial Statements (Continued)

Financial assets at fair value through profit or loss (Continued)

Indirect holding companies

| Name of subsidiaries | Principal Activity | Country of incorporation | Class of share | Percentage held indirectly by The Company |
|----------------------------|--------------------|--------------------------|----------------|---|
| 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 | 100% |
| K2A Private Equity Limited | Investment Holding | Mauritius | Ordinary | 100% |
| K2A Hospitality Limited | Investment Holding | Mauritius | Ordinary | 100% |
| K2F Residential Limited* | Investment Holding | Mauritius | Ordinary | 100% |
| K2C Hospitality Limited | Investment Holding | Mauritius | Ordinary | 100% |
| K2A Residential Limited | Investment Holding | Mauritius | Ordinary | 100% |
| K2E Residential Limited | Investment Holding | Mauritius | Ordinary | 100% |
| K2B Commercial Limited | Investment Holding | Mauritius | Ordinary | 100% |
| K2C Retail Limited* | Investment Holding | Mauritius | Ordinary | 100% |
| K2G Residential Limited* | Investment Holding | Mauritius | Ordinary | 100% |
| Mildren Holding Limited | Investment Holding | Cyprus | Ordinary | 100% |

*These companies are under liquidation process.

7 Prepayments and other receivables

| | 30 September 2016 EUR | 31 March 2016 EUR |
|-------------------|--------------------------|----------------------|
| Prepayments | 13,720 | 36,258 |
| Other receivables | 13,861 | 13,861 |
| Total | 27,581 | 50,119 |

The Board has reviewed the above receivables at 30 September 2016 to determine whether any impairment provision is required. The Board has concluded that there was no indication of impairment at 30 September 2016 (2016: Nil).

8 Cash and cash equivalents

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

| | 30 September 2016 EUR | 31 March 2016 EUR |
|---------------------------|--------------------------|----------------------|
| Cash and cash equivalents | 113,582 | 463,470 |

Notes to the Financial Statements (Continued)
9 Stated capital and share premium
Authorised and issued stated capital

| | Number of Ordinary shares of no par value | Stated Capital EUR | Total EUR |
|---|--|-----------------------------------|----------------------|
| As at 31 March 2015 | 11,123,141 | 173,457,092 | 173,457,092 |
| Shares redeemed during the year (4 May 2015 and 1 September 2015) | (6,247,487) | (38,000,000) | (38,000,000) |
| As at 31 March 2016 | 4,875,654 | 135,457,092 | 135,457,092 |
| Shares redeemed during the period (30 September 2016) | (1,410,437) | (10,000,000) | (10,000,000) |
| As at 30 September 2016 | 3,465,217 | 125,457,092 | 125,457,092 |

All issued ordinary shares of the Company are fully paid and have been admitted to the official list of 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 in capital are shown in 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 its working capital and investment needs on an ongoing basis, such liquidity being augmented by short-term borrowings or disposal of investments where necessary. The share premium represents amount collected from investors towards issue of no par value shares comprising both the initial public offer and the follow on public offer. It may be utilised when the Company buys back its own shares or redeem the previously issued shares.

10 Accruals and other payables

| | 30 September 2016 EUR | 31 March 2016 EUR |
|-------------------------------|--------------------------------------|------------------------------|
| Amount due to related parties | 17,310 | 49,927 |
| Other payables | 68,070 | 30,040 |
| Accruals | 30,870 | 51,500 |
| Total | 116,250 | 131,467 |

11 Distribution payable

No dividend was paid during the period ended 30 September 2016 (31 September 2015 - Nil).

Notes to the Financial Statements (Continued)**12 Related party transactions**

The Company entered into transactions with related parties in respect of director's remuneration and expenses, and receivable from the Investment Manager as set out below:

Directors' interests

Directors' interests in the shares of the Company is as disclosed in the Directors' report on Page 7.

Directors' remuneration and expenses

The total remuneration paid to Directors who are related parties (being all the directors of the Company) for the period was EUR 108,000 (30 September 2015 – EUR 120,000).

The amount payable to the Directors towards reimbursement of travelling expenses as at 30 September 2016 was EUR 2,310 (31 March 2016 – EUR 4,325).

Amount receivable from and payable to Investment Manager

At the period end, EUR 15,000 was payable directly by the Company to the Investment Manager (31 March 2016 – EUR 30,000).

Amount payable to K2 is Nil as at 30 September 2016 (31 March 2016 – EUR 15,602).

The total incentive fee which would become due to the Investment Manager from 1 October 2016 up to 30 September 2017 based on the anticipated proceeds on ultimate disposal of the investments in the underlying subsidiaries would be approximately EUR 2.60 million. This would translate into approximately EUR 0.75 per share based on the number of shares presently in issue.

13 Ultimate controlling party

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

14 Capital and other commitments

The Company has no capital commitments as at 30 September 2016 (31 March 2016 – Nil).

15 Profit/ (Loss) per share

Basic profit / (loss) per share is calculated by dividing the net profit / (loss) attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the period.

| | 30 September 2016 EUR | 30 September 2015 EUR |
|---|--------------------------------------|--------------------------------------|
| Profit/(Loss) attributable to equity holders of the Company | 1,516,596 | (8,066,510) |
| Weighted average number of ordinary shares in issue | 4,860,155 | 7,852,275 |
| Basic and diluted profit/(loss) per share | 0.31 | (1.03) |

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

Notes to the Financial Statements (Continued)**16 Net asset value per share**

| | 30 September 2016 EUR | 31 March 2016 EUR |
|------------------------------------|--------------------------------------|----------------------------------|
| Net assets | 26,084,756 | 34,568,160 |
| Number of ordinary shares in issue | 3,465,217 | 4,875,654 |
| Net assets value per share | 7.53 | 7.09 |

17 Segment information

The chief operating decision maker ("CODM") in relation to the Company is deemed to be the Board of the Company itself. The factor used to identify the Company's reportable segments is geographical area. Based on the above and a review of information prepared on an IFRS basis which provided to the Board, it has been concluded that the Company is currently organised into one reportable segment; India.

There is only one type of real estate projects within the above segment which is predominantly residential (2016 – one type; predominantly residential). CODM considers on a quarterly basis the results of the position of residential property as a whole as part of their ongoing performance review.

The CODM receives quarterly updates on its investment in K2 from the Investment Manager of K2. In addition, quarterly portfolio reports and period end valuation reports are reviewed and reported on by the Investment Manager to the Board of Directors.

Operating segments

The Company has only one reportable operating segment and the performance of this segment accounts for the performance of the Company as a whole. Other than cash and cash equivalents and related interest and charges, the results of the Company are deemed to be generated in India.

18 Subsequent Events

On 3rd October, 2016 an indirect subsidiary of the Company, K2E Residential Limited, received EUR 1.48 million in respect of share sale proceeds for shares held in Riverbank Developers Limited. Further on 6th October 2016, it also received EUR 2.11 million in respect of share sale proceeds for shares held in Riverbank Developers Limited.

On 4th October 2016, an indirect subsidiary of the Company, K2A Residential Limited, received EUR 1.04 million as dividend income from Kolte Patil Real Estate Private Limited.

Corporate Information

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JE2 4YE
Jersey

**Investment Manager to K2
and service provider to Yatra**
IL& FS Investment Advisors LLC
IFS Court, Twenty Eight
Cybercity, Ebene
Mauritius

Independent Auditor:

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Administrator:

Citco Jersey Limited
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St Helier, Jersey

Legal Advisors:

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Jersey JE1 0BD

Corporate Brokers & Advisors

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Corporate Brokers & Advisors

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INVESTMENT MANAGER

 **IL&FS Investment Advisors LLC**