



NAYA BHARAT PROPERTY COMPANY PLC
(Incorporated in the Isle of Man)

Consolidated Annual Report

Six Months ended 30 September 2009

ISIN No. IM00B1N95Z00

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Management and Administration

Directors

* independent

Shankar Dey (Non-executive Chairman)*
James Rosapepe (Non-executive Director) *
Anderson A. Whamond (Non-executive Director)
Jonathan Bradley (Non-executive Director)*
all of the registered office below:

Registered Office of the Company

Third Floor, Britannia House
St George's Street
Douglas
Isle of Man IM1 1JE
British Isles

Manager

Charlemagne Capital (IOM) Limited
St Mary's Court, 20 Hill Street
Douglas
Isle of Man IM1 1EU
British Isles

Nominated Advisor and Broker

Panmure Gordon (UK) Limited
Moorgate Hall
155 Moorgate
London EC2M 6XB
United Kingdom

Placing Agent

Charlemagne Capital (UK) Limited
39 St James's Street
London SW1A 1JD
United Kingdom

Custodian

Anglo Irish Bank Corporation (International) plc
Jubilee Buildings, Victoria Street
Douglas
Isle of Man IM1 2SH
British Isles

Administrator and Registrar

Galileo Fund Services Limited
Third Floor, Britannia House
St George's Street
Douglas
Isle of Man IM1 1JE
British Isles

Auditors

KPMG Audit LLC
Heritage Court, 41 Athol Street
Douglas
Isle of Man IM99 1HN
British Isles

Subsidiaries

Naya Bharat Property Company (Mauritius) Limited
Naya Bharat Investments (Mauritius) Limited

Registered office of the Subsidiaries

C/o Kross Border Trust Services Limited
St Louis Business Centre, Cnr Desroches & St. Louis Streets
Port Louis
Mauritius

Chairman's Statement

The Indian real estate market has stabilised over the past six months and there are now some signs that property prices may be rising once more. With world stockmarket indices also moving higher in anticipation of global economic recovery, there have been some exceptional gains amongst listed Indian property stocks over the period under review and these have been reflected in the net asset value of the Company. These developments are detailed in the following Report of the Investment Manager.

In consequence, I am also pleased to be able to report that the Company's net profit for the period was US\$20.498m, with unrealised gains on investments of US\$20.890m. At 30 September 2009 the Company's net asset value per share was US\$0.61.

Prospects for the Indian real estate market continue to improve as a result of the interest rate cuts that have occurred to date, with the Reserve Bank of India's policy rates now at an all-time low, something that not only makes property purchases more affordable but also helps the financial position of property companies themselves. Economic activity in India is also strengthening, helped by a variety of fiscal measures implemented earlier this year; it is clear India has successfully avoided the worst consequences of the global financial crisis. Affordable housing for the new mass affluent remains the focus for developers and demand here is picking up on the back of rising employment and cheaper mortgage finance. The realisation that prices are unlikely to drop from current levels is also generating increasing interest. As economic activity continues to strengthen, the office and commercial sectors will undoubtedly follow the residential sector of the real estate market into recovery. Over the longer term, under a reformist government, the prospects for the Indian real estate market are encouraging.

In the light of this positive outlook for the Indian real estate market, the Board is proposing that the Company expand its investment mandate to enable the Company to invest beyond its current focus on listed companies whose primary business is the development of property portfolios and land banks, to permit investment in a broader range of property-related investments. Such ancillary companies may include those operating in such areas as building materials, construction, infrastructure and property credit. The Investment Manager has significant experience and knowledge of these companies and the current inability of the Company to invest in these areas can be seen as a missed opportunity. A proposal to expand the Company's Investing Policy is therefore to be tabled at the Extraordinary General Meeting to be held on 23 November 2009.

The authority to purchase up to 14.99 per cent of the issued share capital of the Company was renewed at the Annual General Meeting held on 12 October 2009. The Company may use this authority to purchase Ordinary Shares at a discount to the prevailing Net Asset Value per Share if suitable occasions arise and the Company has funds available for that purpose. No such purchases were made over the period under review.

Shankar Dey
Chairman

19 November 2009

Report of the Manager

Reporting Period: 1 April 2009 - 30 September 2009
Reporting Currency: USD
Share Price Return: 253.1%
NAV Return: 165.2%

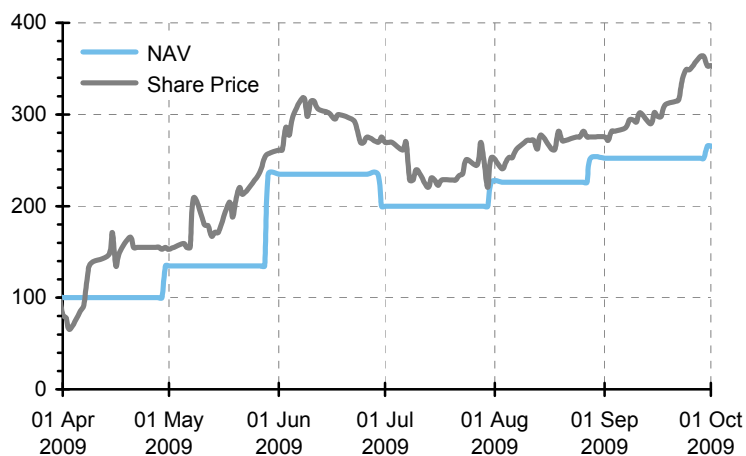


Chart rebased to 31 Mar 2009 = 100 Source: Charlemagne

The net asset value of the Naya Bharat Property Company stood at USD 0.61 per share on 30 September 2009. This represents a rise of 165.2% over the six-month period ending 30 September 2009. Over the same period, the BSE Realty Index rose 206.1% in US dollar terms. The Naya Bharat share price increased by 253.1% over this period however, as its discount to asset value narrowed.

The exceptional gains of the six months under review, and particularly those generated over the second quarter of the year, reflect a variety of factors. Many of the published economic statistics are now showing an improvement in underlying activity with the government forecasting that GDP growth will have rebounded by the end of this year. India therefore seems to have avoided the worst consequences of the global financial crisis. At the same time, a continual decline in the rate of inflation, which turned negative, has allowed the central bank to cut interest rates to historic lows. This provides a particular benefit to the real estate sector with lower mortgage rates and property price cuts improving affordability. As a result, the residential property market seems to have stabilised with prices in Mumbai at least showing some signs of recovery. Affordable housing for the new mass affluent remains the focus for developers and demand here is picking up on the back of rising employment, continued wage growth and cheaper mortgage finance. The realisation that prices are unlikely to drop from current levels is also generating increasing interest. Although the office and commercial sectors have yet to show the same signs of recovery, most commentators expect these to follow the residential sector. Property companies are also benefiting from an improved balance sheet following debt restructuring, equity issues and asset sales.

These economic factors, which have sparked renewed investor interest, have been very supportive of share prices whilst political developments have also improved the outlook for the domestic economy. In a result not generally anticipated, the Indian general election saw the ruling Congress party returned to power with a far stronger mandate than before. Although still falling short of an absolute majority, the result is important for the markets as it means that Congress need no longer rely upon the support of some of the more left-leaning smaller parties for its majority. Reforms in such areas as insurance, pensions and state-ownership, which had previously been blocked by these smaller parties, are therefore very much back on the agenda. If implemented, such reforms should ultimately boost economic activity.

On the back of these developments, share prices rose dramatically with real estate companies leading the way. Orbit Corporation, the Mumbai-based company that specialises in the redevelopment of existing properties to a very high standard, more than doubled in value in the two weeks following the declaration of the election result. Over the period as a whole, the Orbit share price rose more than 400%. HDIL, the largest Mumbai-based real estate player, saw its share price rise more than 300% over the period under review.

Report of the Manager continued

Renewed optimism in the outlook for Indian economic activity was also reflected in the share price movement of Phoenix Mills, a Mumbai-based real estate developer that, in its own words, is “set to take on the challenge of redefining life style in Indian cities”. Having just come into the portfolio during the second quarter, its share price appreciated by almost 80% over the third quarter as investors began to appreciate the potential of its aggressive targeting of the shopping and entertainment sectors.

A number of changes were made to the composition of the portfolio over the period under review. Holdings in IFCI, India’s oldest financial institution, with a significant exposure to real estate, and DSK Developers were divested, making way for more attractive opportunities elsewhere. These included Sobha Developers, Phoenix Mills, Unitech Corporate Parks, Hirco and Indiabulls Property Investment Trust (IPIT).

Sobha Developers is a Bangalore-based residential real estate company with an excellent reputation for high-quality construction and a strong brand in its own market. The company had previously overextended itself through the acquisition of a large land bank, and had become excessively leveraged. However, the company has recently issued new capital and is now on a firmer financial footing, something as yet not fully reflected in its share price. Phoenix Mills is the most prominent player in the retail real estate sector. The company has well-established properties in Mumbai that provide steady yields. The company has plans for several new projects in Mumbai and other cities that it will roll-out as and when market conditions permit. The stock was bought at a significant discount to the value of its existing properties and the cash on the balance sheet, providing a substantial margin of safety. The new projects could add further value.

Unitech Corporate Parks is a leading commercial market developer with a focus on the high growth IT (Information Technology) and ITES (Information Technology Enabled Services) sectors. Its current portfolio comprises an IT Park in Noida as well as projects in IT Special Economic Zones in Noida, Gurgaon and Kolkata. These are expected to have a total leasable area of 21.5 million square feet upon completion and have been valued at GBP 469 million, a substantial discount to the current share price. The company has a very strong cash position, which accounts for almost all its market capitalisation, ascribing little value to its current operations.

Hirco is one of India’s largest property companies and is currently developing a large-scale mixed use township in Chennai, targeting India’s growing young and affluent working population. IPIT was spun out of Indiabulls Real Estate last year and is a Singapore-listed real estate investment trust. The company has recently announced plans for a rights issue to help bolster its balance sheet. Both investments were purchased on attractive valuations and were funded from existing cash balances.

The outlook for the property market in India remains encouraging, with high rates of urbanisation and household formation combining with the prospect of strong growth in economic activity over the years ahead to support not only the residential sector but also the office and commercial sectors. The share prices of Indian property companies remain significantly below their previous highs, and continue to discount the true value of their assets. There is therefore every prospect of a further appreciation from current levels.

Top Ten Holdings as at 30 September 2009	%age of Net Assets
Unitech	17.3%
Indiabulls Real Estate	15.9%
DLF	15.0%
HDIL	14.6%
Orbit Corporation	6.2%
Phoenix Mills	6.1%
Mahindra Lifespaces	4.0%
Unitech Corporate Parks	3.7%
Peninsula Land	3.3%
Ascendas India Trust	2.8%

Charlemagne Capital (IOM) Limited
19 November 2009

Consolidated Income Statement (Unaudited)

	Note	For the period from 1 April 2009 to 30 September 2009 \$'000	For the period from 1 April 2008 to 30 September 2008 \$'000
Income			
Interest Income		-	9
Dividend income		105	413
Net changes in fair value of financial assets at fair value through profit or loss	5	20,890	(37,664)
Total net income/(loss)		20,995	(37,242)
Expenses			
Manager fees:			
Annual fees	7.3	238	401
Nominated Advisor & Broker fees	8.1	23	29
Custodian fees	8.2	43	51
Administrator & Registrar fees	8.3	68	86
Listing Fee		4	4
Legal, professional and audit fees	8.5	31	53
Directors remuneration	14	62	62
Other expenses		28	44
Total operating expenses		497	730
Profit/(loss) before tax		20,498	(37,972)
Income tax expense	15	-	-
Retained profit/(loss) for the period		20,498	(37,972)
Basic and diluted earnings/(loss) per share (cent)	12	37.91	(63.29)

The accompanying notes form and integral part of these consolidated financial statements

Consolidated Statement of Comprehensive Income (Unaudited)

	Period 1 April 2009 to 30 September 2009	Period 1 April 2008 to 30 September 2008
	€'000	€'000
Profit/(loss) for the period	20,498	(37,972)
Other comprehensive income/(loss)		
Currency translation differences	215	11
Other comprehensive income/(loss) for the period (net of tax)	215	11
Total comprehensive profit/(loss) for the period	20,713	(37,961)

Consolidated Balance Sheet (Unaudited)

	Note	(Unaudited) At 30 September 2009 \$'000	(Audited) At 31 March 2009 \$'000
Financial assets at fair value through profit or loss	5	32,509	11,307
Due from broker		1,484	-
Other receivables and prepayments		73	85
Cash at bank	10	-	1,095
Total current assets		34,066	12,487
Issued share capital	11	541	541
Share premium		-	-
Foreign currency translation reserve		185	(30)
Capital redemption reserve		59	59
Retained earnings		32,221	11,723
Total equity		33,006	12,293
Other creditors and accrued expenses	9	304	194
Bank overdraft	10	756	-
Total current liabilities		1,060	194
Total liabilities		1,060	194
Total equity & liabilities		34,066	12,487

The accompanying notes form and integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity (Unaudited)

	Share capital	Share premium	Foreign currency translation reserve	Capital redemption reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2008	600	56,729	8	-	7,129	64,466
Loss for the period	-	-	-	-	(37,972)	(37,972)
Other comprehensive loss	-	-	11	-	-	11
Total comprehensive loss	-	-	11	-	(37,972)	(37,961)
Cancellation of Share Premium	-	(56,729)	-	-	56,729	-
Balance at 30 September 2008	600	-	19	-	25,886	26,505
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2008	600	56,729	8	-	7,129	64,466
Transfer to retained earnings (note 11)	-	(56,729)	-	-	56,729	-
Loss for the year	-	-	-	-	(51,129)	(51,129)
Other comprehensive loss	-	-	(38)	-	-	(38)
Total comprehensive loss	-	-	(38)	-	(51,129)	(51,167)
Share buyback	(59)	-	-	59	(1,006)	(1,006)
Balance at 31 March 2009	541	-	(30)	59	11,723	12,293
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2009	541	-	(30)	59	11,723	12,293
Profit for the period	-	-	-	-	20,498	20,498
Other comprehensive profit	-	-	215	-	-	215
Total comprehensive profit	-	-	215	-	20,498	20,713
Balance at 30 September 2009	541	-	185	59	32,221	33,006

The accompanying notes form and integral part of these consolidated financial statements

Consolidated Cash Flow Statement (Unaudited)

	Note	For the period from 1 April 2009 to 30 September 2009 \$'000	For the period from 1 April 2008 to 30 September 2008 \$'000
Cash flows from operating activities			
Purchase of financial assets and settlement of financial liabilities		(11,873)	(11,748)
Proceeds from sale of investments		10,371	16,649
Dividends received		112	307
Interest received		-	9
Operating expenses paid		(445)	(2,959)
Net cash (used in)/generated from operating activities		(1,835)	2,258
Financing activities			
Share buyback		-	-
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(1,835)	2,258
Effects of exchange rate changes on cash and cash equivalents		(16)	(1)
Cash and cash equivalents at beginning of period		1,095	5
Cash and cash equivalents at end of period	10	(756)	2,262

The accompanying notes form and integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

1 The Company

Naya Bharat Property Company plc (the "Company") was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 8 December 2006 as a public company with registered number 118539C.

Pursuant to an Admission Document dated 21 February 2007 there was an original placing of up to 60,000,000 Ordinary Shares. Following the close of the placing on 26 February 2007 60,000,000 Ordinary Shares were issued. After the Company bought back 5,925,957 shares there are 54,074,043 shares remaining at the period end.

The Shares of the Company were admitted to trading on the AIM market of the London Stock Exchange on 26 February 2007 when dealings also commenced.

The Company's agents and the Manager perform all significant functions. Accordingly, the Company itself has no employees.

Dividend Policy

The Directors have absolute discretion as to the payment of dividends and do not currently intend to pay dividends on the Ordinary Shares.

Financial Year End

The financial year end of the Company is 31 March in each year.

2 The Subsidiaries

Naya Bharat Property Company (Mauritius) Limited a wholly owned subsidiary of the Company, was incorporated as a limited liability company under the provisions of the Mauritius Companies Act 2001, Mauritius on 12 January 2007, registered number 067911 C1/GBL. 2 shares of US\$1 each have been issued to the Company. The Directors of the subsidiary are Dhanun Ujoodha, Mowlooda Randera Taher, Jane Bates and Adrian Jones.

Naya Bharat Investments (Mauritius) Limited is a wholly owned subsidiary of the Company. It was incorporated as a limited liability company under the provisions of the Mauritius Companies Act 2001, Mauritius on 28 December 2007, registered number 76564 C1/GBL. 2 shares of US\$1 each have been issued to the Company. The Directors of the subsidiary are Dhanun Ujoodha, Mowlooda Randera Taher, Jane Bates and Adrian Jones.

Naya Bharat Investments (Mauritius) Limited is registered with The Securities & Exchange Board of India ("SEBI") (effective 9 September 2008) as an sub-account of the Manager, acting in its capacity as a Foreign Institutional Investor, registration number 20080967 and the company therefore, is authorised to invest in Indian securities in accordance with SEBI regulations.

3 Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements for the period ended 31 March 2009. The Interim report of the Company for the period ending 30 September 2009 comprises the Company and its subsidiaries (together referred to as the "Group"). The interim consolidated financial statements are unaudited.

These interim financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34: Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 31 March 2009.

Notes to the Consolidated Financial Statements continued

4 Net Asset Value per Share

The net asset value per share as at 30 September 2009 is US\$0.61 per share based on 54,074,043 ordinary shares in issue as at that date (31 March 2009: US\$0.23: 54,074,043 ordinary shares).

5 Investments

The P Notes below are issued by EU rated credit institutions and derive their value from the underlying local Indian stock upon which they are issued and are listed on the Luxembourg or Dublin Stock Exchange.

Financial assets at fair value through profit or loss:

Security name	Number	Fair Value US\$'000
Hirco PLC	287,489	937
Unitech Corp Parks	3,687,892	1,238
DLF Limited	181,014	1,648
Housing Development and Infrastructure	472,819	3,167
Indiabulls Real Estate	335,628	1,893
Mahindra Lifespace	170,959	1,337
Orbit Corporation	348,155	1,933
Peninsula Land Limited	640,089	1,118
Phoenix Mills Limited	555,094	2,061
Sobha Developers	120,670	661
Unitech	2,621,979	5,857
Ascendas India Trust	1,539,399	945
Indiabulls Property Investments	1,885,000	495
P Notes		
ABN AMRO Bank 3/7/09 (HDIL)	39,677	266
ABN (Indiabulls) P Note	33,348	188
Citigroup Global Markets 17-Jan-2012 (HDIL)	210,013	1,407
Deutsche Bank AG 30/03/17 (Orbit Corporation)	32,906	183
Deutsche Bank AG London (DLF Limited)	47,551	433
Deutsche Bank AG London 27/03/17 (Indiabulls)	583,065	3,289
Deutsche Call Wts 05/12/16 (Ansal Housing)	63,068	77
JP Morgan (DLF) P Note	30,938	282
JP Morgan (Housing Dev)	15,068	100
Merrill Lynch Intl & Co 08-Mar-2011 (Ansal Housing)	217,473	266
Macquarie Bank (DLF Limited)	299,591	2,728
		32,509

Net changes in fair value on financial assets at fair value through profit or loss:

	US\$'000
Realised	(6,335)
Unrealised	27,225
Total gains	20,890

Notes to the Consolidated Financial Statements continued

6 Interest Bearing Loans

On 1 March 2008, a loan facility between the Company and its subsidiary Naya Bharat Investments (Mauritius) Limited (the "Subsidiary") for a maximum of US\$70,000,000 came into effect. The Subsidiary uses the loan solely for the purpose of investing in listed equity securities and to meet operational expenses. The loan is repayable by the Subsidiary on demand of the Company. Interest is accrued daily from the date the loan came into effect, at a rate equal to the USD overnight LIBOR on a basis of 360 days a year.

7 Related Party Transactions

7.1 Directors of the Company

Anderson Whamond is a non-executive director of the Manager. He holds 65,000 ordinary shares in the Company. He is also a shareholder of Charlemagne Capital Limited ("CCL"), the parent of the Manager and the Placing Agent and additionally has an indirect family interest in shares of CCL.

Jonathan Bradley is a non-executive director of the Placing Agent and holds 20,000 ordinary shares in the Company.

Charlemagne Capital (Investments) Limited, an entity associated with the Investment Manager, holds 97,181 ordinary shares in the Company (2008: 397,181 ordinary shares).

As at 30 September 2009 shares of the Company were held by a number of employees of the Manager and by an employee benefit trust managed by an independent trustee, Sanne Trust Company Limited of which certain employees of the Manager and their families may be potential beneficiaries.

CCL's shares are listed on the AIM Market of the London Stock Exchange.

Save as disclosed above, none of the Directors had any interest during the period in any material contract for the provision of services which was significant to the business of the Company.

7.2 Directors of the Subsidiaries

Jane Bates and Adrian Jones are directors of the Manager. In compliance with local regulations the subsidiaries have appointed directors who are employees of or are associated with, the registered office service provider.

7.3 Manager fees

Annual fees

The Manager is entitled to an annual management fee of 1.75% per annum of the monthly net asset value of the Company. This fee will accrue monthly and is payable monthly in arrears.

The Manager shall also be entitled to recharge to the Group all and any reasonable costs and disbursements properly incurred by it in the performance of its duties including costs of travel save to the extent that such costs are staff costs or other internal costs of the Manager. All amounts payable to the Manager by the Company shall be paid together with any value added tax, if applicable.

Annual management fees payable during the period ended 30 September 2009 amounted to US\$238,478 (2008: US\$400,710), of which US\$135,417 is outstanding at the period end.

Performance fees

The Manager is entitled to a performance fee, accrued monthly and calculated and payable after the end of each performance fee period, equal to 15% of any excess of the net asset value per ordinary share (after adding back dividends and other distributions and ignoring any accrued performance fee) as at the end of each performance fee period over the benchmark multiplied by the time weighted average number of ordinary shares in issue over the relevant period.

Notes to the Consolidated Financial Statements continued

For these purposes the benchmark shall be equal to the highest net asset value per share as at the last valuation day in any preceding performance fee period and, in the case of the first performance fee period, shall be the Placing Price.

Performance fee periods shall commence on 1 April and terminate on 31 March of the following year (or on the termination of the Management Agreement, if earlier).

Performance fees accrued but not paid during the period ended 30 September 2009 amounted to US\$Nil (2008: US\$Nil).

8 Charges and Fees

8.1 Nominated Adviser and Broker fees

Pursuant to the Placing and in its capacity as AIM Sponsor, the Nominated Adviser and Broker was entitled to receive a fee of £75,000. The payment of this fee was conditional upon admission of the Company's Shares to AIM taking place on or before 26 February 2007 or such later date as may have been agreed, not being later than 31 March 2007. This amount was charged to equity as a share issue expense.

As Nominated Adviser and Broker to the Company for the purposes of the AIM rules, the nominated adviser and broker is entitled to receive with effect from 1 January 2008 an annual fee of £25,000, payable twice yearly in advance.

Nominated Adviser and Broker fees paid for the period ended 30 September 2009 amounted to US\$22,835 (2008: US\$28,641).

8.2 Custodian fees

The Custodian is entitled to receive fees calculated as 5 basis points per annum of the net asset value of the portfolio of the Company, subject to a minimum monthly fee of US\$2,250, calculated monthly and payable quarterly in arrears.

Custodian fees for the period ending 30 September 2009 amounted to US\$43,102 (2008: US\$50,760), of which US\$15,750 was outstanding at the period end.

8.3 Administrator and Registrar fees

The Administrator is entitled to receive a fee of 10 basis points per annum of the net asset value of the Company, subject to a minimum monthly fee of US\$6,500 (this was changed from US\$7,500 with effect from 1 July 2009). This is calculated monthly and payable quarterly in arrears.

The Administrator shall assist in the preparation of the financial statements of the Company for which it shall receive a fee of US\$3,250 per set.

The Administrator shall provide general secretarial services to the Company for which it shall receive a minimum annual fee of US\$5,400, this was changed from US\$10,000 with effect from 1 July 2009.

The Administrator may utilise the services of a CREST accredited registrar for the purposes of settling share transactions through CREST. The cost of this service will be borne by the Company. It is anticipated that the cost will be in the region of £6,000 per annum subject to the number of CREST settled transactions undertaken.

Administration fees for the period ending 30 September 2009 amounted to US\$55,772 (2008: US\$71,293), secretarial fees were US\$4,600, financial statement preparation fees were US\$3,738 and CREST fees were US\$3,852.

8.4 Other operating expenses

The costs associated with maintaining the Company's subsidiaries, to include the costs of continuing incorporation and third party service providers, shall be chargeable to each subsidiary.

Notes to the Consolidated Financial Statements continued

8.5 Legal, professional and audit fees

Legal, professional and audit fees for the period ending 30 September 2009 amounted to US\$31,190. Legal and professional fees amounted to US\$697 and audit fees amounted to US\$30,493.

9 Other Creditors and Accruals

	30 September 2009	31 March 2009
	US\$'000	US\$'000
Due to broker	56	-
Management fee payable	135	52
Administration fees payable	25	29
Audit fee payable	37	52
CREST fees payable	2	2
Custodian fees payable	16	24
Directors fees and expenses payable	25	25
Other payables	8	10
Total	304	194

10 Cash and Cash Equivalents

	30 September 2009	31 March 2009
	US\$'000	US\$'000
Bank balances	(756)	1,095
Cash and cash equivalents	(756)	1,095

11 Share Capital

Ordinary Shares	Number	US\$'000
In issue at the start of the year	60,000,000	600
Share buyback during the year	(5,925,957)	(59)
In issue at 31 March 2009	54,074,043	541

Ordinary Shares	Number	US\$'000
In issue at the start of the period	54,074,043	541
Issued during the period	-	-
In issue at 30 September 2009	54,074,043	541

At incorporation the authorised share capital of the Company was US\$300 million divided into Ordinary Shares of US\$1 each. On 5 February 2007 the Company cancelled 297 million unissued Ordinary Shares of US\$1 each and on the same day subdivided its remaining 3 million authorised Ordinary Shares of US\$1 each into 300 million shares of US\$0.01 each.

During the year ended 31 March 2009 5,925,957 shares were bought back for a total consideration of US\$1,006,454.20. The buyback was effected through retained reserves with an amount equal to the nominal value of the shares repurchased being transferred to a capital redemption reserve in accordance with local statutory requirements

Notes to the Consolidated Financial Statements continued

On 13 February 2008 the Company received confirmation from the High Court of Justice of the Isle of Man of its approval for the Company to cancel the amount of the share premium account and for such amount to be credited as a distributable reserve. The Company stated its intention to seek such approval in its admission document dated 21 February 2007. Having received court approval, the amount of the share premium account so cancelled was credited as a distributable reserve which may be applied in any manner in which the Company's profits available for distribution are able to be applied.

11.1 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board manages the Group's affairs to achieve shareholder returns through capital growth rather than income, and monitor the achievement of this through growth in net asset value per share.

Gearing may be employed by the Group with the aim of enhancing shareholder returns. This would be in the form of bank borrowings, secured on the investment portfolio.

Group capital comprises share capital, share premium and reserves.

During the accounting period the Share Premium account was cancelled and transferred to distributable reserves following the approval of the application to the High Court in the Isle of Man.

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

12 Basic and Diluted (Loss)/Earnings per Share

Basic and diluted (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period

	2009	2008
Profit/(loss) attributable to equity holders of the Company (US\$'000)	20,498	(37,972)
Weighted average number of ordinary shares in issue (thousands)	54,074	60,000
Basic and diluted earnings/(loss) per share (cent per share)	37.91	(63.29)

13 Exchange Rates

The following exchange rates were used to translate assets and liabilities into the reporting currency at 30 September 2009:

Sterling	0.6256
Indian Rupee	0.02079
Singapore Dollar	0.7095

14 Directors' Remuneration

The Company

The maximum amount of remuneration payable to the Directors permitted under the Articles of Association is US\$200,000 per annum. The Directors each receive a fee of US\$25,000 per annum accrued monthly and payable quarterly in arrears. Additionally the Directors are entitled to receive reimbursement of any expenses incurred in relation to their appointment. Total fees and expenses payable to the Directors for the period ended 30 September 2009 amounted to US\$51,875. Additionally, the Company paid an amount of US\$9,539 for directors and officers liability insurance cover.

Notes to the Consolidated Financial Statements continued

The Subsidiaries

No fees are paid to the Directors of the subsidiaries except in circumstances where a director is appointed in compliance with local regulations and in such cases the fees payable are nominal.

15 Taxation

Isle of Man taxation

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man and is technically subject to taxation on its income but the rate of tax will be zero.

There are no corporation, capital gains or inheritance taxes payable in the Isle of Man. No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue, transfer, conversion or redemption of Ordinary Shares.

Shareholders resident outside the Isle of Man will not suffer any income tax in the Isle of Man on any income distributions to them. Shareholders resident in the Isle of Man will, depending upon their particular circumstances, be liable to Manx income tax on dividends received from the Company.

Mauritius taxation

The subsidiaries are registered as Category 1 Global Business Companies ("GBC1") and each have obtained a Category One Global Business Licence certificate from the Mauritius Financial Supervision Commission. They each maintain a registered office in Mauritius and as such, the subsidiaries are deemed residents of the Republic of Mauritius and a certificate of tax residence for each of the subsidiaries has been obtained from the Mauritius Revenue Authority. Accordingly, the subsidiaries have been advised that they should maintain their place of effective management in Mauritius so as to be resident in Mauritius and qualify as a resident of Mauritius for the purposes of the Mauritius/India income tax treaty.

A GBC1 is taxed on its chargeable income (including dividends, interests and other income but not capital gains less expenses) at a corporate rate of 15% which is reduced to a net effective tax rate of 3% or even less :

Normal tax rate 15% less EITHER

Deemed tax credit of 80% on foreign sourced income – 80% of 15% (12%) – 3%

OR

Actual foreign tax credit, if written evidence is available where then the tax payment in Mauritius can even be (Actual foreign tax credit) – Nil

A GBC1 is exempt from capital gains tax in Mauritius.

United Kingdom

The affairs of the Company are conducted so that the central management and control of the Company is not exercised in the UK and so that the Company does not carry out any trade in the UK (whether or not through a permanent establishment situated there). On this basis, the Company should not be liable for UK taxation on its income and gains, other than certain income deriving from a UK source.

16 Post Balance Sheet Events

On 20 October 2009 the Company served notice of an Extraordinary General Meeting of the Company to be held on 23 November 2009 to consider and if thought fit, approve a proposal to change the investing policy of the Company. The Directors took this action as they believe, in conjunction with the recommendation received from the Manager and in light of the current real estate investment climate in India, that an expansion of the investment policy to allow greater diversification is appropriate.



