

Ishaan Real Estate plc

Interim Report

For the six months ended 30 September 2008

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ISHAAN REAL ESTATE PLC INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008

The Directors of Ishaan Real Estate plc announce the unaudited results for the six months ended 30 September 2008

Overview

- Portfolio value at £760 million, 6% lower than 31 March 2008 value of £810 million and after adjusting for construction costs of approximately £50 million 11% lower than 31 March 2008 (5% lower on a constant currency basis).
- Adjusted NAV per share* of 137.1p at 30 September 2008 (151.1p at 31 March 2008).
- Reported NAV per share at 99.4p (95.5p at 31 March 2008).
- Cash on hand of £40.7 million at 30 September 2008.
- Financing of approximately £237 million secured to fund construction costs.
- Further pre-letting secured for 332,000 sq. ft. with the total pre-let area aggregating 2.9 million sq ft (including 701,000 sq. ft. under option).
- 45% of the lettable area under construction has been pre-let.
- Further pre-sold 26,000 sq. ft. of the saleable residential space in Vivarea, in central Mumbai. The total area pre-sold is 157,000 sq. ft. representing 24% of the saleable residential space.

Since the period end

- Further pre-letting secured for 135,000 sq. ft. at Commerzone, Bangalore and Mindspace, Airoli, Navi Mumbai increasing the total area pre-let to 3 million sq. ft. (including 701,000 sq. ft. under option). The total area pre-let now constitutes approximately 45% of the lettable area for projects under construction.
- Rental income has also commenced at Mindspace, Airoli, Navi Mumbai.

Ian Henderson, Chairman of Ishaan, said: "We have continued to make good progress on the development of the assets in the portfolio and are pleased to have commenced rental inflow from the portfolio. Real estate markets are witnessing a severe slowdown globally including India, which is likely to make the business environment challenging in the near term. In light of current market conditions, we are adopting a more cautious stance on the timing of the development of further buildings within our commercial projects. We currently remain confident in the long-term fundamentals of the Indian economy and real estate market and in our ability to successfully complete these projects and deliver on the investment objectives, but consider it prudent to adopt a flexible approach and to react to prevailing market conditions. The high quality of assets in the portfolio has enabled us to secure pre-lettings for 3 million sq. ft, and we expect demand to strengthen when the markets stabilise. Since the period end we have seen a further softening in the real estate market which has been offset by appreciation of the Indian Rupee against Pounds Sterling."

** Reported NAV per share is not considered the best method of evaluating performance as it excludes any valuation surpluses attributable to the investments. Adjusted NAV per share includes investments at current valuations in proportion to the Group's shareholdings after providing for potential performance fees payable to the investment adviser.*

Exchange rate used for the purpose of this statement is 1GBP = 85.57 INR, the Reserve Bank of India reference rate at 30 September, 2008.

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ISHAAN REAL ESTATE PLC CHAIRMAN'S STATEMENT

I am pleased to report the Group's (Ishaan Real Estate plc together with its subsidiaries) results for the six months ended 30 September, 2008.

Portfolio

During the previous year, the Company completed investment of £159.5 million in the Initial Portfolio and in an IT SEZ project in Navi Mumbai. No further investment has been made during the period under review.

Of the net proceeds raised at the time of IPO, the Company had net cash of £40.7 million at 30 September 2008. The Company currently does not plan any further property investment as market conditions remain challenging. The Company will evaluate options for deploying this cash to maximise returns to the shareholders.

Results for the six months ended 30 September 2008

Profit before tax for the period amounted to £9.7 million, arising from the reversal of promote fees (payable to the investment adviser) of £11.4 million and from interest income, partly offset by investment adviser fees, administration expenses and share of post tax losses of associates.

Valuation

The properties in the Portfolio have been valued by Cushman & Wakefield (India) Pvt. Limited ('Cushman & Wakefield'). For development projects, the valuation assumes completion to a high standard and is based on gross development value less future expenditure to be incurred on costs of development. At 30 September 2008, the entire portfolio was valued at £760 million, which includes construction cost incurred to date. Ishaan's 40% interest in the total portfolio was valued at £304 million at 30 September 2008, against £324 million at 31 March 2008. This portfolio value, after adjusting for construction costs is 11% lower than the 31 March 2008 value. Of this 6% was on account of exchange translation loss (the exchange rate moved from INR 79.53 to INR 85.57 to GBP). The valuation reflects an increase in cap rates to 10.5% from the cap rates of 9.5%-10% used for 31 March 2008 valuation, a slight softening of assumed rentals and extension of schedules for the completion of the Company's developments (as detailed further below).

Net Asset Value per Share

Accounting net asset value per share was 99.4p at 30 September 2008 compared with 95.5p at 31 March 2008. The accounting net asset value per share is calculated based on the group's net assets of £ 205.9 million at the period end divided by the number of shares in issue at that date of 207.1 million shares.

Adjusted net asset value per share was 137.1p at 30 September 2008 compared with 151.1p at 31 March 2008. The adjusted net asset value per share is calculated by adjusting the group's net assets of £205.9 million at the period end to reflect the fair value, as determined by Cushman & Wakefield, of the properties held by the Group's associates in proportion to Ishaan's shareholding. The Group's adjusted net assets are £284 million after allowing for a fair value adjustment of £78.1 million reflecting:

- Cushman & Wakefield's valuation of the projects at 30 September 2008
- Potential performance fees payable to the investment adviser on disposal of the assets (calculated as the present value of the estimated performance fees based on estimated fair value gains at exit and an assessment of the ultimate IRR on each investment).

On the basis that the accounting policy for properties under development is to hold them at cost, adjusted net asset value per share does not represent a measure that is extracted directly from the Group's accounts.

ISHAAN REAL ESTATE PLC CHAIRMAN'S STATEMENT (CONTINUED)

Project Progress

The Portfolio includes nine development projects in or around the Indian cities of Mumbai, Hyderabad, Bangalore and Pune. All four SEZ projects in the portfolio are now approved and formally notified as SEZs. The nine Projects in the portfolio have an aggregate planned built up area of approximately 22.1 million square feet.

Since we last reported on 24 June 2008, pre-letting has been secured for 467,000 sq. ft. across Mindspace - Airoli, Navi Mumbai; Inorbit – Madhapur, Hyderabad; Mindspace – Pocharam, Hyderabad and Commerzone, Bangalore. With this the aggregate area pre-let has increased to 3 million sq. ft., representing approximately 45% of the lettable area under construction and 14% of the aggregate lettable area of the portfolio. Rental income has now commenced at two projects in the portfolio – Mindspace, Madhapur, Hyderabad (Non-SEZ development) and Mindspace, Airoli, Navi Mumbai.

Details of the pre-lettings secured so far are as follows:

Project	Type	Total Area pre-let (sq. ft.) #	Area under option (sq. ft.)	Pre-letting as a % of lettable area
Mindspace, Airoli, Navi Mumbai	IT SEZ	879,000	265,000	22%
Mindspace Pocharam, Hyderabad	IT SEZ	52,000	26,000	1%
Mindspace (SEZ) Madhapur, Hyderabad	IT SEZ	735,000	410,000	16%
Mindspace (Non-SEZ) Madhapur, Hyderabad	IT Park	625,000	-	38%
Inorbit, Cyberabad	Retail	517,000	-	68%*
Inorbit, Pune	Retail	89,000	-	18%*
Commerzone, Bangalore	Mixed Use	97,000	-	36%*
Total		2,994,000	701,000	

includes area under option

* % of lettable retail area

In addition, approximately 24% of the saleable residential space in Ishaan's premium residential project, Vivarea, in Central Mumbai, has been pre-sold at prices higher than those estimated at the time of IPO.

While the progress on pre-letting/pre-sale of space in the projects has been sustained, the weakening of the global economic activity and the deferment of corporate expansion plans into the Indian markets has led to a slowdown in the pace of pre-lettings /pre-sales. In view of this slowdown, the Company has reviewed the completion schedules of certain projects and accordingly completion periods for four of our projects have been extended by between two and four quarters. The Company plans to commence construction of new buildings in the commercial projects only after a satisfactory level of pre-letting is achieved for the unlet area currently under construction. Construction is currently underway on approximately 7 million sq. ft. of office and retail space and approximately 1 million sq. ft. of hotel and residential space across the nine projects in the portfolio.

Estimated completion dates of projects under the portfolio are as follows:

Project	Type	Built up area (msf)	Previously Estimated completion dates	Revised Estimated completion dates
Mindspace Airoli, Navi Mumbai	IT SEZ	3.91	Q4 2011	Q4 2011
Mindspace Pocharam, Hyderabad	IT SEZ	3.80	Q1 2012	Q3 2012
Mindspace (SEZ) Madhapur, Hyderabad	IT SEZ	4.65	Q3 2010	Q3 2011
Mindspace (Non-SEZ) Madhapur, Hyderabad	IT Park	1.65	Q1 2009	Q1 2009
Inorbit, Hyderabad	Primarily retail	1.08	Q1 2009	Q1 2009
Inorbit, Pune	Primarily retail	0.68	Q3 2009	Q3 2009
Vivarea, Mumbai	Residential	0.86 [#]	Q3 2009	Q3 2010
Commerzone, Bangalore	Mixed use	1.01	Q1 2010	Q1 2010
Mindspace Juinagar, Navi Mumbai	IT SEZ	4.50	Q1 2012	Q3 2012
TOTAL		22.14		

[#] This is the saleable area from the project

Project details:

Mindspace, Airoli, Navi Mumbai:

Since the last announcement, pre-lettings with multinational and IT/ITES companies have been secured for approximately 226,000 sq. ft. bringing the total area pre-let at this project to 879,000 sq. ft., representing 22% of the area planned for development. Rentals are in line with and in some cases higher than those anticipated at the time of IPO.

Super-structure work is in progress in four buildings and foundation work has been completed in two buildings.

One of the buildings has been handed over to a tenant for fit-outs and rental income has commenced.

Mindspace, Pocharam, Hyderabad:

Pre-letting has commenced at this project with the letter of intent been signed with a multinational company for 52,000 sq. ft. Construction of two of the twelve buildings has begun, with super-structure work in-progress on both the buildings.

Mindspace, Madhapur, Hyderabad (SEZ Development):

Pre-letting has been secured with multinational / IT companies for approximately 735,000 sq. ft. (16% of the revised development area), at rentals higher than those estimated at the time of IPO.

Construction work is complete and finishing and service works in progress on one building. Super-structure work is in progress on another building and excavation work has been completed in the other two buildings.

Mindspace, Madhapur, Hyderabad (Non-SEZ Development):

625,000 sq. ft. (38% of the revised development area) has been pre-let/leased to multinational companies. A tenant has commenced occupation of space in one of the buildings with rent commencing in April 2008.

Super-structure work is in progress on the other two buildings.

Inorbit, Madhapur, Hyderabad

Further letters of intent have been signed for pre-letting of 92,000 sq. ft. With this, the total retail space pre-let at this project aggregates 517,000 sq. ft., representing 68% of the retail space planned for development.

Super-structure work is in progress at the site. Also, the first handover of space to an anchor tenant for fit-outs has taken place.

Inorbit, Pune

Letters of Intent have been signed for pre-letting of 89,000 sq. ft., representing 18% of retail space planned for development.

Sub-structure work is in progress on the mall site.

Vivarea, Mumbai

Approximately 24% of the saleable residential area has been pre-sold at prices higher than those estimated at the time of admission.

Super-structure work is in progress on the three residential towers.

Commerzone Bangalore

Pre-letting has been secured with an anchor tenant for 97,000 sq. ft. of retail space, representing 36% of the total retail space of this project.

Sub-structure work is in progress at Hotel and Retail site. Discussions are at an advanced stage with a major hotel operator for management of the hotel.

Mindspace, Juinagar, Navi Mumbai

This project, involving a development of a 4.5 million sq. ft. IT SEZ, has now been approved and notified as SEZ. Foundation work has been completed on three buildings.

Cost & Financing

Cost:

Total cost of the projects in the portfolio is estimated at approximately £700 million. Total cost for the area currently under construction (excluding the residential project) is estimated at approximately £260 million, of which £140 million has been incurred upto 30 September 2008.

With the softening of commodity prices and improvement in resource availability, total cost of the projects in the portfolio is currently expected to remain broadly in line with the estimated cost.

Financing:

The economic difficulties in North American and European markets have impacted Asian economies including India and there has been a reduction in the availability of financing in the Indian economy. The Reserve Bank of India (RBI) has taken measures to inject liquidity into the economy by reducing the Cash Reserve Ratio (CRR) requirement for commercial banks by 3.50% to 5.50% thereby injecting liquidity of approximately USD 28 billion. This should incentivise domestic banks to continue lending to the corporate sector. The RBI also cut the repo rate (the rate at which RBI lends to commercial banks in India) for the first time since August 2003 by 1.5% to 7.5%.

ISHAAN REAL ESTATE PLC

CHAIRMAN'S STATEMENT (CONTINUED)

Notwithstanding liquidity pressures in the global and Indian economy, to date the Indian SPVs have been able to secure funding of approximately £237 million. In addition, the residential project in central Mumbai is currently estimated to generate surplus of over £200 million. 24% of the residential space at this project has been pre-sold. The Indian SPVs had drawn debt of approximately £75 million at 30 September 2008. The unutilised facility at 30 September 2008 is approximately £100 million. While the interest rates at which the SPVs have secured funding have been higher than the rates anticipated at the time of IPO, the rates have been in line with prevailing market rates. Further, the measures taken by the Reserve Bank of India are expected to ease interest rates in the near future.

The Indian SPV's are well placed to finance the cost for the area currently under construction. The Company remains confident of meeting its future development requirements through further debt financing and surplus from the residential project.

Dividend

In accordance with the dividend policy set out in the IPO document, which stated that it was not anticipated that dividends would be paid in the foreseeable future, as projects remain in a highly capital intensive stage, the Board is not declaring a dividend this year. The Board will consider payment of dividends when it becomes commercially prudent to do so.

Outlook

Global economic activity has continued to weaken coupled with ongoing credit tightening. There has also been a slowdown in capital market activities across many countries including India. The Reserve Bank of India has initiated measures to enhance liquidity in the markets and provide momentum to the economic activity.

Consequent to these global and domestic economic developments, the Indian real estate sector has been witnessing a slowdown in demand. While short term demand is expected to be restrained, the projects in the Ishaan portfolio continue to have a sound pipeline of demand, which the Company will be able to crystallise once the market conditions stabilise.

Construction costs are now softening and resource availability is improving. This will be beneficial to the construction of Ishaan's projects. Also, several projects announced by other developers in the locations in which we operate are now likely to be deferred, which will have a significant impact on the supply of high quality space available. The Company remains cautiously confident in the long term prospects of Indian economy and the real estate market and in its ability to continue the progress made on the development of its high quality assets and the pre-letting of the projects already commenced within the portfolio. With certain projects in the portfolio planned for completion during the next year, we will work towards evaluating various exit options for these assets.

Ian Henderson

Chairman

Review report by KPMG Audit LLC to Ishaan Real Estate plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly report for the six months ended 30 September 2008, which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

As disclosed in note 2.1 the annual financial statements are prepared in accordance with IFRS. The condensed set of financial statements included in this half yearly report have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The accounting policies that have been adopted in preparing the condensed set of financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2008.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 30 September 2008 is not prepared, in all material respects, in accordance with IAS 34 and the AIM Rules.

KPMG Audit LLC
Chartered Accountants
Douglas
Isle of Man

2 December 2008

Consolidated Income Statement For the six months ended 30 September 2008

		Unaudited From 1 April 2008 to 30 September 2008	Unaudited From 1 April 2007 to 30 September 2007	Audited From 1 April 2007 to 31 March 2008
	Notes	£'000	£'000	£'000
Investment adviser fees		1,520	1,008	2,402
Investment adviser performance fee	2c	(11,411)	1,892	1,993
Administrative expenses	4	424	380	1,115
Share of post tax losses of associates	5	913	72	603
Group operating profit/(loss) from continuing operations		8,554	(3,352)	(6,113)
Net finance income		1,158	2,806	4,286
Profit/(loss) from continuing operations before tax		9,712	(546)	(1,827)
Taxation		-	-	-
Profit/(loss) for the period from continuing operations attributable to equity holders of parent		9,712	(546)	(1,827)
Basic and diluted earnings/(loss) per share attributable to the equity holders of the parent during the period (expressed as pence per share)				
Basic earnings/(loss) per share	7	4.69	(0.26)	(0.88)
Diluted earnings/(loss) per share	7	4.69	(0.26)	(0.88)

The notes on pages 12 to 16 form an integral part of these interim financial statements.

Consolidated Balance Sheet As at 30 September 2008

		Unaudited 30 September 2008	Unaudited 30 September 2007	Audited 31 March 2008
	Notes	£'000	£'000	£'000
Assets				
Non-current assets				
Investment in associates	5	185,683	160,834	188,241
		185,683	160,834	188,241
Current assets				
Trade and other receivables		305	479	234
Cash and short-term deposits		40,663	67,117	40,699
		40,968	67,596	40,933
Total assets		226,651	228,430	229,174
Equity and liabilities				
Equity attributable to shareholders of the parent company				
Share capital	6	2,071	2,070	2,070
Share premium		195,481	195,481	195,481
Retained earnings		9,919	1,201	126
Foreign currency translation reserve		(1,563)	442	82
Total equity		205,908	199,194	197,759
Current liabilities				
Trade and other payables		851	97	112
Non-current liabilities				
Financial liabilities	8	19,892	29,139	31,303
Total equity and liabilities		226,651	228,430	229,174

The notes on pages 12 to 16 form an integral part of these interim financial statements.

Consolidated Statement of Changes in Equity For the six months ended 30 September 2008

	Share capital	Share premium	Retained earnings	Foreign currency translation reserve	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2007	2,070	195,481	1,739	-	199,290
Share based payment charge	-	-	8	-	8
Foreign currency translation reserve – associates	-	-	-	442	442
Retained (loss) for the period	-	-	(546)	-	(546)
Balance at 30 September 2007	2,070	195,481	1,201	442	199,194
Share based payment charge	-	-	4	-	4
Grant of Directors' annual share options	-	-	202	-	202
Foreign currency translation reserve – associates	-	-	-	(360)	(360)
Retained (loss) for the period	-	-	(1,281)	-	(1,281)
Balance at 31 March 2008	2,070	195,481	126	82	197,759
Shares issued in the period against Directors annual share options	1	-	(1)	-	-
Share based payment charge	-	-	2	-	2
Grant of Directors' annual share options	-	-	80	-	80
Foreign currency translation reserve – associates	-	-	-	(1,645)	(1,645)
Retained profit for the period	-	-	9,712	-	9,712
Balance at 30 September 2008	2,071	195,481	9,919	(1,563)	205,908

The notes on pages 12 to 16 form an integral part of these interim financial statements.

Consolidated Cash Flow Statement For the six months ended 30 September 2008

	Unaudited From 1 April 2008 to 30 September 2008 £'000	Unaudited From 1 April 2007 to 30 September 2007 £'000	Audited From 1 April 2007 to 31 March 2008 £'000
Operating activities			
Profit/(loss) before tax from continuing operations	9,712	(546)	(1,827)
Adjustments for:			
Interest income	(1,158)	(2,806)	(4,286)
Share of losses of associate	913	72	603
Share based payment charge	2	8	12
Grant of Director's annual share options	80	-	202
Investment adviser performance fee	(11,411)	1,892	1,993
Operating loss before working capital changes	(1,862)	(1,380)	(3,303)
(Increase)/decrease in trade and other receivables	(71)	513	758
Increase/(decrease) in trade and other payables	739	(32,033)	(127)
Net cash flows from operating activities	(1,194)	(32,900)	(2,672)
Investing activities			
Interest received	1,158	2,806	4,286
Investment in associates	-	(56,852)	(114,978)
Net cash flows from investing activities	1,158	(54,046)	(110,692)
Net movements in cash and cash equivalents	(36)	(86,946)	(113,364)
Cash and cash equivalents at the beginning of period	40,699	154,063	154,063
Cash and cash equivalents at 30 September / 31 March	40,663	67,117	40,699
Represented by:			
Cash and short term deposits	40,663	67,117	40,699
	40,663	67,117	40,699

The notes on pages 12 to 16 form an integral part of these interim financial statements

Notes to the Consolidated Interim Financial Statements For the six months ended 30 September 2008

1 The Company

The Company was incorporated in the Isle of Man on 11 August 2006 as a public company under the Isle of Man Companies Acts 1931 to 2004 with registered number 117470C. The Company's Ordinary Shares are traded on AIM.

The principal activity of the Company and its subsidiaries is that of investment holding.

The consolidated interim financial statements of Ishaan Real Estate plc comprise of the company and its subsidiaries (together referred to as the "Group").

This interim financial statements for the period ended 30 September 2008 are unaudited and do not constitute statutory accounts within the meaning of the Companies Acts 1931 to 2004.

The statutory accounts for the period from 1 April 2007 to 31 March 2008 which were prepared in accordance with International Financing Reporting Standards (IFRS), have been filed and copies can be obtained from the Registered Office of the Company at Top Floor, 14 Athol Street, Douglas, Isle of Man. The auditors' report on those accounts was unqualified. This unaudited interim financial information includes the results of the Company and its wholly owned subsidiaries for the period under review.

2 Significant Accounting Policies

(a) Basis of accounting

The condensed financial statements have been prepared under historical cost convention.

(b) Basis of preparation

The condensed financial statements have been prepared using accounting policies that are consistent with those followed in preparation of the Group's annual financial statements for the period 1 April 2007 to 31 March 2008, and in accordance with International Accounting Standards 34: Interim Financial Reporting. The consolidated financial statements have been prepared in pounds sterling.

(c) Other financial liabilities – Adviser fees

The provision for performance fees payable to the Investment Adviser represents the directors estimate of the present value of the future cash flows payable, discounted using the Directors' estimate of the risk adjusted value of money. These fees are considered to be directly attributable to the acquisition by the Group of its investment in its associates and the amount provided has been included in the cost of the Group's investment in associates. Subsequent to the date of acquisitions, revisions to these provisions are charged to the Income Statement.

3 Segment Reporting

The directors consider the Group to be operating in one geographic segment and one business segment since all investments are in India and all the operations in India are concerned with property development. Consequently no segmental disclosures have been presented.

Notes to the Consolidated Interim Financial Statements Continued

4 Administrative expenses

	Unaudited From 1 April 2008 to 30 September 2008	Unaudited From 1 April 2007 to 30 September 2007	Audited From 1 April 2007 to 31 March 2008
	£'000	£'000	£'000
Directors' fees and expenses	38	38	80
Secretarial and administration	77	92	138
Audit fees	25	24	186
Professional fees	109	176	296
Other expenses	93	42	201
Share based payment charge	2	8	12
Grant of Directors' annual share options	80	-	202
	424	380	1,115

5 Investments in associates

	Unaudited 30 September 2008 £'000	Unaudited 30 September 2007 £'000	Audited 31 March 2008 £'000
Unquoted			
Balance at the beginning of the period	188,241	85,047	85,047
Additions	-	56,852	83,087
Performance fees payable to the investment adviser	-	18,565	20,628
Share of post-acquisition losses	(913)	(72)	(603)
Foreign currency translation	(1,645)	442	82
Balance at the end of the period	185,683	160,834	188,241

Notes to the Consolidated Interim Financial Statements Continued

Summarised financial information extracted from the interim financial statements of associates for six month period ended 30 September 2008 is given below:

	Genext	Trion	Serene	Magna	Sundew	Intime	Newfound
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Share of the associates balance sheet:							
Total assets	10,532	12,825	19,651	6,150	9,871	10,382	3,953
Total liabilities	6,737	10,710	15,899	3,601	7,420	7,554	1,803
Share of the associates results:							
Total revenue	-	31	8	-	4	156	-
(Loss)/profit for the period	69	(62)	(248)	(23)	(555)	(37)	(57)

Summarised financial information extracted from the interim financial statements of associates for six month period ended 30 September 2007 is given below:

	Genext	Trion	Serene	Magna	Sundew	Intime	Newfound
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Share of the associates balance sheet:							
Total assets	5,834	6,551	7,724	3,934	5,228	3,327	-
Total liabilities	1,790	4,004	3,189	1,054	2,076	252	-
Share of the associates results:							
Total revenue	-	-	-	-	-	-	-
(Loss)/profit for the period	(14)	6	(56)	(39)	1	31	-

Details of the investments in associates are as follows:

Investee company	Country of Incorporation	Type of Shares	% Holding
Trion Properties Private Limited	India	Equity Preference	40% 100%
Serene Properties Private Limited	India	Equity Preference	40% 100%
Magna Warehousing and Distribution Private Limited	India	Equity Preference	40% 100%
Genext Hardware and Parks Private Limited	India	Equity Preference	38.80% 100%
Intime Properties Private Limited	India	Equity Preference	39.89% 100%
Sundew Properties Private Limited	India	Equity Preference	39.87% 100%
Newfound Properties and Leasing Private Limited	India	Equity Preference	38.64% 100%

The principal activity of all associates is to do business in real estate.

Notes to the Consolidated Interim Financial Statements Continued

6 Share capital

	Unaudited 30 September 2008	Unaudited 30 September 2007	Audited 31 March 2008
Authorised:			
Number of ordinary shares of £0.01 each	400,000,000	400,000,000	400,000,000
Share Capital (£ 000's)	4,000	4,000	4,000
Allotted, called up and fully paid:			
Number of ordinary shares of £0.01 each	207,131,644	207,000,000	207,000,000
Share Capital (£ 000's)	2,071	2,070	2,070

7 Earnings/(loss) per share

Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to the equity shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to ordinary equitable holders of the parent by the weighted average number of Ordinary Shares outstanding during the year, plus the weighted average number of ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares.

	Unaudited 30 September 2008	Unaudited 30 September 2007	Audited 31 March 2008
Profit/(loss) attributable to equity holders of the company (£'000)	9,712	(546)	(1,827)
Weighted average of number of Ordinary Shares in issue (thousands)	207,034	207,000	207,000
Weighted average of number of Ordinary Shares in issue (diluted) (thousands)	207,064	207,000	207,000
Basic earnings/(loss) per share (pence)	4.69	(0.26)	(0.88)
Diluted earnings/(loss) per share (pence)	4.69	(0.26)	(0.88)

8. Related party transactions

Investment Adviser Fees

The Investment Adviser is entitled to a performance fee in respect of each Mauritian SPV which is designed to encourage the Investment Adviser to seek the highest returns on the underlying projects. Pursuant to the performance fee arrangements, if the Mauritian SPVs achieve an SPV level IRR in respect of the partial or total realisation of an investment in excess of 10 per cent, then the Investment Adviser will be entitled to a performance fee of 20 per cent of the realised proceeds which exceeds the proceeds required to achieve a 10 per cent SPV level IRR (with such participation increasing to 30 per cent for that portion of the realised proceeds from an investment which exceeds the proceeds required to achieve a 20 per cent SPV level IRR). The fair value of the total performance fee payable to the Investment Adviser at 30 September 2008 is £19,892 million (31 March 2008: £31,303 million).

Notes to the Consolidated Interim Financial Statements Continued

Investment Adviser Fees (continued)

In addition, the annual base fee paid to the Investment Adviser for the period in accordance with the terms of the agreement is £1,519,800 (for the period ending 30 September 2007: £1,007,505). The annual base fee is calculated on a quarterly basis based on the agreed formula of 2% on committed capital less an allowance of £150,000 pro-rated per quarter less a further deduction of £500,000 pro-rated per quarter up to 31 December 2007.

Directors' Interests

Neel Raheja is a shareholder and director of various K Raheja Corp entities. These entities include the Indian Investment Vehicles, which are 40% owned by the Company, the K Raheja entities which have sold shares in the Indian Investment Vehicles to the Company and K Raheja Corporate Services Private Limited which is contracted to provide services to the Indian Investment Vehicles.

The amount paid by the Indian Investment Vehicles to K Raheja Corporate Services Private Limited during the period was £3.621 million (*September 2007: £1.719million*). The contract to provide services in the Indian Investment Vehicles was with K Raheja Services Private Limited until 31 March 2008 and has been assigned to K Raheja Corporate Services Private Limited since 1 April 2008. Neel Raheja indirectly co-owns the Investment Adviser, Neerav Investment Advisory Services.

CORPORATE INFORMATION

Registered office:	Bankers
Top Floor	Royal Bank of Scotland International
14 Athol Street	Isle of Man Branch
Douglas	PO Box 151, 2 Victoria Street
Isle of Man	Douglas
IM1 1JA	Isle of Man
British Isles	IM99 1NJ
Registered number:	JP Morgan Private Bank
Registered in the Isle of Man	15 th Floor, 125 London Wall
No: 117470C	London, EC2Y 5AJ
Company secretary:	Lloyds TSB Corporate Banking
Anne Elizabeth Couper Woods	Victory House, Prospect Hill
	Douglas
	Isle of Man
Directors:	IM99 2JY
Ian James Henderson (Chairman)	
Rajendra Prabhakar Chitale	Auditors
Vittorio Radice	KPMG Audit LLC
Neel Chandru Raheja	Heritage Court
Timothy Graham Walker	41 Athol Street
Stephen John Roland Vernon	Douglas
	Isle of Man
	IM99 1HN
Investment adviser	
Neerav Investment Advisory Services	
(Dubai) Limited	Solicitors
Level 42, Emirates Towers	Lovells LLP
Sheikh Zayed Road	Atlantic House
P O Box 506731	50 Holborn Viaduct
Dubai, United Arab Emirates	London
	EC1A 1FG
Nominated adviser and broker	Administrator and registrar
Deutsche Bank AG, London Branch	Simcocks Trust Limited
1 Great Winchester Street	Top Floor
London	14 Athol Street
EC2N 2DB	Douglas
	Isle of Man
	IM1 1JA
Broker	
J P Morgan Cazenove	
20 Moorgate	
London	
EC2R 6DA	