

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the action you should take in relation to this Circular you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser. If you sell or have sold or transferred your shares in Yatra Capital Limited, this Circular and any other related documents should be passed on to the person or persons through/to whom the sale or transfer was effected for transmission to the purchaser or transferee.

# **YATRA CAPITAL**

**Proposals to amend the Company's memorandum and articles of association and approve the creation and issue of a new class of shares of the Company**

**Notice of an extraordinary general meeting of the Shareholders of Yatra Capital Limited convened for 17 February 2015 is included with this document.**

**You are requested to provide a Written Confirmation and, if necessary, a delegate proxy form in accordance with the instructions printed herein.**

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## PART I

### LETTER FROM THE CHAIRMAN

# YATRA CAPITAL LIMITED

*(Closed-ended investment company incorporated in Jersey with registration number 93576)*

*Directors:*

Richard Boléat (*Chairman*)  
George Baird  
Shahzaad Dalal  
David Hunter  
Malcolm King  
Christopher Wright

*Registered Office:*

Le Masurier House  
La Rue Le Masurier  
St Helier  
Jersey JE2 4YE  
Channel Islands

2 January 2015

Dear Shareholder,

### **Introduction**

I am writing on behalf of the Board to provide notice of a forthcoming Extraordinary General Meeting of Yatra Capital Limited (the "**Company**") to be held on 17 February 2015 at 10am GMT at the registered office of the Company, Le Masurier House, La Rue Le Masurier, St Helier, Jersey JE2 4YE.

It is proposed that the Company raise further capital through the creation and launch of a new class of shares (the "**Real Estate Fund II Shares**"). Application will be made in due course for the Real Estate Fund II Shares to be admitted to listing on the Official List of the UK Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange, or to listing and trading on another exchange.

The improved political backdrop in India has created significant global investor interest in investment in India. Based on our discussions with investors, there is a desire to create additional investment pools in the Company, with a focus on real estate for the time being, but which could target a wider range of assets, for example, infrastructure over the longer term. The Board and Investment Manager are conscious of the fact that the existing portfolio and existing class of shares (the "**Real Estate Shares**") need to be ring-fenced such that the economic position of existing investors and the remaining portfolio is preserved. Based on legal advice received, the Board felt that this could be most effectively achieved by the creation and issue of a new class of shares, thereby allowing the separate rights and obligations of each share class to be protected and preserved.

As certain of our existing investors have requested the ability to convert all or part of their holdings of Real Estate Shares into the new Real Estate Fund II Shares, we have incorporated this ability to elect to make such a conversion in the Company's amended articles of association. This will allow existing holders of Real Estate Shares either to retain their Real Estate Shares with existing rights or to elect or around the date of the initial public offering of Real Estate Fund II Shares to convert all or part of their holding of Real Estate Shares into Real Estate Fund II Shares.

The Board is therefore convening the EGM at which a number of resolutions (the "**Resolutions**") will be proposed to approve the changes which are detailed below. In summary, the Resolutions seek Shareholder approval by way of special resolutions to:

1. change the name of the existing class of Real Estate Shares to "Real Estate Fund I Shares";

2. make such amendments to the Company's memorandum and articles of association (the "**Articles**") as are necessary to allow for the creation and issue of the Real Estate Fund II Shares; and
3. create and issue the Real Estate Fund II Shares and apply for them to be admitted to listing on the Official List of the UK Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange, or to listing and trading on another exchange.

The Board is making these proposals following an extensive consultation with the Company's larger shareholders.

### **Real Estate Fund II Shares**

As part of the new capital-raising arrangements described above, it is proposed that the Articles be amended to permit the creation and issue of a new class of shares, Real Estate Fund II Shares, by the Company. It is anticipated that the Real Estate Fund II Shares would be issued to new investors seeking exposure to a portfolio of real estate in India, managed by IL&FS Investment Advisers LLC ("**IIAL**"). It is intended that existing holders of Real Estate Shares would be offered the option to elect to convert all or part of their existing holdings of Real Estate Shares into Real Estate Fund II Shares or around the date of the initial public offering of Real Estate Fund II Shares.

It is intended that the investment policy for the new class of Real Estate Fund II Shares would be to invest primarily in residential real estate projects to achieve regular income payments and capital growth for investors. It is intended that 75% of the net funds raised would be invested in structured instruments which would target a gross yield of 12% annually and an overall IRR of 22% annually in INR terms. It is then intended that the balance of the funds would be invested in equity or equity related transactions with the aim of achieving an overall return of 24% annually at the investment level in INR terms.

The Real Estate Fund II Shares will rank *pari passu* with the existing Real Estate Shares as to voting but will only be entitled to income and capital deriving from the proceeds of the issue of the Real Estate Fund II Shares. The existing class of Real Estate Shares will be renamed "Real Estate Fund I Shares" and will remain in force with the same existing investment policy (as described in previous circulars and communications to Shareholders).

Approvals of the Jersey Financial Services Commission ("**JFSC**") and, in the event that a London listing is sought, the UK Listing Authority and the London Stock Exchange will be required in relation to the offering of the Real Estate Fund II Shares. If the Real Estate Fund II Shares are listed on a different exchange, other approvals may be required. Accordingly, any issue or offering of Real Estate Fund II Shares is conditional upon all necessary regulatory consents being obtained. If the issue or offering does not take place or is not successful, any associated costs will be borne by IIAL.

A summary of the changes proposed to the Articles is set out in Part II of this document. A copy of the proposed Articles will be available on the Company's website at [www.yatracapital.com](http://www.yatracapital.com) with the changes proposed highlighted in the draft. A copy of the New Articles will also be available for inspection at the EGM.

### **AIF status**

In order for the Company to market shares into the EU/EEA, it and IIAL must comply with relevant provisions of the Jersey implementation of the EU Directive on Alternative Investment Fund Managers ("**AIFMD**"). The Company will be a 'self-managed' alternative investment fund under AIFMD. As the Company is established and regulated in a 'third country' for AIFMD purposes, the impact of this will be:

- i) the Company filing an AIF/EXEMPT notification form and FSJ/AIFSB application form with the JFSC; and

- ii) the Company complying with relevant provisions of the JFSC's published Codes of Practice for Alternative Investment Funds and AIF Services Business – in practice, these are limited to reporting, disclosure, transparency and anti-asset stripping requirements.

The Directors will, if the Resolutions are passed, take all appropriate actions in this regard.

### **What happens if the Resolutions are not approved at the EGM?**

If the required majority of Shareholders do not vote in favour of the Resolutions, the proposal will lapse and the new capital raising through the issues of Real Estate Fund II Shares will not proceed.

To be passed, each Resolution to be approved at the EGM requires a vote in favour of at least 66.67% of the Shareholders present and voting at the EGM.

### **Risk factors relating to the creation and issue of the Real Estate Fund II Shares**

Although the draft Articles contain provisions which prevent holders of Real Estate Fund II Shares having any economic rights to the assets attributed to Real Estate Shares or Infrastructure Shares (should the latter class of shares be launched in due course) and vice versa, it is not possible to ensure that all non-contractual creditors such as tax authorities, regulators, and litigants with non-contractual claims would not have recourse to all of the assets of the Company (irrespective of which share class they are attributed to). The Board does, however, intend to arrange the affairs of the Company and each share class such that potential liability relating to investments is limited at each stage through the use, where possible, of limited liability special purpose vehicles. Further, the Board will also have the power to reallocate assets between share classes in the event that one share class bears a liability that should properly have been borne by another.

### **Important considerations**

You are reminded of the need to obtain advice from your financial adviser if you are in any doubt about the action you should take in relation to this Circular. In view of the voting requirements it is important that you exercise your voting rights by providing a Written Confirmation (as described on page 9) and, if necessary, completing a delegate proxy form (as set out on pages 10 and 11) and returning it to the address specified therein.

### **Recommendation**

The Independent Directors consider that the Resolutions to be proposed at the EGM are in the best interests of the Company and Shareholders as a whole.

The Independent Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the EGM.

The Board intends to vote in favour of the Resolutions in respect of their aggregate shareholdings of 20,967 Shares, representing 0.2% of the Company's share capital.

Yours faithfully,



Richard Boléat  
Chairman  
For and on behalf of  
**Yatra Capital Limited**

## PART II

### SUMMARY OF PROPOSED AMENDMENTS TO THE ARTICLES

Capitalised terms used below bear the meaning provided to them in the draft Articles

CHANGE	ARTICLE(S) AMENDED
<b>Name of the classes of shares and addition of a new class of shares</b>	
The name of existing class of Real Estate Shares has been changed to "Real Estate Fund I Shares"	Memorandum
A new class of shares, the "Real Estate Fund II Shares", has been introduced.	Memorandum
<b>Interpretation</b>	Article 1
A definition of "Real Estate Fund II Shares" has been added and used to ensure that various existing provisions work in light of there being an additional class of shares going forward.	Article 1 (Interpretation)
<b>Administration and custodian</b>	Article 4
Reference to the initial Administration Agreement between the Company and Minerva Fund Administration Limited has been removed to reflect the recent change of administrator.	Article 4.02
<b>Share capital</b>	Article 5
Article 5.00 has been amended to include the Real Estate Fund II Shares in the classes of shares which may be allotted or issued without requiring the consent of shareholders by Special Resolution.	Article 5.00
Article 5.01 has been amended so that only holders of Real Estate Shares are able to vote on a resolution for the issue of further Real Estate Shares.	Article 5.01
A new Article 5.08 has been inserted providing that on the initial public offering of the Real Estate Fund II Shares, any holder of Real Estate Shares may elect to convert all or part of their holding of Real Estate Shares into Real Estate Fund II Shares on the terms set out in the prospectus to be issued by the Company in connection with such initial public offering (the " <b>Prospectus</b> "). On any such conversion assets attributed to the separate account of the Real Estate Shares in respect of those Real Estate Shares being converted shall be attributed to the separate account of the Real Estate Fund II Shares in accordance with such formula and process as is set out in the Prospectus.	Article 5.08
New Articles 5.09 to 5.20 have been inserted, which provide for pre-emption rights in relation to the issue of new shares of any class. This is required in order for the shares to be eligible for a listing and admission to trading on the Main Market of London Stock Exchange.	Articles 5.09 to 5.20

<b>CHANGE</b>	<b>ARTICLE(S) AMENDED</b>
<b>Ordinary Shares</b>	Article 6
Article 6.01 has been amended to provide that a Member holding a Real Estate Fund II Share or a Real Estate Share shall have the right to receive notice of, attend and vote in respect of such share at any general meeting of the Company.	Article 6.01

## NOTICE OF EXTRAORDINARY GENERAL MEETING

# YATRA CAPITAL

Yatra Capital Limited (Jersey company number 93576) (the “**Company**”) hereby gives notice of a forthcoming Extraordinary General Meeting to be held on 17 February 2015 at 10 am (GMT) at the registered office of the Company, **Le Masurier House, La Rue Le Masurier, St Helier, Jersey JE2 4YE**.

The purpose of the Extraordinary General Meeting shall be to consider and, if thought fit, pass the following special resolutions:

### Special Resolutions

1. THAT, conditional upon the passing of Resolutions 2 and 3 below, the existing class of Real Estate Shares of the Company be renamed the "Real Estate Fund I Shares", and that the memorandum of association of the Company be amended accordingly.
2. THAT, conditional upon the passing of Resolution 1 above and 3 below, the Memorandum and Articles of Association of the Company tabled to the Meeting and initialled by the Chairman for the purposes of identification (the "**New Articles**") be and are adopted in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company.
3. THAT, conditional upon the passing of Resolutions 1 and 2 above, (a) the creation and issue of the Real Estate Fund II Shares, and the application for admission of the Real Estate Fund II Shares to listing on the Official List of the UK Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange, or to listing and trading on another exchange, be and are approved, (b) the Directors be and are authorised to allot and issue up to 500,000,000 Real Estate Fund II Shares in their absolute discretion (such authority to expire eighteen months from the date of this Resolution) and (c) the Directors be and are empowered in accordance with Article 5.17 of the New Articles to allot and issue up to 500,000,000 Real Estate Fund II Shares for cash as if Article 5.09 of the New Articles did not apply to any such allotment (such authority to expire eighteen months from the date of this Resolution).

As at the date of this Notice, the Company has 11,123,141 shares issued and outstanding and 11,123,141 voting rights.

BY ORDER OF THE BOARD OF  
YATRA CAPITAL LIMITED



# YATRA CAPITAL

## Attendance instructions

All ordinary shares of the Company are registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch central institute for giro transferred securities. Accordingly, if you wish to attend the meeting or wish to exercise voting rights, you are requested to contact your bank or broker, and request that they send a confirmation on your behalf (specifying your name(s), the number of ordinary shares in the Company which you are interested in and the fact that you wish to attend and vote at the meeting) to ABN AMRO Bank N.V. ("ABN AMRO") at Gustav Mahlerlaan 10), 1082 PP Amsterdam, The Netherlands (FAO Corporate Broking) or by e-mail to [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com) with "Yatra Capital Limited – FAO Corporate Broking" as the subject (the "Written Confirmation").

If you do not have a bank or broker, you may contact ABN AMRO direct in the same manner. The Written Confirmation should be received by ABN AMRO no later than 10 am Central European Time on 15 February 2015. The registered shareholder will then appoint you as its proxy in respect of the shares in the Company in which you have an interest, thus permitting you to attend and vote at the meeting.

If you are not able or do not wish to attend the meeting, you may appoint a delegate proxy (if you wish) using the enclosed form, which should be sent to ABN AMRO so as to arrive no later than 10 am Central European Time on 15 February 2015.

**THE ATTACHED FORM WILL ONLY BE VALID IF ABN AMRO HAS RECEIVED A WRITTEN CONFIRMATION FROM YOUR BANK, YOUR BROKER OR YOU.**

## E-VOTING

In addition to the above, you can give voting instructions to the Chairman of the Meeting via [www.abnamro.com/evoting](http://www.abnamro.com/evoting). In order to do so, it is important that your broker confirms the number of ordinary shares in the Company which you are interested in to ABN AMRO.

If you give voting instructions via E-Voting, you do not need to (and should not) complete the enclosed delegate proxy form.

**DELEGATE PROXY FORM - EXTRAORDINARY GENERAL MEETING**

*for use at the Extraordinary General Meeting of Shareholders to be held at the registered office of the Company, Le Masurier House, La Rue Le Masurier, St Helier, Jersey JE2 4YE on 17 February 2015 at 10 am (GMT)*

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Participant(s) in respect of a Joint Deposit of \_\_\_\_\_ ordinary shares in the Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or

failing him, the Chairman of the Meeting as my/our delegate proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held on 17 February 2015 at Le Masurier House, La Rue Le Masurier, St Helier, Jersey JE2 4YE and at any adjournment thereof.

Further, I/we declare that I/we have requested my/our bank or broker to send (or I/we have sent) a confirmation to ABN AMRO Bank N.V. ("ABN AMRO") such that it arrives at or before 10 am CET on 15 February 2015. This confirmation shall on the basis of the articles of association of the Company constitute an instruction appointing a proxy from the relevant registered shareholder confirming that the number of ordinary Shares mentioned in such written declaration form part of a joint deposit (*verzameldepot*) within the meaning of the Dutch Securities Giro Act and that I/we, as the person mentioned in the declaration, am/are a participant for the mentioned ordinary Shares in the joint deposit and that I/we shall be entitled to exercise voting rights as a proxy in respect of such ordinary Shares at the relevant general meeting provided further that I/we shall be entitled to delegate my/our proxy to a third party. I/we hereby deliver such form of proxy to the person mentioned above.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

\_\_\_\_\_  
Participant

Unless otherwise instructed using the matrix on the following page, the delegate proxy will vote or abstain from voting as he thinks fit on the resolutions contained in the EGM notice and on any other matter that may be brought before the meeting. Completing and returning this form of delegate proxy will not prevent you from attending in person at the meeting and voting (in such delegate proxy's place) should you so wish.

**This delegate proxy must be sent to ABN AMRO Bank N.V., Gustav Mahlerlaan 10 (HQ7050), 1082 PP Amsterdam, The Netherlands (FAO Corporate Broking) or by e-mail to [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com) with "Yatra Capital Limited – FAO Corporate Broking" as the subject so as to arrive at or before 10 am (CET) on 15 February 2015 . Do not complete this form if you intend to give instructions using E-Voting.**

Item	Resolution	Vote		
		For	Against	Abstain
1.	THAT, conditional upon the passing of Resolutions 2 and 3 below, the existing class of Real Estate Shares of the Company be renamed the "Real Estate Fund I Shares", and that the memorandum of association of the Company be amended accordingly.			
2.	THAT, conditional upon the passing of Resolution 1 above and 3 below, the Memorandum and Articles of Association of the Company tabled to the Meeting and initialled by the Chairman for the purposes of identification (the " <b>New Articles</b> ") be and are adopted in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company.			
3.	THAT, conditional upon the passing of Resolutions 1 and 2 above, (a) the creation and issue of the Real Estate Fund II Shares, and the application for admission of the Real Estate Fund II Shares to listing on the Official List of the UK Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange, or to listing and trading on another exchange, be and are approved, (b) the Directors be and are authorised to allot and issue up to 500,000,000 Real Estate Fund II Shares in their absolute discretion (such authority to expire eighteen months from the date of this Resolution) and (c) the Directors be and are empowered in accordance with Article 5.17 of the New Articles to allot and issue up to 500,000,000 Real Estate Fund II Shares for cash as if Article 5.09 of the New Articles did not apply to any such allotment (such authority to expire eighteen months from the date of this Resolution).			