

**West Pioneer Properties Limited**  
**(West Pioneer or the “Group”)**  
**Preliminary Results**

West Pioneer, a developer and operator of shopping centres and hotels in west and southern India, announces its preliminary results for the year ended 31 March 2009.

**Highlights**

- Continuing strong footfall numbers and positive purchasing trends at Metro Junction Mall in Kalyan
- Leasing fell from 54% in January 2009 to 52% in May 2009 but recent developments put the mall on track to be substantially leased by March 2010
- High quality tenant base, including Big Bazaar, McDonalds, Fame, Loot, Fashion Yatra, Globus, Bata, Woodland, Archies and Club Mahindra
- Planning application submitted for residential development at Kalyan with strong profit potential over 3-4 years
- Planning and design for Nashik and Aurangabad hotel developments with Intercontinental Hotel Group progressing
- Balance sheet remains robust as a result of prudent cash management and low gearing year end cash and cash equivalents of \$6.6 m
- Board appointment and strengthening of operational team
- Continued growth in the Indian economy and organized retail provides opportunity to substantially increase gross leasable area owned or operated by West Pioneer

**Commenting on the results, Amit Jatia, Chairman of West Pioneer, said:** “Trading conditions in the last financial year proved challenging. Notwithstanding this, West Pioneer has a high quality, focused portfolio of assets and, management has focused on developing the potential value of the assets during the period. As is well documented, India has been affected by the global economic downturn and confidence within the retail industry has recently been low, with investment decisions and new store openings being put on hold. However, there are signs of confidence returning, and recent indications from potential tenants suggest that leasing at Kalyan should improve substantially through the current financial year.”

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**For further information:****Evolution Securities**

Jeremy Ellis / Chris Clarke

Tel: +44 (0) 20 7071 4300

**Media enquiries:****Abchurch Communications**

George Parker / Mark Dixon

Tel: +44 (0) 20 7398 7719

[george.parker@abchurch-group.com](mailto:george.parker@abchurch-group.com)[www.abchurch-group.com](http://www.abchurch-group.com)**Chairman's Statement**

In the year ended 31 March 2009, West Pioneer achieved revenue and other income of \$12.3m (2008: \$16.3m), including property rentals and other operating income of \$2.6m (2008: \$0.03m) reflecting a full year of operations in the lower ground and ground floor at the Kalyan mall. Profit before tax was \$6.4m (2008: \$14.4m) and basic earnings per share was \$0.03 (2008: \$0.12). Net assets at the year end were \$53.9m (2008: \$66.5m), including cash and cash equivalents of \$6.6m (2008: \$13.3m). These figures reflect a significant non-cash foreign currency translation loss due to the exchange rate movements between the US dollar and the Indian rupee during the year, which has led to an overall reduction in net assets of \$15.8m. Interest bearing loans and borrowings reduced from \$12.0m to \$8.1m during the period, inclusive of debt repayments.

**Kalyan**

Metro Junction is a four-storey, 500,000 sq. ft. mall in Kalyan, a Mumbai commuter city. Footfall remains strong, in spite of the recent economic downturn with approximately 300,000 people visiting the mall in May 2009. Reflecting challenging retail trading conditions, leasing has reduced from 54% in January 2009 to 52% in May 2009, producing monthly income of approximately \$115,000. However, the quality of the tenant base is high, including the following major retailers:

**Big Bazaar** – India's leading hypermarket chain with over 100 stores in operation throughout India

**McDonalds** - World leading quick service restaurant chain

**Fame** – Leading integrated film exhibition and distribution company operating a chain of multiplexes throughout India

**Loot** – Leading multi-brand discount chain, offering a wide range of clothing and shoes

**Fashion Yatra** – Mass market clothing, footwear and accessories store, launched by the Tata Group

**Globus** – Leading and innovative clothing and lifestyle retailer

**Bata** – Foremost retailer and manufacturer of footwear in India

**Woodland** – A popular footwear brand in India

**Archies** – Supplier of greeting cards, stationary, posters, soft toys, perfumes, gifts, wall clocks, candle stands and table lamps

**Club Mahindra** – Holiday operator offering both national and international options

Discussions with prospective tenants have been positive and we expect that the mall will be substantially leased by March 2010, which would produce an anticipated monthly income of approximately \$300,000 (at current exchange rates) We were also pleased to note the recent resolution of the dispute between the main Bollywood producers and multiplex owners, which should result in the imminent opening of the 5-screen multiplex.

In the light of the prevailing economic climate, the Group is not currently planning to progress the capital intensive Phase II mall development until Phase I is fully leased. However, West Pioneer is constantly reviewing opportunities to extract maximum value from its strong management platform and asset base. In this regard, we have identified a residential development opportunity to construct four 19 storey towers on the Group's land adjacent to the mall. Each tower has the potential to generate sales in excess of \$10m and profit of approximately \$4m over 3-4 years. The Group has submitted an application for the first tower in respect of planning and building regulations. This development will be earnings accretive and largely self-financing, as buyer deposits and mortgages fund much of the construction. The location is particularly attractive as it is 1.5km from the Kalyan railway station, which is a busy commuter terminal, as well as in the hub of the main road system. We consider that this development will prove very popular as a result of its proximity to the mall and will also be perceived as iconic on account of its height, as there are very few residential towers in Kalyan that are more than 12 storeys high.

### **Nashik and Aurangabad**

As announced in February, during the year West Pioneer has signed an agreement with Intercontinental Hotel Group ("IHG") to build 200-room hotels in both Nashik and Aurangabad, which will be owned by the Group and operated by IHG under its Holiday Inn brand. All planning and design work for the malls in Nashik and Aurangabad has been completed and management remains confident that these projects have prime locations and significant potential as retail assets. We are exploring opportunities to accelerate the development of these assets with anchor tenants using cost effective business plans developed as a result of our experience at the Kalyan mall.

## **Board and Management**

West Pioneer has recently announced the appointment of Hugh Sandeman as a Non-Executive Director and I am confident that with his finance and India-focused background he will prove to be a valuable addition to the Board. In addition, during the year, the Group has strengthened its team, building staff capabilities in the areas of Leasing, Design, Project Management and Mall operations through both recruitment and in-house training. This has significantly enhanced the Group's ability to manage a much larger project portfolio than it does currently.

## **Outlook**

Trading conditions in the last financial year proved challenging. Notwithstanding this, West Pioneer has a high quality, focused portfolio of assets and management has focused on developing the potential value of the assets during the period. As is well documented, India has been affected by the global economic downturn and confidence within the retail industry has recently been low, with investment decisions and new store openings being put on hold. However, there are signs of confidence returning, and recent indications from potential tenants suggest that leasing at Kalyan should improve substantially through the current financial year.

West Pioneer's key objectives are to be a leading developer and operator of shopping malls, hotels and related mixed- use developments in west and southern India; to develop a brand representing quality and attractive pricing, recognized by retailers and customers alike; and to generate attractive returns for shareholders from growth in income and asset value. I am confident that further substantial progress will be made in all these areas in the current financial year.

**Amit Jatia**

**Chairman of West Pioneer Properties**

**26 June 2009**

## Consolidated Income Statement

For the year ended 31st March 2009

|   |       | Year ended 31 <sup>st</sup> March |                    |
|---|-------|-----------------------------------|--------------------|
|   | Notes | 2009                              | 2008               |
|   |       | \$                                | \$                 |
| <b>Revenue and other income</b>                       |       |                                   |                    |
| Property rentals                                      |       | 1,314,714                         | 27,388             |
| Other operating income                                |       | 1,277,845                         | 3,607              |
| Total revenue   |       | 2,592,559                         | 30,995             |
| Property revaluation                                  |       | 8,872,574                         | 14,064,821         |
| Finance and other income                              | 2     | 820,351                           | 2,250,912          |
| <b>Total revenue and other income</b>                 |       | <b>12,285,484</b>                 | <b>16,346,728</b>  |
| <b>Expenses</b>                                       |       |                                   |                    |
| Direct operating expenses for rent-earning properties |       | (1,346,453)                       | (3,328)            |
| Administrative expenses                               | 2     | (2,356,818)                       | (1,814,092)        |
| Selling and distribution costs                        |       | (163,475)                         | -                  |
| Finance costs   | 2     | (2,043,127)                       | (106,027)          |
| <b>Total expenses</b>                                 |       | <b>(5,909,873)</b>                | <b>(1,923,447)</b> |
| <b>Profit before tax</b>                              |       | <b>6,375,611</b>                  | <b>14,423,281</b>  |
| Income tax expense                                    | 3     | (3,686,386)                       | (5,122,660)        |
| <b>Profit after tax</b>                               |       | <b>2,689,225</b>                  | <b>9,300,621</b>   |
| <b>Attributable to:</b>                               |       |                                   |                    |
| Equity holders  |       | <b>2,689,225</b>                  | <b>9,300,621</b>   |
| <b>Earnings per share</b>                             |       |                                   |                    |
|   | 4     |                                   |                    |
| Basic   |       | 0.03363                           | 0.119              |
| Diluted   |       | 0.03362                           | 0.119              |

## Consolidated Statement of Changes in Equity

For the year ended 31st March 2009

|  |       | As at 31 <sup>st</sup> March |                   |
|--|-------|------------------------------|-------------------|
|  | Notes | 2009                         | 2008              |
|  |       | \$                           | \$                |
| <b>ASSETS</b>                                    |       |                              |                   |
| <b>Non current assets</b>                        |       |                              |                   |
| Property, plant and equipment                    | 5     | 2,008,412                    | 7,972,670         |
| Investment property                              | 6     | 39,670,517                   | 29,624,061        |
| Intangible assets                                | 7     | 24,872                       | 13,764            |
| Prepayments                                      | 8     | 23,605,311                   | 26,771,005        |
| Other financial assets                           | 9     | 214,337                      | 238,048           |
| Advance income tax                               |       | 218,064                      | 45,566            |
|  |       | <b>65,741,513</b>            | <b>64,665,114</b> |
| <b>Current assets</b>                            |       |                              |                   |
| Investments – held for trading                   | 10    | 1,126,832                    | 12,663,153        |
| Trade and other receivables                      | 11    | 768,528                      | 202,639           |
| Prepayments                                      | 8     | 32,686                       | 44,312            |
| Cash and cash equivalents                        | 12    | 6,645,093                    | 13,320,738        |
|  |       | <b>8,573,139</b>             | <b>26,230,842</b> |
| <b>TOTAL ASSETS</b>                              |       | <b>74,314,652</b>            | <b>90,895,956</b> |
| <b>EQUITY AND LIABILITIES</b>                    |       |                              |                   |
| <b>Equity attributable to the equity holders</b> |       |                              |                   |
| Issued capital                                   |       | 7,996,130                    | 7,996,130         |
| Share premium                                    |       | 45,717,870                   | 45,717,870        |
| Retained earnings                                |       | 11,920,916                   | 9,199,598         |
| Employee equity benefit reserve                  |       | 515,474                      | -                 |
| Foreign currency translation reserve             |       | (12,224,893)                 | 3,571,074         |

|                                       |    | <b>53,925,497</b> | <b>66,484,672</b> |
|---------------------------------------|----|-------------------|-------------------|
| <b>Non current liabilities</b>        |    |                   |                   |
| Interest bearing loans and borrowings | 13 | 6,516,618         | 9,840,030         |
| Other liabilities                     | 14 | 719,263           | 432,898           |
| Employee benefit liability            |    | 34,452            | 12,046            |
| Deferred tax liability                | 10 | 7,196,150         | 5,156,752         |
|                                       |    | <b>14,466,483</b> | <b>15,441,726</b> |
| <b>Current liabilities</b>            |    |                   |                   |
| Trade and other payables              | 15 | 3,591,567         | 6,685,565         |
| Interest bearing loans and borrowings | 13 | 1,629,155         | 2,130,326         |
| Other liabilities                     | 16 | 701,950           | 153,667           |
|                                       |    | <b>5,922,672</b>  | <b>8,969,558</b>  |
| <b>TOTAL LIABILITIES</b>              |    | <b>20,389,155</b> | <b>24,411,284</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |    | <b>74,314,652</b> | <b>90,895,956</b> |

## Consolidated Statement of changes in equity

For the year ended 31st March 2009

### Attributable to equity holders of the parent

|   | Issued<br>capital | Share<br>premium  | Retained<br>earnings | Employee<br>equity<br>benefits<br>reserve | Foreign<br>currency<br>translation<br>reserve | Total<br>equity     |
|---|-------------------|-------------------|----------------------|---|---|---------------------|
|   | \$                | \$                | \$                   | \$  | \$  | \$                  |
| <b>Balance as at 1<sup>st</sup> April 2008</b>                        | <b>8,000,664</b>  | <b>45,717,870</b> | <b>9,195,064</b>     | -   | <b>3,571,074</b>                              | <b>66,484,672</b>   |
| Reclassification of share capital of commonly controlled subsidiaries | (4,534)           | -                 | 4,534                | -   | -   | -                   |
|   | 7,996,130         | 45,717,870        | 9,199,598            | -   | 3,571,074                                     | 66,484,672          |
| Net profit for the period   | -                 | -                 | 2,689,225            | -   | -   | 2,689,225           |
| Foreign currency translation  | -                 | -                 | -                    | -   | (15,795,967)                                  | (15,795,967)        |
| <b>Total income and expense for the year</b>                          | -                 | -                 | <b>2,689,225</b>     | -   | <b>(15,795,967)</b>                           | <b>(13,106,742)</b> |
| Share based payment   | -                 | -                 | -                    | 547,567                                   | -   | 547,567             |
| Transfer to retained earnings on options forfeited                    | -                 | -                 | 32,093               | (32,093)                                  | -   | -                   |
| <b>Balance as at 31<sup>st</sup> March 2009</b>                       | <b>7,996,130</b>  | <b>45,717,870</b> | <b>11,920,916</b>    | <b>515,474</b>                            | <b>(12,224,893)</b>                           | <b>53,925,497</b>   |

|   |                  |                   |                  |          |                  |                   |
|---|------------------|-------------------|------------------|----------|------------------|-------------------|
| <b>Balance as at 1<sup>st</sup> April 2007</b>                      | <b>7,504,534</b> | <b>34,525,188</b> | <b>(105,558)</b> | <b>-</b> | <b>650,132</b>   | <b>42,574,296</b> |
| Reclassification of share capital of commonly controlled subsidiary | (4,534)          | -                 | 4,534            | -        | -                | -                 |
|   | 7,500,000        | 34,525,188        | (101,024)        | -        | 650,132          | 42,574,296        |
| Net Profit for the period   | -                | -                 | 9,300,622        | -        | -                | 9,300,622         |
| Foreign currency translation reserve                                | -                | -                 | -                | -        | 2,920,942        | 2,920,942         |
| <b>Total income and expense for the year</b>                        | <b>-</b>         | <b>-</b>          | <b>9,300,622</b> | <b>-</b> | <b>2,920,942</b> | <b>12,221,564</b> |
| Issue of share capital  | 496,130          | -                 | -                | -        | -                | 496,130           |
| Share premium on fresh issue of capital                             | -                | 11,596,736        | -                | -        | -                | 11,596,736        |
| Share issue expenses  | -                | (404,054)         | -                | -        | -                | (404,054)         |
| <b>Balance as at 31<sup>st</sup> March 2008</b>                     | <b>7,996,130</b> | <b>45,717,870</b> | <b>9,199,598</b> | <b>-</b> | <b>3,571,074</b> | <b>66,484,672</b> |

## Consolidated cash flow statement for

For the year ended 31st March 2009

|   | Year ended 31 <sup>st</sup> March |                |
|---|-----------------------------------|----------------|
|   | 2009                              | 2008           |
|   | \$                                | \$             |
| <b>Operating activities</b>   |                                   |                |
| Profit before tax   | 6,375,610                         | 14,423,281     |
| <b>Adjustments to reconcile profit before tax to net cash flows</b> |                                   |                |
| Depreciation of property, plant and equipment                       | 26,876                            | 17,579         |
| Share based payments expense  | 547,567                           | -              |
| Increase in fair value of investment properties                     | (8,872,574)                       | (14,129,555)   |
| Decrease in value of investments held for trading                   | 107,934                           | -              |
| Net gain on sale of investments                                     | 30,108                            | (38,851)       |
| Dividend income   | (228,813)                         | (1,388,600)    |
| Interest Income   | (529,659)                         | (732,564)      |
| Interest expense  | 935,870                           | 106,027        |
| (Increase)/decrease in other assets (non-current)                   | (36,256)                          | 699,359        |
| (Increase)/decrease in prepayments (current)                        | (15,833)                          | (1,554,403)    |
| (Increase)/ decrease in trade and other receivables                 | (668,384)                         | (1,427)        |
| Increase/(decrease) in trade and other payables                     | (1,838,132)                       | 3,305,616      |
| Increase/(decrease) in other liabilities (current )                 | 617,615                           | (10,157)       |
| Increase/(decrease) in other liabilities ( non current )            | 464,215                           | (30,525)       |
| Income tax paid   | (205,721)                         | (8,192)        |
| <b>Net cash flows (used in)/ from operating activities</b>          | <b>(3,289,577)</b>                | <b>657,588</b> |
| <b>Investing activities</b>   |                                   |                |
| Proceeds from sale of held-for-trading investments                  | 11,349,958                        | 76,507,680     |
| Purchase of property, plant and equipment and intangible assets     | (36,645)                          | (15,253,419)   |

|   |                    |                     |
|---|--------------------|---------------------|
| Purchase of held-for-trading investments                          | (1,944,851)        | (62,614,915)        |
| Increase in prepayments   | (3,516,974)        | (20,038,101)        |
| Increase in trade & other payables relating to construction costs | -                  | 2,238,969           |
| Payments for capital expenditure during construction              | (5,545,800)        | (247,392)           |
| Dividend income   | 228,813            | 1,388,600           |
| Interest received   | 529,659            | 732,564             |
| <b>Net cash flows from/(used in) investing activities</b>         | <b>1,064,160</b>   | <b>(17,286,014)</b> |
| <b>Financing activities</b>                                       |                    |                     |
| Proceeds from issue of shares                                     | -                  | 12,092,866          |
| Transaction costs of issue of shares                              | -                  | (404,054)           |
| Proceeds from borrowings  | 651,754            | 9,193,890           |
| Repayment of borrowings   | (1,777,930)        | -                   |
| Interest paid   | (935,870)          | (106,027)           |
| <b>Net cash flows from/(used in) financing activities</b>         | <b>(2,062,046)</b> | <b>20,776,675</b>   |
| Net increase/(decrease) in cash and cash equivalents              | (4,287,463)        | 4,148,249           |
| Net foreign exchange difference                                   | (2,018,494)        | (231,955)           |
| Cash and cash equivalents at 31 <sup>st</sup> March 2008          | 11,749,309         | 78,33,015           |
| Cash and cash equivalents at 31 <sup>st</sup> March 2009          | 5,443,352          | 11,749,309          |

## **1. Significant accounting estimates and assumptions**

### **Valuation of Investment Property**

Investment properties are stated at fair value based on income approach. This approach capitalizes an income stream into a present value. This involves making assumptions about expected future rentals, other income arising out of mall operations, future rent increase and discount rates. Such estimates are subject to significant uncertainty.

At 31<sup>st</sup> March 2009, the value of Investment property was \$ 39,670,517 (31<sup>st</sup> March 2008- \$ 29,624,061). Further details are contained in Note 6.

### **Debtors**

The recoverable amounts in respect of trade receivables represent managements estimates of the amounts likely to be recovered based on an invoice wise analysis of amounts due for rentals and common area maintenance charges.

### **Share-based Payments**

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they were granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

## 2. Finance and other income and other expenses

|  | Year ended 31 <sup>st</sup> March |                  |
|--|-----------------------------------|------------------|
|  | 2009                              | 2008             |
|  | \$                                | \$               |
| <b>Finance and other income</b>        |                                   |                  |
| Change in fair value of investments    | -                                 | 474              |
| Dividend earned on investments         | 228,813                           | 1,388,600        |
| Profit / (loss) on sale of investments | -                                 | 38,851           |
| Bank interest                          | 529,659                           | 732,563          |
| Other Income                           | 61,879                            | 90,424           |
|  | <b>820,351</b>                    | <b>2,250,912</b> |

## Administrative expenses

|                                 | Year ended 31 <sup>st</sup> March |                  |
|---------------------------------|-----------------------------------|------------------|
|                                 | 2009                              | 2008             |
|                                 | \$                                | \$               |
| Employee costs                  |                                   |                  |
| Salaries and wages              | 732,864                           | 705,237          |
| Provident fund                  | 16,285                            | 10,469           |
| Gratuity                        | 28,340                            | 9,413            |
| Expense of share based payments | 547,567                           | -                |
|                                 | <b>1,325,056</b>                  | <b>725,119</b>   |
| Legal and professional fees     | 153,947                           | 293,753          |
| General expenses                | 727,701                           | 668,457          |
| Rent                            | 123,238                           | 109,184          |
| Depreciation and amortization   | 26,876                            | 17,579           |
|                                 | <b>2,356,818</b>                  | <b>1,814,092</b> |

## Finance costs

|                                     | Year ended 31 <sup>st</sup> March |                |
|-------------------------------------|-----------------------------------|----------------|
|                                     | 2009                              | 2008           |
|                                     | \$                                | \$             |
| Change in fair value of investments | 107,934                           | -              |
| Bank service charges                | 4,286                             | 53,568         |
| Loss on sale of Investments         | 30,108                            | -              |
| Interest expense                    | 935,870                           | 52,459         |
| Foreign exchange loss               | 964,929                           | -              |
|                                     | <b>2,043,127</b>                  | <b>106,027</b> |

### 3. Income taxes

Given the nature of the operations of WBIL and WBPL, these entities are not subject to income tax in the jurisdictions in which they are incorporated. WPIPL and WEPL are incorporated and registered in India and subject to the Indian Income Tax Act, 1961.

Current tax expense is recognized on the income chargeable to tax. The components of the tax expense are as follows:

|   | Year ended 31 <sup>st</sup> March |                  |
|---|-----------------------------------|------------------|
|   | 2009                              | 2008             |
|   | \$                                | \$               |
| Current tax expense   | 34,432                            | 15,266           |
| Deferred tax expense on origination and reversal of temporary differences | 3,651,953                         | 5,107,394        |
|   | <b>3,686,386</b>                  | <b>5,122,660</b> |

The Group has unutilized tax losses (comprising unabsorbed tax depreciation and business losses) which arose from its subsidiaries in India aggregating \$ 3,600,324 (31<sup>st</sup> March 2008: \$ 1,813,065).

#### 4. Earnings per share

Basic earnings per share amount is calculated by dividing net profit after tax for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the earning per share computations for the year ended on 31<sup>st</sup> March:

|   | Year ended 31 <sup>st</sup> March |            |
|---|-----------------------------------|------------|
|   | 2009                              | 2008       |
|   | \$                                | \$         |
| Profit attributable to equity holders                                 | 2,689,225                         | 9,300,621  |
| Number of shares :  |                                   |            |
| Weighted average number of shares for basic earnings per share        | 79,961,299                        | 78,398,149 |
| Effect of dilution in respect of employee stock options               | 26,346                            | -          |
| Weighted average number of shares adjusted for the effect of dilution | 79,987,645                        | 78,398,149 |
| Basic earning per share   | 0.03363                           | 0.119      |
| Diluted earning per share   | 0.03362                           | 0.119      |

## 5. Property, plant and equipment

|  | Office<br>equipment | Furniture     | Computers     | Vehicles      | Plant &<br>Machinery | Capital work in<br>progress | Total            |
|--|---------------------|---------------|---------------|---------------|----------------------|-----------------------------|------------------|
|  | \$                  | \$            | \$            | \$            | \$                   | \$                          | \$               |
| <b>Cost:</b>                                 |                     |               |               |               |                      |                             |                  |
| At 1 <sup>st</sup> April 2007                | 22,620              | 2,838         | 16,121        | 52            | 0                    | 22,320,205                  | 22,361,836       |
| Additions                                    | 4,537               | 7,682         | 42,260        | 25,443        | 447                  | 795,980                     | 876,349          |
| Disposals/Transfer to<br>Investment property | -                   | -             | (2,734)       | -             | -                    | (15,314,083)                | (15,316,817)     |
| Exchange adjustment                          | 1,726               | 73            | 1,217         | 214           | 3                    | 75,399                      | 78,632           |
| <b>As at 31<sup>st</sup> March 2008</b>      | <b>28,883</b>       | <b>10,593</b> | <b>56,864</b> | <b>25,709</b> | <b>450</b>           | <b>7,877,501</b>            | <b>8,000,000</b> |
| Additions                                    | 8,003               | 371           | 10,427        | 0             |                      | 5,545,800                   | 5,564,601        |
| Disposals/Transfer to<br>Investment Property | (182)               |               |               |               |                      | (10,130,170)                | (10,130,352)     |
| Exchange adjustment                          | (5,487)             | (1,069)       | (10,251)      | (4,814)       | (76)                 | (1,351,852)                 | (1,373,549)      |
| <b>As at 31<sup>st</sup> March 2009</b>      | <b>31,217</b>       | <b>9,895</b>  | <b>57,040</b> | <b>20,895</b> | <b>374</b>           | <b>1,941,279</b>            | <b>2,060,700</b> |
| <b>Depreciation:</b>                         |                     |               |               |               |                      |                             |                  |
| At 1 <sup>st</sup> April 2007                | 3,328               | 2,480         | 3,428         | 52            | -                    | -                           | 9,288            |
| Depreciation charge for the<br>year          | 3,060               | 3,323         | 7,867         | 3,245         | 84                   | -                           | 17,579           |
| Disposals                                    | -                   | -             | 463           | -             | -                    | -                           | 463              |
| <b>As at 31<sup>st</sup> March 2008</b>      | <b>6,388</b>        | <b>5,803</b>  | <b>11,758</b> | <b>3,297</b>  | <b>84</b>            | <b>-</b>                    | <b>27,330</b>    |
| Depreciation charge for the<br>year          | 6,130               | 895           | 13,738        | 4,191         | 92                   |                             | 25,046           |
| Disposals                                    | (88)                |               |               |               |                      |                             | (88)             |
| <b>As at 31<sup>st</sup> March 2009</b>      | <b>12,430</b>       | <b>6,698</b>  | <b>25,496</b> | <b>7,488</b>  | <b>176</b>           | <b>0</b>                    | <b>52,288</b>    |
| <b>Net book value</b>                        |                     |               |               |               |                      |                             |                  |
| At 31 <sup>st</sup> March 2009               | <b>18,787</b>       | <b>3,197</b>  | <b>31,544</b> | <b>13,407</b> | <b>198</b>           | <b>1,941,279</b>            | <b>2,008,412</b> |
| At 31 <sup>st</sup> March 2008               | 22,495              | 4,790         | 45,105        | 22,412        | 366                  | 7,877,501                   | 7,972,670        |
| At 1 <sup>st</sup> April 2007                | 19,292              | 358           | 12,693        | -             | -                    | 22,320,205                  | 22,352,548       |

## 6. Investment Property

|                                      | 31 <sup>st</sup> March |                   |
|--------------------------------------|------------------------|-------------------|
|                                      | 2009                   | 2008              |
|                                      | \$                     | \$                |
| Balance at the beginning of the year | 29,624,061             | -                 |
| Additions                            | 10,246,987             |                   |
|                                      |                        | 15,559,240        |
| Net gain from fair value adjustment  | 9,217,093              |                   |
|                                      |                        | 14,064,821        |
| Foreign currency translation         | (9,417,624)            | -                 |
| Balance at the end of the year       | <u>39,670,517</u>      | <u>29,624,061</u> |

The fair value of the Group's investment property has been assessed by the directors and confirmed by an independent valuation performed by Cushman & Wakefield (India) Private Ltd as at 31<sup>st</sup> March 2009 and 2008. This valuation has been conducted in accordance with Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards. The difference between the cost of the investment property and its fair valuation has been recorded as a gain in the income statement.

## 7. Intangible assets

### Computer Software - Acquired

|                                    | 31 <sup>st</sup> March |               |
|------------------------------------|------------------------|---------------|
|                                    | 2009                   | 2008          |
| <b>Cost:</b>                       |                        |               |
|                                    | \$                     | \$            |
| At 1 <sup>st</sup> April           | 16,713                 | 4,502         |
| Additions                          | 21,847                 | 11,811        |
| Exchange adjustment                | (5,000)                | 400           |
| At 31 <sup>st</sup> March          | <b>33,560</b>          | <b>16,713</b> |
| <b>Amortization:</b>               |                        |               |
| At 1 <sup>st</sup> April           | 2,949                  | 162           |
| Amortization charge for the period | 5,739                  | 2,772         |
| Exchange adjustment                | -                      | 15            |
| At 31 <sup>st</sup> March          | <b>8,688</b>           | <b>2,949</b>  |
| <b>Net Book Value:</b>             |                        |               |
| <b>As at 31<sup>st</sup> March</b> | <b>24,872</b>          | <b>13,764</b> |

These intangible assets are computer software used in WPP IPL's operations. These are amortised evenly over their useful life of 4 years

There are no contractual commitments for acquisition of intangibles.

## 8. Prepayments

|                | 31st March        |                   |
|----------------|-------------------|-------------------|
|                | 2009              | 2008              |
| Non- Current   | \$                | \$                |
| Prepayments    | 23,605,311        | 26,771,005        |
|                | <b>23,605,311</b> | <b>26,771,005</b> |
| <b>Current</b> |                   |                   |
| Prepayments    | 26,674            | 44,312            |
| Stock          | 6,012             | -                 |
|                | <b>32,686</b>     | <b>44,312</b>     |
|                | <b>23,637,997</b> | <b>26,815,317</b> |

Prepayments consist of lease payments made for land under operating leases.

## 9. Other financial assets (non-current)

|                             | 31 <sup>st</sup> March |                |
|-----------------------------|------------------------|----------------|
|                             | 2009                   | 2008           |
|                             | \$                     | \$             |
| Deposit for office premises | 79,349                 | 103,759        |
| Deposit for electricity     | 103,414                | 99,228         |
| Deposit for water           | 4,364                  | 2,573          |
| Other deposits              | 27,210                 | 32,488         |
|                             | <b>214,337</b>         | <b>238,048</b> |

#### 10. Investments held-for-trading

|  | 31 <sup>st</sup> March |                   |
|--|------------------------|-------------------|
|  | 2009                   | 2008              |
|  | \$                     | \$                |
| Investment in Fixed Maturity Plans of Mutual funds | 849,174                | 9,533,655         |
| Investment in Listed Securities                    | 277,545                | -                 |
| Investment in Liquid Plus Plans of Mutual funds    | 113                    | 3,129,498         |
|  | <b>1,126,832</b>       | <b>12,663,153</b> |

The above investments are held-for-trading investments with a maturity from one month to three months. However, the investments can be redeemed and liquidated at any point of time till maturity.

The above investments are valued at the fair value through the income statement.

#### 11. Trade and other Receivables

|                                       | 31 <sup>st</sup> March |                |
|---------------------------------------|------------------------|----------------|
|                                       | 2009                   | 2008           |
|                                       | \$                     | \$             |
| Trade receivables                     | 368,460                | -              |
| Trade receivable from related parties | 52,915                 | -              |
| Accrued income                        | 306,840                | 111,644        |
| Other advances                        | 40,313                 | 90,995         |
|                                       | <b>768,528</b>         | <b>202,639</b> |

## 12. Cash and cash equivalents

|                     | 31 <sup>st</sup> March |                   |
|---------------------|------------------------|-------------------|
|                     | 2009                   | 2008              |
|                     | \$                     | \$                |
| Bank balances       | 156,275                | 1,772,849         |
| Short term deposits | 6,488,818              | 11,547,889        |
|                     | <b>6,645,093</b>       | <b>13,320,738</b> |

Cash at bank earns interest at floating rate based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Short term deposits include restricted deposits of \$ 1,201,741 (31<sup>st</sup> March 2008: \$ 1,571,429) kept as security for performance by a vendor with whom there is an agreement to acquire the lease hold land parcel in Nashik. The amount is payable to the vendor on the performance of his obligations. Refer Note 18.

A reconciliation of the cash and cash equivalents as above to the amounts considered for the consolidated cash flow statement for the years ended 31<sup>st</sup> March 2009 and 31<sup>st</sup> March 2008 is presented below.

|  | 31 <sup>st</sup> March |                   |
|--|------------------------|-------------------|
|  | 2009                   | 2008              |
|  | \$                     | \$                |
| Cash and cash equivalents as above                                 | 6,645,093              | 13,320,738        |
| Restricted deposits  | 1,201,741              | 1,571,429         |
| <b>Cash and cash equivalents for the purposes of the cash flow</b> | <b>5,443,352</b>       | <b>11,749,307</b> |

**13. Foreign currency translation:**

|                                 | <b>\$</b>                  |
|---------------------------------|----------------------------|
| At 1 <sup>st</sup> April 2007   | 650,132                    |
| During the period               | 2,920,942                  |
| At 31 <sup>st</sup> March, 2008 | 3,571,074                  |
| During the period               | (15,795,967)               |
| At 31 <sup>st</sup> March 2009  | <u><b>(12,224,893)</b></u> |

The foreign currency translation reserve is used to record exchange difference arising from translation of the financial statements of WPPIPL and WEPL, the foreign subsidiaries. The foreign currency translation during the period ended 31<sup>st</sup> March 2009 of \$ 15.79 million is on account of the depreciation of the Indian Rupee against the United States Dollar between 31<sup>st</sup> March 2008 and 31<sup>st</sup> March 2009

**14. Interest bearing loans and borrowings**  
**Effective**

| Particulars   | interest rate                                 | Maturity   | 31 <sup>st</sup> March |                   |
|---|---|------------|------------------------|-------------------|
|   |   |            | 2009                   | 2008              |
|   | %   |            | \$                     | \$                |
| <b>Current portion of long term interest bearing loans and borrowings</b> |   |            |                        |                   |
| State Bank of India   | 1% below the State Bank of India Average Rate |            | 1,629,155              | 2,130,326         |
|   |   |            | <b>1,629,155</b>       | <b>2,130,326</b>  |
| <b>Non-Current:</b>   |   |            |                        |                   |
| State Bank of India   | 1% below the State Bank of India Average Rate | March 2014 | 6,516,618              | 9,899,749         |
| Less: Upfront loan processing fee (amortized)                             |   |            |                        | (59,719)          |
|   |   |            | <b>6,516,618</b>       | <b>9,840,030</b>  |
|   |   |            | <b>8,145,773</b>       | <b>11,970,356</b> |

**Terms and conditions of loans and borrowings:**

The total loan sanctioned by the Bank amounts is repayable in 24 quarterly installments from June 2008 to March 2014.

The rate of interest payable on the loan is 1% below the State Bank of India Average Rate, with a minimum of 9.75% p.a. at monthly rests. As at 31<sup>st</sup> March 2009 the rate of interest was 11.25%. The loan is secured by a first charge on the Kalyan shopping mall (ie the Group's investment property).

The future payments for the repayment of loan withdrawn as at period end are disclosed as under:

|  |                  |
|--|------------------|
|  | \$               |
| During year ended March 10   | 1,629,155        |
| During year ended March 11   | 1,629,154        |
| During year ended March 12   | 1,629,155        |
| During year ended March 13   | 1,629,154        |
| During year ended March 14   | 1,629,155        |
| <b>Total future payments for loan drawn and outstanding as at 31<sup>st</sup> March 2009</b> | <b>8,145,773</b> |

At 31<sup>st</sup> March 2009, WPPIPL did not have any available un-drawn committed borrowing facilities.

**15. Other liabilities (Non Current)**

|                       | <b>31<sup>st</sup> March</b> |                |
|-----------------------|------------------------------|----------------|
|                       | <b>2009</b>                  | <b>2008</b>    |
|                       | <b>\$</b>                    | <b>\$</b>      |
| Deposits              | 663,681                      | 432,898        |
| Deferred lease income | 55,582                       | -              |
|                       | <b>719,263</b>               | <b>432,898</b> |

The deposits relate to the rental deposits paid by the lessees which are interest free and are refundable at the end of the lease period.

The deferred lease income relates to the deferred income arising from the initial recognition of lease rental deposits at fair value.

|                                  | <b>31<sup>st</sup> March</b> |             |
|----------------------------------|------------------------------|-------------|
|                                  | <b>2009</b>                  | <b>2008</b> |
|                                  | <u>\$</u>                    | <u>\$</u>   |
| At 1 <sup>st</sup> April         | -                            | -           |
| Deferred during the year         | 168,223                      | -           |
| Released to the income statement | (49,295)                     | -           |
| Exchange difference              | (13,007)                     | -           |
|                                  | <u><b>105,921</b></u>        | <u>-</u>    |

#### **16. Trade and other payables**

|                | <b>31<sup>st</sup> March</b> |                         |
|----------------|------------------------------|-------------------------|
|                | <b>2009</b>                  | <b>2008</b>             |
|                | <u>\$</u>                    | <u>\$</u>               |
| Trade payables | 3,041,147                    | 1,628,929               |
| Other payables | 550,420                      | 5,056,636               |
|                | <u><b>3,591,567</b></u>      | <u><b>6,685,565</b></u> |

Trade payables are non interest bearing and are normally settled within a year. Other payables including advance from customers are liabilities which were payable within one month from the balance sheet date.

#### **17. Other liabilities**

| <b>31<sup>st</sup> March</b> |             |
|------------------------------|-------------|
| <b>2009</b>                  | <b>2008</b> |

|  | \$             | \$             |
|--|----------------|----------------|
| Provision for Tax, TDS, VAT and other expenses | 165,815        | 153,667        |
| Accrued expenses                               | 485,795        | -              |
| Deferred lease income                          | 50,340         | -              |
|  | <u>701,950</u> | <u>153,667</u> |