



NAYA BHARAT PROPERTY COMPANY PLC

(Incorporated in the Isle of Man)

Consolidated Interim Report

Period from 8 December 2006 (date of incorporation)
to 30 September 2007

ISIN No. IM00B1N95Z00

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Management and Administration

Directors

* independent

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

Registered Office of the Company

Jubilee Buildings
Victoria Street
Douglas
Isle of Man IM1 2SH
British Isles

Manager

Charlemagne Capital (IOM) Limited
Regent House, 16-18 Ridgeway Street
Douglas
Isle of Man IM1 1EN
British Isles

Nominated Adviser and Broker

Panmure Gordon (UK) Limited (from 1 November 2007)
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 (I.O.M.) P.L.C.
Jubilee Buildings
Victoria Street
Douglas
Isle of Man IM1 2SH
British Isles

Administrator and Registrar

Galileo Fund Services Limited (formerly known as Anglo Irish
Fund Services Limited)
Jubilee Buildings
Victoria Street
Douglas
Isle of Man IM1 2SH
British Isles

Auditors

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

Management and Administration continued

Subsidiary	Naya Bharat Property Company (Mauritius) Limited
Registered office of the Subsidiary	Manor House 1st Floor Cnr St George & Chazal Streets Port Louis Mauritius

Chairman's Statement

The Company has made sound progress since admission to AIM in February this year and we are pleased to report a positive set of results for the period ended 30 September 2007.

The Company has been established to invest primarily in both listed and unlisted companies whose principal activity is the ownership and/or development of land in India. The Company's objective is to provide shareholders with an attractive overall return to be achieved primarily through long-term capital growth.

The Company seeks to take advantage of perceived capital market pricing anomalies by investing in established listed property investors/developers at substantial discounts to their net asset values.

Financial Performance

During the period under review, the Company's net profit was US\$28,431,000, with unrealised gains on investments representing US\$29,421,000. At 30 September 2007 the NAV per share was US\$1.42.

The Company has been extremely successful in implementing its investment strategy and has been able to identify and invest in a number of undervalued listed property companies. The Company has not yet made any investments in the shares of unlisted companies but continues to monitor opportunities in this area.

Market Overview

The recent sharp gains on the Indian stockmarket and the elevated valuations that some of the larger companies currently enjoy have led investors to question whether share prices here may have over extended themselves.

Generalisations are rarely that simple, however, and the Indian economy and stockmarket have sufficient distinctive and supportive features for us to believe that a fund such as Naya Bharat Property Company plc is well placed to generate a continuing strong return from its investment portfolio over the months and years ahead.

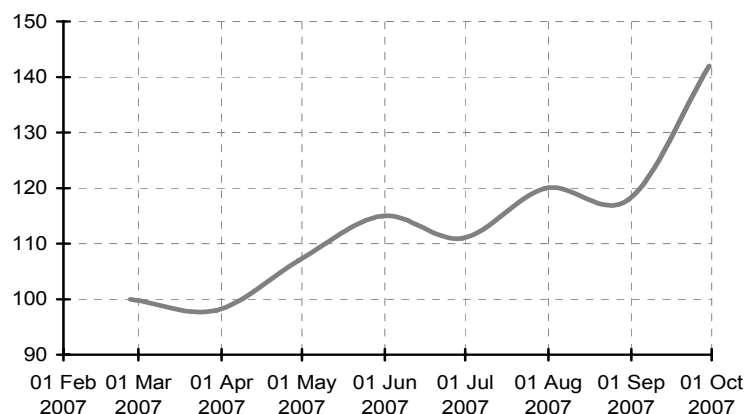
Shankar Dey
Chairman

10 December 2007

Report of the Manager

Reporting Period: 26 February 2007 (commencement of trading) to 30 September 2007

NAV Return: 42.0%



(Rebased to 26 February 2007 = 100 Source: Charlemagne Capital)

The Fund's net asset value ("NAV") stood at US\$1.42 per share at the end of the reporting period, reflecting a NAV increase of 42% since Admission to trading on AIM and commencement of dealings on 26 February 2007.

The NAV rose particularly strongly in April and May, and then again in September. The Indian real estate sector came under downward pressure over the summer months as it digested June's US\$2 billion initial public offering ("IPO") of DLF Limited, a Delhi-based real estate developer, the largest Indian IPO to date. The sector then suffered further as all real estate companies around the world were marked down in the wake of the turmoil in the US sub-prime mortgage market and its consequent impact on international credit markets more generally. An improving economic backdrop in India however, with inflation falling thanks to a strong currency and productivity gains, which in turn pointed towards lower interest rates, helped share prices recover strongly over September. Given the largely domestic focus of the Indian real estate sector, investors also became less concerned about the influence of events in the international credit markets. The NAV of the Fund rose by 20% in September alone, partly as a result of this general uplift to the sector as a whole and partly due to a very strong performance from IFCI, which gained more than 50% as its intention to sell a 24% stake in itself to a strategic investor met with a very favourable response.

Other companies held by the Fund also performed well, particularly those associated with the renewal of sub-standard housing in Mumbai, including Orbit and HDIL. Demand for real estate in India remains buoyant and with most listed real estate companies currently valued at a substantial discount to their NAV, prospects for the Fund are encouraging.

Top 10 Holdings (as at 30 September 2007) * % of NAV

IFCI	22.0%
Ansal Properties	14.4%
Unitech	10.8%
Orbit Corporation	9.9%
Era Infra Engineering	9.3%
DSK Developers	9.3%
Bhagyanagar India	5.3%
BSEL Infrastructure	5.0%
Ansal House	4.5%
Arihant Foundations	4.0%

* All securities are held via P Notes with various counterparties. See Note 5.

Charlemagne Capital (IOM) Limited

Manager

10 December 2007

Consolidated Income Statement (Unaudited)

	Note	For the period from 8 December 2006 (date of incorporation) to 30 September 2007
		US\$'000
Income		
Interest income		274
Dividend income		256
Net changes in fair value of financial assets and liabilities at fair value through profit or loss	5	33,427
Total net income		33,957
Expenses		
Annual management fees	6.3	753
Performance fees	6.3	4,470
Audit and professional fees		20
Other expenses	7	283
Total operating expenses		5,526
Profit before tax		28,431
Income tax expense	13	-
Retained profit for the period		28,431
Basic and diluted earnings per share (cent)	11	47.39

The accompanying Notes form an integral part of these consolidated financial statements

Consolidated and Company Balance Sheet (Unaudited)

	Note	Group At 30 September 2007 US\$'000	Company At 30 September 2007 US\$'000
Financial assets at fair value through profit or loss	5	89,281	89,281
Other receivables and prepayments		253	252
Cash at bank	9	1,171	1,171
Total current assets		90,705	90,704
Issued share capital	10	600	600
Share premium		56,281	56,281
Foreign currency translation reserve		9	9
Retained earnings		28,431	28,442
Total equity		85,321	85,332
Other creditors and accrued expenses	8	5,384	5,372
Total current liabilities		5,384	5,372
Total liabilities		5,384	5,372
Total equity & liabilities		90,705	90,704

The accompanying Notes form an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity (Unaudited)

	Share Capital	Share Premium	Foreign Currency Translation Reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 8 December 2006	-	-	-	-	-
Proceeds from shares issued	600	59,400	-	-	60,000
Share issue expenses	-	(3,112)	-	-	(3,112)
Foreign exchange translation differences	-	-	9	-	9
Retained profit for the period	-	-	-	28,431	28,431
Balance at 30 September 2007	600	56,288	9	28,431	85,328

The accompanying Notes form an integral part of these consolidated financial statements

Consolidated Cash Flow Statement (Unaudited)

	Note	For the period from 8 December 2006 (date of incorporation) to 30 September 2007
		US\$'000
Cash flows from operating activities		
Purchase of financial assets and settlement of financial liabilities		(71,236)
Proceeds from sale of investments		15,387
Dividends received		19
Interest received		274
Interest paid		(6)
Operating expenses paid		(249)
Net cash used in operating activities		(55,811)
Financing activities		
Proceeds from the issue of shares		60,000
Share issue costs		(3,021)
Net cash from financing activities		56,979
Net increase in cash and cash equivalents		1,168
Effects of exchange rate changes on cash and cash equivalents		3
Cash and cash equivalents at 8 December 2006		-
Cash and cash equivalents at 30 September 2007	9	1,171

The accompanying Notes form an integral part of these consolidated financial statements

Notes to the Interim 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 Shares were issued.

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.

Financial Year End

The financial year end of the Company is 31 March in each year. For the financial period ended 31 March 2008 AIM has agreed that the Company will present financial statements covering, in effect, a 16 month period since incorporation.

2 The Subsidiary

During the period the Company established the following subsidiary company:

	Country of incorporation	Percentage of Shares held
Naya Bharat Property Company (Mauritius) Limited	Mauritius	100%

Naya Bharat Property Company (Mauritius) Limited is a wholly owned subsidiary of the Company, and was incorporated in Mauritius on 12 January 2007 under the provisions of the Companies Act 2001, as a limited liability company with registered number 067911. 2 shares of US\$1 each have been issued to the Company. The Directors of the subsidiary are Dhanun Ujoodha, Mowlooda Randera Taher, Alexander Anderson Whamond and Malcolm Sargeant.

3 Accounting Policies

The interim consolidated financial statements of the Company for the period ended 30 September 2007 comprises the Company and its subsidiaries (together referred to as the "Group"). The interim consolidated financial statements are unaudited.

3.1 Basis of presentation

These consolidated 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 financial information required for full annual financial statements. The financial statements have been prepared under the historic cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The financial statements do not contain any critical accounting estimates.

These consolidated interim financial statements were approved by the Board on 10 December 2007.

3.2 Financial assets at fair value through profit or loss

Investments are designated as at fair value through profit or loss. The Company invests in Indian listed real estate companies for which fair value is based on quoted market prices. The quoted market price used for financial assets held by the Company is the current bid price ruling at the period end without regard to selling prices.

Notes to the Interim Consolidated Financial Statements continued

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recorded at fair value, and transaction costs for all financial assets and financial liabilities carried at fair value through profit and loss are expensed as incurred.

Gains and losses arising from changes in the fair value of the financial assets and liabilities are included in the income statement in the period in which they arise.

3.3 Foreign currency translation

Indian Rupee is the currency of the primary economic environment in which the entity operates (the "functional currency").

US Dollars is the currency in which the interim financial statements are presented (the "presentational currency").

Monetary assets and liabilities denominated in foreign currencies as at the date of these financial statements are translated to Indian Rupee at exchange rates prevailing on that date. Income and expenses are translated into Indian Rupee based on exchange rates on the date of the transaction. All resulting exchange differences are recognised in the income statement.

The accounts are presented in US Dollars by translating the assets and liabilities at the exchange rate prevailing on the balance sheet date. Items of revenue and expense are translated at exchange rates on the date of the relevant transactions. Components of equity are translated at the date of the relevant transaction and not retranslated. All resulting exchange differences are recognised in equity.

3.4 Interest income and dividend income

Interest income is recognised on a time-proportionate basis using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

3.5 Basis of consolidation

Subsidiaries

Subsidiaries are those enterprises controlled by the Company. Control exists where the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.6 Segment reporting

The company has one segment focusing on maximising total returns through investing in real estate companies in India. No additional disclosure is included in relation to segment reporting, as the Company's activities are limited to one business and geographic segment.

3.7 Share Capital

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

3.8 Income tax

The company is resident for taxation purposes in the Isle of Man and is subject to income tax at a rate of zero per cent.

The Group is liable to tax in Mauritius on the activities of its subsidiaries.

Notes to the Interim Consolidated Financial Statements continued

4 Net Asset Value per Share

The net asset value per share as at 30 September 2007 is US\$1.42 per share based on 60,000,000 ordinary shares in issue as at that date.

5 Investments

The Company is pending approval from the Securities & Exchange Board of India ("SEBI") to allow investment directly in securities listed on local Indian exchanges. The investments listed below are held via Participatory Notes ("P Notes"). These are instruments issued by registered foreign institutional investors to investors who wish to participate in the Indian stock markets without SEBI registration. 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	US\$'000
Ansal Housing Deutsche Bank P Note	63,068	319
Ansal Housing Merrill Lynch P Note	702,431	3,564
Ansal Properties & Infrastructure Citigroup P Note	92,000	654
Ansal Properties & Infrastructure Merrill Lynch P Note	1,641,793	11,677
Arihant Foundations & Housing Deutsche Bank P Note	45,868	553
Arihant Foundations & Housing Merrill Lynch P Note	237,722	2,865
Ascendas India Trust	379,000	377
Bhagyanagar India Citigroup P Note	3,574,835	4,427
BSEL Infrastructure Merrill Lynch P Note	2,726,680	4,346
D.S. Kulkarni Developers Citigroup P Note	601,958	3,878
D.S. Kulkarni Developers Deutsche Bank P Note	202,434	1,304
D.S. Kulkarni Developers Merrill Lynch P Note	427,397	2,754
DLF Limited Citigroup P Note	119,212	2,294
ERA Infra Engineering Ltd Citigroup P Note	479,284	6,865
ERA Infra Engineering Ltd Merrill Lynch P Note	80,937	1,157
GVK Power & Infrastructure Citigroup P Note	93,888	1,556
Housing Development ABN P Note	187,510	2,963
IFCI Limited Citigroup P Note	1,848,446	4,620
IFCI Limited Deutsche Bank P Note	5,571,844	13,925
Orbit Corporation Ltd Citigroup P Note	95,433	1,254
Orbit Corporation Ltd Deutsche Bank P Note	547,917	7,197
Sobha Developers Ltd Citigroup P Note	65,187	1,508
Unitech Limited Deutsche Bank P Note	608,017	4,714
Unitech Limited JP Morgan P Note	89,278	692
Unitech Limited Merrill Lynch P Note	492,442	3,818
		89,281

Notes to the Interim Consolidated Financial Statements continued

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

	US\$'000
Realised	4,006
Unrealised	29,421
Total gains	33,427

6 Related Party Transactions

6.1 Directors of the Company

Anderson Whamond is a director of the Manager. Mr Whamond is a director and shareholder of Charlemagne Capital Limited ("CCL") the parent of the Manager and the Placing Agent.

Jonathan Bradley holds 20,000 ordinary shares in the Company.

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.

CCL, a company incorporated in the Cayman Islands is listed on the AIM Market of the London Stock exchange.

6.2 Directors of the Subsidiary

Anderson Whamond is a director of the Manager. Malcolm Sargeant is an employee of the Manager. In compliance with local regulations the subsidiary has appointed directors who are employees of or are associated with, the registered office service provider.

6.3 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 Company 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 2007 amounted to US\$752,956.

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.

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.

The first performance fee period shall commence on Admission and shall terminate on 31 March 2008. Each subsequent performance fee period 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 during the period ended 30 September 2007 amounted to US\$4,470,361.

Notes to the Interim Consolidated Financial Statements continued

6.4 Placing agent

In accordance with the terms of the Placing, the Placing Agent was entitled to receive from the Company an amount equal to 4% of the amount raised by the Placing Agent on behalf of the Company.

Placing fees payable by the Company during the period ended 30 September 2007 amounted to US\$2,400,000. This amount has been charged to equity as a share issue expense.

7 Charges and Fees

7.1 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 has been 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 an annual fee of £25,000, payable twice yearly in advance, such annual fee to commence on 1 January 2008.

With effect from 1 November 2007 and as a result of a corporate restructuring, the agreement entered into with Panmure Gordon (Broking) Limited was novated to Panmure Gordon (UK) Limited.

Panmure Gordon (UK) Limited is a company registered in England and Wales with registered office of 155 Moorgate, London EC2M 6XB. Panmure Gordon (UK) Limited, as well as Panmure Gordon (Broking) Limited, are both wholly owned subsidiaries of Panmure Gordon & Co. plc.

7.2 Custodian fees

The Custodian was 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 2007 amounted to US\$21,037.

7.3 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\$7,500, 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\$10,000.

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 2007 amounted to US\$60,631, secretarial fees were US\$9,115, financial statement preparation fees were US\$3,946 and Crest fees were US\$5,332.

7.4 Other operating expenses

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

Notes to the Interim Consolidated Financial Statements continued

8 Other creditors and accruals

	Group 30 September 2007 US\$'000	Company 30 September 2007 US\$'000
Performance fee payable	4,470	4,470
Management fee payable	753	753
Administration fees payable	23	23
Audit fee payable	18	18
CREST fees payable	2	2
Custodian fees payable	10	10
Other payables	108	97
Total	5,384	5,372

9 Cash and Cash Equivalents

	30 September 2007 US\$'000
Bank balances	1,171
Cash and cash equivalents	1,171

10 Share Capital

Ordinary Shares	Number	US\$'000
In issue at the start of the period	-	-
Issued during the period	60,000,000	600
In issue at 30 September 2007	60,000,000	600

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.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's assets.

11 Basic and Diluted Earnings per Share

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

	2007
Profit attributable to equity holders of the Company (US\$000)	28,431
Weighted average number of ordinary shares in issue (thousands)	60,000
Basic and diluted earnings per share (cent per share)	47.39

12 Directors' Remuneration

The maximum amount of remuneration payable to the Directors permitted under the Articles of Association is US\$200,000 per annum. The Directors are each entitled to receive reimbursement of any expenses incurred in relation to their

Notes to the Interim Consolidated Financial Statements continued

appointment. Total fees and expenses payable to the Directors for the period ended 30 September 2007 amounted to US\$66,122.

13 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. The Company will be required to pay an annual corporate charge of £250 per annum.

Mauritius taxation

It is the intention of the directors that the affairs of the subsidiary will be conducted in Mauritius so that they are considered to be resident in Mauritius.

The subsidiary is subject to income tax at the rate of 15%. It is however, entitled to tax credit equivalent to the higher of the foreign tax paid and 80% of the Mauritian tax on its foreign source income. Mauritius does not tax capital gains.

14 Financial instruments and Concentration of Risks

The performance of the Company can decrease as well as increase. The main risks arising from the Group's financial instruments are as follows:

Market risk

The Group's investment activities expose it to various types of market risks (including, for example, interest rates, foreign exchange rates and rates of inflation), industry conditions, competition, political and diplomatic events, tax laws, environmental laws, changes in the law and other factors can substantially and either adversely or favourably affect the value of the securities in which the Group invests and, therefore, the Company's performance and prospects:

Market price risk

The Company invests in Indian listed real estate companies in order to focus on maximising total returns. The Group's securities are susceptible to market price risk arising from uncertainties about future prices of these instruments caused by market factors specific to the instrument or its issuer or factors affecting all instruments traded in the market.

Foreign exchange risk

The Group's operations are conducted in jurisdictions which generate revenue, expenses, assets and liabilities in currencies other than US Dollars. As a result, the Company is subject to the effects of exchange rate fluctuations with respect to these currencies. For the period under review the currencies giving rise to this risk are primarily Indian Rupee and Singapore Dollars.

	Net Assets US\$'000
Indian Rupee	88,904
Singapore Dollars	377
US Dollars	(3,953)
Total	85,328

Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Management does not expect any counterparty to fail to meet its obligations.

Liquidity risk

The Company maintains sufficient cash balances for working capital requirements, and obtains bank borrowings to fund purchases of investments.

Notes to the Interim Consolidated Financial Statements continued

Interest rate risk

The Company is exposed to risks associated with the effects of fluctuations in prevailing market interest rates on its cash balances and long-term borrowings. Cash is invested at short-term market interest rates.

India Tax risk

Profits arising on the sale of securities by non-resident entities registered as a foreign institutional investor and/or as a sub-account have historically been taxed as a capital gain. However, there is a lack of certainty of tax treatment in this area owing to recent conflicting rulings and the Group's tax treatment may be adversely affected if such profits are taxed as "business income".

The Group's tax treatment may be affected in the event that "minimum alternate tax" is held to be applicable where foreign companies earn capital gains/business income.

The Group's tax treatment may also be affected where withholding taxes are applied on payments by the Company to another non-resident of India towards fees for technical services utilised for earning income in/from India.

India has entered into double taxation avoidance agreements (each a "Treaty") with several countries and as per the provisions of the relevant Treaty, tax residents in select countries enjoy exemption from taxation in India of capital gains arising on the sale of Indian securities. Any amendment of these Treaties may adversely affect the Group's tax treatment.