unitech
Corporate Parks Plc.

Annual Report and Accounts 2012

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Company Information

Directors (all non-executive; * independent)
Donald Lake (Chairman)*
Aubrey John Adams (Senior Independent Non-executive Director)*
Ajay Chandra
Mohammad Yousuf Khan*
Nicholas Sallnow-Smith*

Company Secretary Philip Peter Scales

Registered Office
IOMA House
Hope Street
Douglas
Isle of Man IM1 1AP

Investment Manager
Nectrus Limited
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Strovolos
Nicosia
Cyprus

Administrator and Registrar (to 31 March 2012)
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54 - 62 Athol Street
Douglas
Isle of Man IM1 1JD

Administrator and Registrar (from 1 April 2012)
IOMA Fund and Investment Management Limited
IOMA House
Hope Street
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Isle of Man IM1 1AP

Nominated Adviser and Broker
Westhouse Securities Limited
One Angel Court
London EC2R 7HJ
New Delhi 110001

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

Crest Service Provider
Capita Registrars (Jersey) Limited
Victoria Chambers
Liberation Square
1/3 The Esplanade
St. Helier
Jersey

Legal Advisers (Isle of Man law)
Cains Advocates Limited
Fort Anne
South Quay
Douglas
Isle of Man IM1 5PD

Legal Advisers (UK and US law)
Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street
Canary Wharf
London E14 5DS

Legal Advisers (Mauritian law)
De Comarmond & Koenig
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Lislet Geoffroy Street
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Legal Advisers (Indian law)
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Chrysses Demetriades & Co
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284 Makarios III Avenue
Limasol 3105
Cyprus

Chairman's Statement

I am pleased to be able to report that we have continued to make good progress in letting space during the year and subsequently. The total office area leased or subject to binding pre-lease commitments has increased from 5.1m sq ft in August 2011 to 6.0m sq ft at the year end and to 6.26m sq ft at 30 June 2012. The Company's share of rental income during the year was £13.8m compared to £7.0m in 2010/2011.

The Indian and Global economic environments remain challenging, with the growth of the Indian economy estimated at 6.9% in 2011/2012 compared to 8.4% in previous years. While the Reserve Bank of India indicates a future slow trend towards reduction in interest rates national inflation remains relatively high.

Financial Results

The Company's 60% share of the market valuation of assets at 31 March 2012 by Knight Frank was £219.8m (31 March 2011: £193.4m) an increase of 13.6%. In Rupees the uplift from 13.8bn at 31 March 2011 to 17.9bn at 31 March 2012 is an increase of 29.6%.

NAV at 31 March 2012 was £0.52 (31 March 2011: £0.49) despite the Rupee falling by 14% in the period.

When the 6m sq ft let or subject to binding pre-lease commitments at 31 March 2012 becomes fully income producing as leases are granted the Company's 60% share of rental income will be £18.4m per annum.

Cash Balances and Debt

At 31 March 2012 UCP had £39.9m of cash (31 March 2011: £14m) of which £3.6m is held by UCP on Isle of Man or in its subsidiaries in Mauritius, and the balance is held within Indian SPVs to fund construction of the development projects.

At 31 March 2012 the Indian SPVs had borrowings of INR 7,663m of which UCP's 60% share is £56.4m.

It is important that the Company secures funding in advance of need for the construction of projects, and during the period we have been able to secure and largely draw down two substantial debt facilities from separate Indian lenders by rent securitisation. In the short term until funds are required for the construction programme the monies are held on deposit in India.

Portfolio Spend

Expenditure on our six projects up to March 2012 was £229m (UCP's 60% share: £137.4m). Further expenditure contracted at March 2012 was £106m (UCP's share: £64m).

Strategy

At IPO in December 2006 it was envisaged that the six projects would be largely complete by now, and accordingly the Articles provide for a continuation vote to be held by the end of 2013 and anticipate a final end to the life of the Company in 2018. Clearly, as a result of the global financial events in 2008 and the subsequent reductions in activity in growth these assumptions will not be met.

The Board continues to consider actively all future options for the Company and ways to monetise the assets as they progress. We believe that the maximum value for shareholders will come from creating investments which are physically complete and well let, so our strategy continues to be to progress projects as quickly as tenant demand permits. We shall be presenting options to shareholders at the continuation vote in 2013.

Portfolio Update Summary

Full detail is given in the Investment Manager's Review, but in summary, at 31 March 2012:

- G2 - 1.63m sq ft was let and income producing and a further 0.61m sq ft was subject to binding pre-lease commitments. We expect the project to be physically complete and fully let during 2013.
- K1 -1.36m sq ft was let and income producing and a further 0.42m sq ft was subject to binding pre-lease commitments. Despite the recent progress final completion of the project may not be achieved until December 2021.
- N1 - 0.19m sq ft was let and income producing and 0.03m sq ft was subject to binding pre-lease commitments. Final completion of the project is likely to be in July 2016.
- N2 - 0.86m sq ft was let and income producing and 0.46 m sq ft was subject to binding pre-lease commitments. Final completion of the project is likely to be in December 2016.
- G1 - 0.46 m sq ft was subject to binding pre-lease commitments. Final completion of the project is likely to be in March 2016.
- N3 - This project in Greater Noida will be the last project to be completed, perhaps not until March 2023. To retain the SEZ status of the Project some further fairly modest expenditure will be incurred in the short term.

The Company's projects are all joint ventures with Unitech Limited, a major Indian developer/contractor, which has a 40% minority stake in each, and also manages the projects. The recent run of success in achieving large lettings reflects the efforts of Unitech to promote our schemes.

Summary of Valuation

Knight Frank our independent external valuer valued all six projects at 31 March 2012 at £366.3m (at 81.52 INR = £1) of which UCP's 60% was thus £219.8m.

The Knight Frank valuation complies with the Guidelines of the RICS Red Book and is consistent with their valuations since the change in methodology at July 2010. A discounted cash flow (DCF) method is used for agreed lettings and as binding pre-lease commitments become certain; elsewhere, projects or parts are valued on the basis of the underlying land value plus cost of construction to date. Where there is no active construction e.g. future sections of K1 and the whole of N3, those parts or projects are valued at underlying land value.

The Weighted Average Cost of Capital (WACC) and Capitalisation Rates used at 31st March 2012 are as below, and are unchanged from March 2011 except as shown.

Portfolio	WACC	Capitalisation Rate
K1	17.5%	12.0%
N2	16.0%	11.5%
G2	15.0%	11.5%
N1	16% (16.5% at March 2011)	11.5%

We noted with interest the two recently reported sales of SEZ projects, one in Noida and the other in Pune, for which the consent of the Board of Approvals had been given. The purchases show investor demand and at lower capitalisation rates than assumed in the Knight Frank valuations. We believe that UCP's projects will be at least equal in quality and attraction to investors, and that the greatest return to UCP shareholders will be achieved by completing our projects, rather than selling when part let and suffering a higher capitalisation rate on projected income yet to be achieved by actual lettings.

These two sales of smaller projects are encouraging but not yet evidence of a consistent market. It is appropriate for Knight Frank to continue to adopt a conservative approach for valuation purposes, but of course we shall seek the best value in any disposals.

Board of Directors

Aubrey Adams resigned as Chairman of UCP from 1 March 2012 to provide time for a major role with Royal Bank of Scotland. Aubrey has remained on the UCP Board as Senior Independent Non-Executive Director, and on behalf of the Board I thank him very much for his contribution and effort. I am pleased to have been appointed to succeed Aubrey and thank the Directors for their support and confidence.

As Aubrey was able to announce last year Nicholas Sallnow-Smith joined the Board during the current period and has become Chairman of the Audit, and Nomination Committees, and I am pleased to add my welcome and recognition of the contribution he has already made.

Outlook

The weakness of the Rupee affects the Company's results reported in Sterling, but is of benefit to our tenants. The global economic environment remains difficult, which is reflected in the time taken to close new lettings, but we continue to succeed in letting large floor areas to first class tenants, and to build quickly and in line with tenant demand. The lack of complete clarity on the future of SEZ incentives after March 2014, and the recent proposals for retrospective taxation on cross border deals, affect overall sentiment on investment in India.

As the Investment Manager notes, current lettings are mainly to businesses consolidating existing operations, and we shall be pleased to see a return to new businesses being created. During 2011/12 we leased or entered into binding pre-lease commitments on 900,000 sq ft. In the first three months of 2012/13 we leased or entered into binding pre-lease commitments on 260,000 sq ft, and from various negotiations taking place I hope we shall achieve the same total as last year.

As UCP's projects become substantially complete and let we should be in a good position to realise maximum value for shareholders and the Board is fully engaged in considering how best to achieve that goal.

Donald Lake
Chairman
26 July 2012

Investment Manager's Review

Overview of the Indian Economy

The economic survey issued by The Government of India estimated that the Indian economy would grow by 6.9% in 2011- 12 after having grown at the rate of 8.4% in each of the two preceding years. With agriculture and services continuing to perform well, India's slowdown can be attributed almost entirely to weakening industrial growth. The manufacturing sector grew by 2.7% per quarter and 0.4% per quarter in the second and third quarter of fiscal year 2011-12. Inflation as measured by wholesale price index (WPI) was high during most of the fiscal year 2011-12, though by the year end there was a clear slowdown. Monetary Policy was tightened by the Reserve Bank of India (RBI) during the year to control inflation and curb inflationary expectations. The global economic environment, which has been fragile throughout the year, turned sharply adverse in September 2011 owing to the turmoil in the Eurozone and questions about the outlook on the US economy provoked by the rating agencies. (Source: Economic Survey of India)+A29

The Reserve Bank of India (RBI) implemented a reduction in the Cash Reserve Ratio (CRR) by 125 bps in the quarter ended March 2012, which is likely to ease liquidity in the economy and provide a roadmap for reduction in interest rates. This is likely to impact demand and promote construction activity in the real estate and infrastructure sectors.

Overview of Indian Real Estate Sector

Residential Trends

The second and third quarters of 2011 showed a sharp decline in launches of residential units across India due to slowing demand. NCR-Delhi accounted for 48% and 35% of the overall residential launches in the second and third quarters respectively across the top seven cities of India. Absorption rates marginally improved in the fourth quarter of 2011 and first quarter of 2012, along with a rise in the number of new launches, though they remain much slower than at peak levels in 2010. (Source: JLL Report State of the Nation)

Retail Trends

2011 saw the completion of a record 13.1 million of sq ft of retail space, taking India's organized retail stock to 60 million sq ft. Absorption of retail space more than doubled to reach 9.1 million square feet across the top seven cities of India. NCR- Delhi and Mumbai constitute two-thirds of pan-India retail mall space. NCR-Delhi is expected to remain dominant with close to 24m sq ft of operational mall space by end 2012. Vacancies are expected to increase in the short term due to supply absorption mismatch. (Source: JLL Report State of the Nation)

Office Space Trends

The financial year 2011-12 witnessed office space absorption led by the IT and IT SEZ segments (SEZs are areas approved by the Government of India in order to encourage the generation of additional economic activity, the export of goods and services, domestic and foreign investment and the development of infrastructure facilities. SEZs also offer favourable customs controls, duties and tariffs and other fiscal and tax benefits to developers of such zones as well as their occupants) even though such absorption was primarily due to consolidation of existing office spaces. However the overall leasing quantums across the top seven cities were significantly lower than leasing activities seen in the financial year 2010-11. Weak global economic cues and delays in the expansion plans of occupiers and transaction closures led to a decline in overall absorptions. Supply addition in the year 2011-12 also declined by almost 50% compared to supply addition in the year 2010. While rental values remained largely stable in Q3 2011-12, most micro-markets saw some downward pressure in Q4 2011-12. It is anticipated that supply dynamics will continue to dictate rental values in the coming quarters. Further, in spite of certain tax incentives available to IT/ITeS business engaged in exports, lack of clarity on continuity of tax exemptions and the time consuming statutory approval process required for establishing a unit in SEZ is also reducing the attractiveness of SEZs to potential occupants.

Higher risk weighting on commercial real estate put in by the Central Bank and the cautious approach shown by banks towards lending to real estate developers restricted fund flow in the sector, affecting fresh supply of office space. The Investment Manager expects that developers like UCP, having a significant yielding portfolio are much better placed in such a scenario to secure financing from financial institutions through lease rent discounting facilities in a time-bound manner to bring in fresh supply as per market demand.

Further demand levels and transaction velocity may remain stagnant or decrease in the near to mid term.

Commercial Rent and Capital Values Across Key Cities

I) Gurgaon Office Market Overview
Over the last decade, Gurgaon district where UCP's schemes G1 and G2 are located has witnessed a phenomenal growth in all spheres of development, particularly in urbanization and creating an industrial climate. The growth in the industrial activity of the region can be attributed to the number of policy initiatives announced by the Government of Haryana over the period. Additionally, proximity to the national capital provided an added advantage to the growth of the region. Gurgaon is the fastest growing town in the country and the pace of development has been so rapid that it has been branded as the 'Millennium City of India'. (Source: Knight Frank Research - March 2012)

Over the years, the city has emerged from being an industrial town and an extension of Delhi to become an important, established and self-sustaining town with its own dynamics. The city has undergone rapid growth over the past decade and has benefited immensely from the surge in the IT/ITeS Sector in India. It has witnessed rapid urbanization and today serves as a major industrial and commercial hub. (Source: Knight Frank Research - March 2012)

Gurgaon is the largest IT hub in the NCR region and has the highest concentration of BPO companies in India. (Source: Knight Frank Research - March 2012)

Gurgaon leads office space supply in the NCR with a 50% to 55% market share. The Gurgaon market has also seen demand for pure commercial office spaces from all sectors. (Source: Knight Frank Research - March 2012)

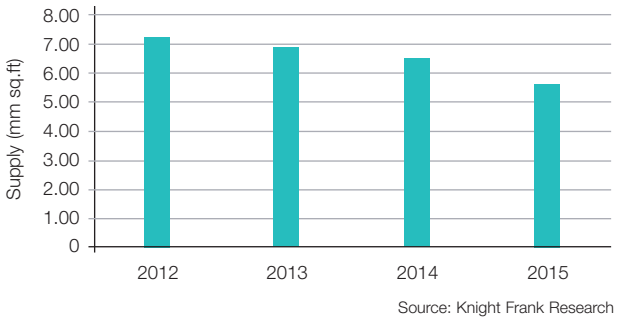
The preference for Gurgaon from IT majors when locating their operations has resulted in 28 notified IT/ITES SEZs being established in the region by real estate majors. (Source: Knight Frank Research - March 2012)

Approximately 26.44m sq ft of IT office space is expected to come up by 2015 in Gurgaon & Manesar. Around 39% of the supply will be made available in the numerous IT Parks with 61% in the SEZs. (Source: Knight Frank Research - March 2012)

Though the scenario has improved, the global economy is still under pressure and the performance of IT/ITeS sector is related to this. (Source: Knight Frank Research - March 2012)

Most of the earlier deferred IT park projects in Gurgaon will be handed over in the next two years, resulting in a large increase stock in the Gurgaon market. Approximately 7.24m sq ft of IT park office space is expected to come up in 2012, of which 4.22m sq ft is likely to become operational by August 2012. (Source: Knight Frank Research - March 2012)

IT/ITES & IT SEZ Supply



Note: The aforesaid supply projections are based on delivery schedules of announced projects as on date.

Rental and Capital Values
Rental levels, which were on a downward trend from the peak of Q1 2008 until the middle of 2010, have started seeing upward movement with some signs of economic revival. The average rental rate in the Gurgaon market is approximately INR 67 per sq ft per month. The rental rate is negotiable depending upon the space requirement of the clients (warm shell, bare shell), location of the project, brand of the building and other factors.

II) Noida Office Market Overview
The city where N1 and N2 are located is the outsourcing hub for IT/ITeS industry and is home to automobile ancillary units and manufacturing companies. Development of the Taj corridor and construction of huge SEZ and IT parks has attracted a large amount of foreign direct investment into the city. (Source: Knight Frank Research - March 2012)

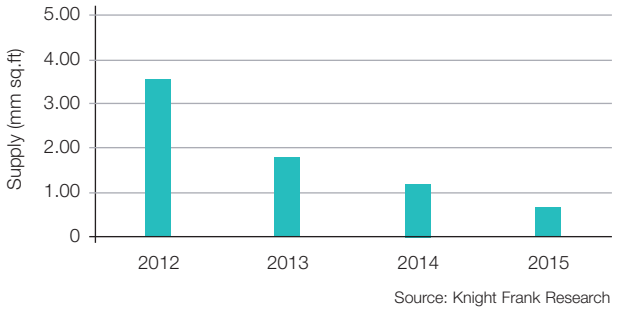
NOIDA is emerging as a low-cost alternative to Delhi and Gurgaon, to become the next big office destination. With cheaper land costs and the development of numerous high-profile projects, the city is emerging as a viable alternative to Gurgaon. (Source: Knight Frank Research - March 2012)

NOIDA currently caters to IT/ITeS companies that operate from an independent or BTS (built-to-suit) development. Unlike the Gurgaon commercial property market, where benchmark rates have been established by developers, lease rentals of property in NOIDA vary extensively. (Source: Knight Frank Research - March 2012)

Approximately 5.17m sq ft of IT/ITeS office supply is expected to come up in Noida by end of 2012 and a cumulative supply of approximately 12.40m sq ft is expected to come by 2013. (Source: Knight Frank Research - March 2012)

There has been significant demand for IT/ ITeS space in the past but the ongoing slowdown in the IT/ITES sector has led to rental corrections across various micro-markets. As per Knight Frank, capital values and lease rentals are expected to stabilize in the short to medium term. At the same time vacancy levels are high due to upcoming supply on the expressway and Greater Noida which in turn has put further pressure on the rentals across the Noida micro-markets. The leasing activity in the SEZ has improved in the last two years with potential occupants pre-committing the proposed supply in future. However, the rentals are expected to remain stable in the short to medium term in anticipation of upcoming supply. (Source: Knight Frank Research - March 2012)

IT/ITES and SEZ Supply Noida



Note: The aforesaid supply projections are based on delivery schedules of announced projects as on date.

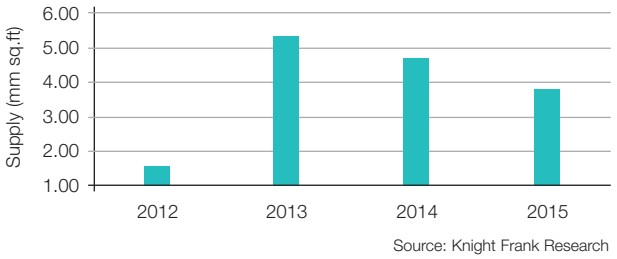
Rental and Capital Values
The IT/ITeS space rentals vary as per the location of the projects within NOIDA. In Sector-62, rentals vary in the range of Rs.25-Rs.35 per sq ft per month for IT spaces which are further negotiable. In Sector-125, Sector-127 & Sector-135 IT space rentals vary between Rs35-Rs.45 per sq ft per month (not inclusive of CAM charges). The monthly CAM common area maintenance) charges are between Rs. 12 to Rs. 15 per sq ft per month. (Source: Knight Frank Research - March 2012)

III) Greater Noida Office Market Overview
The Greater Noida office market where N3 is located is still at a nascent stage. Commercial space usage is dominated by industries and so far, the office market in the city is confined to Knowledge parks and campus development on individual land parcels. Very few office structures exist in the city itself. (Source: Knight Frank Research - March)

There is a large quantum of IT space under construction on the Taj Expressway as well as along the Greater Noida Expressway. The Tech Zone in Greater Noida approximately 300 acres has been allotted to many developers. (Source: Knight Frank Research - March 2012)

There is low demand for leasing of IT/ ITeS space in the Greater Noida region from IT/ ITeS businesses. This is due to the abundant supply of IT/ ITeS office space available in Noida on the Noida-Greater Noida expressway and Sector 62.

IT/ITES and SEZ Supply G Noida



Note: The aforesaid supply projections are based on delivery schedules of announced projects as on date.

IV) Kolkata Office Market Overview

The Kolkata office market continues to be dominated by the IT/ITeS sector, which accounts for almost 60% of the total real estate development in the city. Suburban locations of New Town Rajarhat and Salt Lake Sector V are expected to meet the demand emanating from the IT/ITeS sector. Large space requirements of technology and IT sector have pushed the commercial real estate growth towards the suburban and peripheral areas of the city. (Source: Knight Frank Research - March 2012)

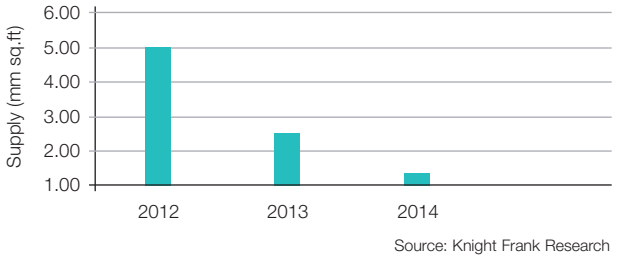
Approximately 7,000 hectares of land in possession of West Bengal Housing Infrastructure Development Corporation in Rajarhat has been earmarked for residential/commercial and industrial space. Out of this approximately 200 acres of land has been earmarked for IT/ITeS units. (Source: Knight Frank Research - March 2012)

New Town (Rajarhat), in the east of Kolkata where K1 is located, is being promoted as an IT hub. The government has allotted approximately 27.78m sq ft of land area for the development of IT/ITeS in New Town, Rajarhat. (Source: Knight Frank Research - March 2012)

Approximately 7m sq ft of IT/ITeS office space became operational between Q1 2010 & Q4 2011. About another 5.94m sq ft of IT office space is under construction (in multiple phases) and will be operational by end of 2014. The Kolkata market will also witness a significant supply increase (IT) by the end of the year 2012. The Construction Activity has picked up post- recession, during the last year, as increasing demand has resulted in the resumption of construction activities for projects which were stalled during recession. Approximately 2.83m sq ft of space was absorbed in 2011 compared to 0.55m sq ft of space absorbed in 2010 – thus indicating a major upswing in the market dynamics. On an average 0.71m sq ft of office space (IT & Non IT) was absorbed in every quarter in 2011. However there was major dip in Q4 2011 owing to the 1.45m sq ft absorption in Q3 2011. (Source: Knight Frank Research - March 2012)

Demand from occupiers is improving and some transactions have happened in last 6 months, but the velocity is low as compared to the NCR and South markets. Also, the rentals have seen slight improvement in the CBD and Salt Lake areas, whereas it remained the same in New Town Rajarhat in the last 6 months. (Source: Knight Frank Research - March 2012)

IT/ITES and SEZ Supply



Note: The aforesaid supply projections are based on delivery schedules of announced projects as on date.

Rental and Capital Values

Rajarhat, being a peripheral location for the IT/ITES sector has average rental rates ranging from Rs.29-34 per sq ft per month. Rental rates are likely to remain stable in short to medium term in view of planned supply of fresh stock and current high vacancy level. (Source: Knight Frank Research - March 2012)

Project Update

Project Progress (as at 31 March 2012)

(in million pounds)

(Figures in millions)						
Project	Actual Work Awarded		Construction Cost incurred as on 31 March 2012		Estimated Total Construction Cost	
	INR (Rs./m)	Pound (£/m)	INR (Rs./m)	Pound (£/m)	INR (Rs./m)	Pound (£/m)
N1	4,909	59	2,938	36	5,183	62
N2	4,924	59	3,196	39	8,353	101
G1	1,969	24	1,213	15	9,096	110
G2	5,016	61	5,407	66	8,000	96
K1	5,161	62	5,506	68	11,603	140
Total	**21,979**	**265**	**18,260**	**224**	**42,235**	**509**

*Estimated Construction costs for N3 has not been included in the IMR as the Investment Manager doesn't expect any significant construction in N3 until it sees any demand visibility for that project. Construction cost incurred in N3 amounts to INR 382m (£m) as at 31 March 2012. We may have to spend further monies in N3 to maintain the SEZ status of the project in the short term and in anticipation of future demand.

The Company's leased/committed space as at 31 March 2012 is as follows:

Project	Estimated Lettable Area (sq ft/m)	LA operational/ ready for fit-outs (sq ft/m)	LA Leased (sq ft/m)	Pre-Lease Commitments (sq ft/m)	Total Commitment Space (sq ft/m)
G1	3.29	-	-	0.47	0.47
G2-IST	3.60	2.21	1.68	0.56	2.24
K1	4.39	1.91	1.78	-	1.78
N1	2.06	0.65	0.22	-	0.22
N2	3.20	0.95	0.94	0.38	1.32
Total	**16.54**	**5.72**	**4.62**	**1.41**	**6.03**
N3*	4.95	-	-	-	-
Total	**21.49**	**5.72**	**4.62**	**1.41**	**6.03**

An update on the Company's six assets, all as at 31 March 2012, is as follows:

InfoSpace, Dundahera, Gurgaon ("G2-IST"): The total completed and operational LA for Batch 1, Batch 2, Amenity, Batch 3 and Batch 5 amounted to 2.2 13m sq ft LA to be completed, relating to Batch 4, Batch 6 and Amenity of G2-IST, is currently estimated to be 1.382m sq ft. G2-IST has Committed Leases* in respect of approximately 2.242m sq ft amounting to 62% of the aggregate estimated LA for G2-IST when fully completed. As of 31 March 2012 the leased area where the rent has already started accruing is 1.627m sq ft. The tenant profile of G2-IST represented by those with Committed Leases is diverse, displaying a wide variety of industry sub- sectors in the IT and ITES segments. In order to meet the funding requirement for further construction, G2 was able to secure a facility of INR 6,000 million (£72.4m) from a private sector financial institution in India secured through existing lease rentals. G2 has drawn down INR 4,750 million (£57.3m) out of the total facility of INR 6000 million (£72.4m) as at 31 March 2012.

InfoSpace, Kolkata ("K1"): The completed LA for K1 amounted to approximately 1.905m sq ft and the LA to be completed across the development is currently estimated to be approximately 2.487m sq ft. As at 31 March 2012, K1 had Committed Leases* in respect of 1.785m sq ft amounting to approximately 41% of the aggregate estimated LA for K1 when fully completed. As of 31 March 2012 the leased area where the rent has already started accruing is 1.364m sq ft. In order to meet the funding requirement for further construction, K1 was able to secure a facility of INR 1,400 million (£16.9m) from a public sector bank institution in India secured through existing lease rentals. K1 has drawn down INR 1,400 million (£16.9m) out of the total facility ofINR 1400 million (£16.9m) as at 31 March 2012.

InfoSpace, Sector 62, Noida ("N1"): The estimated LA is currently expected to be approximately 2.061m sq ft. The completed LA is approximately 0.65m sq ft As at 31 March 2012, N1 had Committed Leases* in respect of 0.218m sq ft amounting to approximately 11% of the aggregate estimated LA for N1 when fully completed. As of 31 March 2012 the leased area where the rent has already started accruing is 0.192m sq ft.

InfoSpace, Sector 135, Noida ("N2"): The estimated LA is currently expected to be approximately 3.197m sq ft. The first batch of N2, Batch 1 comprising approximately 0.954m sq ft of LA is completed and operational. As at 31 March 2012, N2 has Committed Leases* in respect of 1.323m sq ft amounting to approximately 41% of the aggregate estimated LA for N2 when fully completed. As of 31 March 2012 the leased area where the rent has already started accruing is 0.856m sq ft In order to meet the funding requirement for further construction, N2 was able to secure a facility of INR 2,000 million (£24.1m) from a public sector bank institution in India secured through existing lease rentals. N2 has drawn down INR 1,600 million (£19.3m) out of the total facility of INR 2,000 million (£24.1m) as at 31 March 2012.

InfoSpace, Gurgaon ("G1-ITC"): The estimated LA at completion is currently expected to be approximately 3.290m sq ft As of 31 March 2012 G1 has committed leases* of 0.464m sq ft.

*Committed Leases means Leased area as well as Pre-lease binding commitments.

An update of the Company's leased/committed space as at 30 June 2012, is as follows:

Project	Estimated Lettable Area (sq ft/m)	LA operational/ ready for fit-outs (sq ft/m)	LA Leased (sq ft/m)	Pre-Lease Commitments (sq ft/m)	Total Commitment Space (sq ft/m)
G1	3.29	-	-	0.61	0.61
G2-IST	3.60	2.21	1.90	0.40	2.30
K1	4.39	1.90	1.79	-	1.79
N1	2.06	0.65	0.24	-	0.24
N2	3.19	0.95	0.94	0.38	1.32
Total	**16.53**	**5.71**	**4.87**	**1.39**	**6.26**
N3*	4.95	-	-	-	-
Total	**21.48**	**5.71**	**4.87**	**1.39**	**6.26**

Summary of Valuations

Knight Frank, an independent valuer, valued the joint ventures' properties under construction as at 31 March 2012 at a valuation of Rs 29,865m or £366.3m (31 March 2011: Rs 23,032m or £322.3m). The Company's share of the market valuation of the assets as at 31 March 2012 representing 60% of the joint ventures' total portfolio), is £219.8m against £193.4m as at 31 March 2011.

Development progress

Completed LA and LA to be completed as at 31 March 2012 (Start date wherever not mentioned is subject to market conditions).

G2-IST Batches	Start Date	Expected Operations Commencement	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	Leased Let and already income producing
Batch 1		Commenced	918	11	464,057	447,257	447,257
Batch 2		Commenced	1,467	17	667,089	667,089	612,725
Amenity		Commenced	55	1	25,000	8,313	5,346
Batch 3		Commenced	1,111	13	561,598	561,598	561,598
Batch 4	Sep-10	Sep-12	1,434	17	632,148	160,962	-
Amenity		Dec-12	34	1	15,000	-	-
Batch 5	Jun-10	May-12	1,122	14	495,594	397,006	-
Batch 6	Jun-11	Jul-12	1,095	13	432,525	-	-
Amenity	Jun-11	Dec-13	764	9	302,000	-	-
Total			**8,000**	**96**	**3,595,011**	**2,242,225**	**1,626,926**

Notes: 1 Includes fit-outs of £15 million and excludes interest during construction.

K1 Batches	Start Date	Expected Operations Commencement	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	Leased Let and already income producing
Batch 1		Commenced	1,628	19	797,650	747,622	747,622
Batch 2.1		Commenced	566	7	267,500	267,500	267,500
Batch 2.2		Commenced	343	4	157,871	157,871	-
Batch 2.3		Commenced	401	5	181,448	111,032	111,032
Batch 3.1		Commenced	484	6	237,722	237,722	237,722
Batch 3.2		Commenced	565	7	263,205	263,205	-
Batch 3.3	Jan-11	Dec-12	681	8	261,588	-	-
Batch 4.1		Mar-13	998	12	383,333	-	-
Batch 4.2		Jul-13	1,068	13	383,333	-	-
Batch 4.3		Jun-15	1,141	14	383,333	-	-
Batch 5.1		Dec-17	1,142	14	358,517	-	-
Batch 5.2		Jun-19	1,277	15	358,517	-	-
Batch 5.3		Dec-21	1,309	16	358,517	-	-
Total			**11,603**	**140**	**4,392,534**	**1,784,952**	**1,363,876**

Notes: 1 Includes fit-outs of £13 million and excludes interest during construction.

N1 Batches	Start Date	Expected Operations Commencement	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	Leased Let and already income producing
Batch 1		Commenced	647	8	266,780	217,838	192,358
Batch 2		Commenced	922	11	380,000	-	-
Batch 3	Jan-07	Jul-12	873	10	357,000	-	-
Batch 4	Dec-07	Jul-14	692	8	274,000	-	-
Batch 5	Jan-08	Jul-15	1,123	14	436,000	-	-
Batch 6	Feb-08	Jul-16	926	11	347,000	-	-
Total			**5,183**	**62**	**2,060,780**	**217,838**	**192,358**

Notes: 1 Includes fit-outs of £7m and excludes interest during construction.

G1-ITC Batches	Start Date	Expected Operations Commencement	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	Leased Let and already income producing
Batch 1	Dec-12	Dec-14	993	12	344,149	-	-
Batch 2	Dec-10	Mar-13	1,126	14	433,120	-	-
Batch 3	Dec-10	Aug-12	750	9	309,722	252,282	-
Amenity		Mar-13	65	1	25,000	212,234	
Batch 4	Dec-10	Dec-12	833	10	344,149	-	-
Batch 5	Dec-10	Sep-13	1,107	13	430,768	-	-
Batch 6		Dec-14	889	11	308,002	-	-
Batch 7		Jul-15	1,065	13	340,000	-	-
Amenity		Mar-16	79	1	25,000	-	-
Batch 8		Mar-14	1,241	15	430,000	-	-
Batch 9		Jan-16	948	11	300,000	-	-
Total			**9,096**	**110**	**3,289,910**	**464,516**	**-**

Notes: 1 Includes fit-outs of £19m and excludes interest during construction.

N2 Batches	Start Date	Expected Operations Commencement	Total Estimated Construction Costs (1)		Estimated LA (sq ft)	LA (sq ft)	
			(Rs. million)	(£ million)		Committed Leases	Leased Let and already income producing
Batch 1.1		Commenced	427	5	207,826	207,826	207,826
Batch 1.2		Commenced	553	7	250,839	240,021	181,346
Batch 1.3		Commenced	457	6	206,865	205,045	177,288
Batch 1.4		Commenced	553	7	290,100	290,100	290,100
Batch 2.1	Sep-10	Mar-14	692	7	235,643	-	-
Batch 2.2	Sep-10	Dec-13	1,029	12	374,675	-	-
Batch 2.3	Sep-10	Sep-13	698	8	254,002	86,344	-
Batch 3.1	Sep-11	Jul-12	605	8	235,499	235,499	-
Batch 3.2	Sep-11	Sep-12	961	12	374,394	58,618	-
Batch 3.3	Sep-11	Sep-12	647	8	252,149	-	-
Batch 4		Dec-16	1,731	21	515,395	-	-
Total			**8,353**	**101**	**3,197,387**	**1,323,453**	**856,560**

Notes: 1 Includes fit-outs of £10m and excludes interest during construction.

Nectrus Limited
Investment Manager
26 July 2012

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2012.

Principal Activities

Unitech Corporate Parks PLC (the "Company") is an investment company established to invest in the Indian real estate sector. The Company's strategy is to invest in commercial real estate developed specifically for the high growth IT (Information Technology) and ITES (IT Enabled Services) sectors. The Company focuses on investment in Special Economic Zones dedicated to the IT and ITES industries (IT SEZs) or IT Parks which are suitable for foreign direct investment ("FDI"). The Company currently participates as a co-investor alongside the Unitech Group in six investment property development projects. The Unitech Group is one of the largest listed companies in India.

Results and Dividend

The Group's consolidated financial statements are set out on pages 20 to 42. The Group reported net assets at the date of the statement of financial position of £187,112,592 (2011: £176,499,119) and for the year ended 31 March 2012 total comprehensive profit attributable to the shareholders of £10,613,473 (year ended 31 March 2011: loss £81,717,740). INR amounts are converted to £ sterling at the 2011-12 average rate of INR 76.49 = £1 for revenue amounts, and at INR 81.52 = £1 for those at the reporting date.

The Directors do not propose a dividend in respect of the year ended 31 March 2012 (year ended 31 March 2011: £nil).

Directors

The Directors of the Company throughout the year and to date were:

Aubrey John Adams
Ajay Chandra
Mohammad Yousuf Khan
Donald Lake
Nicholas Sallnow-Smith (appointed 18 July 2011)

Jayesh Desai was appointed as an alternate to Ajay Chandra on 1 April 2011. The appointment lapsed on 31st July 2011.

The following Directors had interests in the shares of the Company as at 31 March 2012.

	2012	2011
Aubrey John Adams	300,000	300,000
Ajay Chandra	2,481,737	781,137
Donald Lake	42,500	-

Secretary

The Secretary of the Company throughout the year and to date was:

Philip Peter Scales (appointed 1 April 2012)
Elizabeth Tansell (resigned 1 April 2012)

Auditors

KPMG Audit LLC, Isle of Man, retire under the provisions of section 12(2) of the Isle of Man Companies Act 1982 and being eligible they offer themselves for re-election at the forthcoming AGM.

By order of the Board

P. P. Scales
Company Secretary
26 July 2012

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare financial statements in accordance with International Financial Reporting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Parent Company and of their profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and to enable them to ensure that its financial statements comply with the Companies Acts 1931 to 2004. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation governing the preparation and dissemination of financial statements may differ from one jurisdiction to another.

By Order of the Board

P. P. Scales
Company Secretary
26 July 2012

Corporate Governance Statement

The Directors recognise the value of the Principles of Good Corporate Governance and Code of Best Practice as set out in the UK Combined Code and although the Company is not obliged by the AIM Rules issued by the London Stock Exchange to do so, the Board intends to take appropriate measures to ensure that the Company complies with the UK Combined Code to the extent appropriate taking into account the size of the Company and the nature of its business.

The Board directs the Company's activities in an effective manner through its regular Board meetings and monitors performance through timely and relevant reporting procedures. The independent members of the Board meet quarterly to review the performance and role or the Investment Manager.

The members of the Board, all of whom are non-executive, meet quarterly as a Board and at other times as necessary.

Attendance at directors' meetings is shown in the table below:

	A Adams	A Chandra / J Desai	M Khan	D Lake	N Sallnow-Smith
24 June 2011	X	X	X	X	*
4 August 2011	X		X	X	X
31 October 2011	X	X	X	X	X
9 January 2012	X	X	X	X	X

*As noted in the Directors' Report, the appointment of Nicholas Sallnow-Smith took effect after the date of the first meeting listed in the above table

The Board has established audit and nominations committees but does not consider it necessary to establish a remuneration committee. The Board as a whole will review annually the level of Directors' fees. Nicholas Sallnow-Smith is Chairman of both the Audit Committee and the Nomination Committee.

Audit Committee

The Audit Committee is a sub-committee of the Board and makes recommendations to the Board which retains the right of final decision. The Audit Committee has primary responsibility for reviewing the financial statements and the accounting policies, principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls.

The terms of reference of the Audit Committee cover the following:

- the composition of the Committee, quorum and who else attends meetings;
- appointment and duties of the Chairman;
- duties in relation to external reporting, including reviews of financial statements, shareholder communications and other announcements; and
- duties in relation to the external auditors, including appointment/dismissal, approval of fees, discussion of audit.

Nomination Committee

The Nomination Committee is a sub-committee of the Board and makes recommendations to the Board which retains the right of final decision.

The terms of reference of the Nomination Committee cover the following:

- the composition of the Committee, quorum and who else attends meetings;
- appointment and duties of the Chairman;
- duties in relation to external monitoring the composition of the Board, succession planning for executive and non-executive directors, and recommendations to the Board in respect of appointments to the Board or its sub-committees.

Nicholas Sallnow-Smith
Chairman, Audit Committee
26 July 2012

Report of the Independent Auditors, KPMG Audit LLC, to the members of Unitech Corporate Parks plc

We have audited the financial statements of Unitech Corporate Parks plc for the year ended 31 March 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs).

This report is made solely to the Company's members, as a body, in accordance with section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the Directors are responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 March 2012 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs; and
- have been properly prepared in accordance with the provisions of the Companies Acts 1931 to 2004.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Parent Company and proper returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's statement of financial position and statement of comprehensive income are not in agreement with the books of account and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

KPMG Audit LLC
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man IM99 1HN
26 July 2012

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2012

	Note	Year ended 31-Mar-12 £	Year ended 31-Mar-11 £
Income			
Investment property revenue		22,454,523	11,671,198
Service fee income		1,119,326	-
Interest income on cash balances		579,082	956,966
Income on amortisation of security deposits	17	1,009,720	2,898,578
Net gain/(loss) from fair value adjustment on investment property	7	36,166,120	(103,114,477)
		61,328,771	(87,587,735)
Expenditure			
Management fee	4	4,731,344	4,721,623
Administration and accounting fees		75,000	59,503
Directors' fees	19	166,672	190,000
Audit fees		45,544	25,647
Other operating expenses	9	9,515,263	5,648,140
		14,533,823	10,644,913
Operating profit/(loss) for the year		46,794,948	(98,232,648)
Finance costs	10, 17	(3,915,535)	(490,778)
Profit/(loss) for the year before tax		42,879,413	(98,723,426)
Current tax expense	11	(432,869)	(19,905)
Deferred tax (charge)/credit	11	(8,467,140)	27,953,072
Profit/(loss) for the year		33,979,404	(70,790,259)
Other comprehensive loss			
Foreign currency translation differences for foreign operations		(23,365,931)	(10,927,481)
Other comprehensive loss for the year net of income tax		(23,365,931)	(10,927,481)
Total comprehensive income/(loss) for the year		10,613,473	(81,717,740)
Basic and diluted earnings/(loss) per share	13	9.44p	(19.66)p

The Directors consider that all results derive from continuing activities.

The notes on pages 26 to 43 form an integral part of these financial statements.

Consolidated and Company Statements of Financial Position

as at 31 March 2012

	Note	Group		Company	
		2012 £	2011 £	2012 £	2011 £
Assets					
Non-current assets					
Investment in subsidiary		-	-	149,201,823	149,201,823
Investment property	7	219,806,046	193,365,310	-	-
Property, plant and equipment	8	415,696	278,688	-	-
		220,221,742	193,643,998	149,201,823	149,201,823
Current assets					
Loan to subsidiary		-	-	23,318,909	20,951,603
Corporate deposits	15	11,039,612	-	-	-
Trade and other receivables	18	20,540,226	5,409,732	49,501	239,424
Cash at bank and brokers		39,990,373	14,053,833	3,041,053	6,307,098
		71,570,211	19,463,565	26,409,463	27,498,125
Total assets		291,791,953	213,107,563	175,611,286	176,699,948
Financed by:					
Equity and liabilities Capital and reserves	12				
Share capital		3,600,000	3,600,000	3,600,000	3,600,000
Share premium		342,918,991	342,918,991	342,918,991	342,918,991
Translation reserve		45,785,768	69,151,699	-	-
Revaluation reserve		(22,468,045)	(22,468,045)	-	-
Retained loss		(182,724,122)	(216,703,526)	(171,036,903)	(170,019,872)
		187,112,592	176,499,119	175,482,088	176,499,119
Non-current liabilities					
Leasehold rights liabilities	14	-	605,037	-	-
Borrowings	16	54,411,707	-	-	-
Trade and other payables	17	6,749,293	7,288,677	-	-
Deferred tax liabilities	11	28,763,731	23,739,931	-	-
		89,924,731	31,633,645	-	-
Current liabilities					
Leasehold rights liabilities	14	262,711	721,421	-	-
Borrowings	16	1,989,239	-	-	-
Trade and other payables	17	12,502,680	4,243,014	129,198	200,829
Income tax liabilities	11	-	10,364	-	-
		14,754,630	4,974,799	129,198	200,829
Total liabilities		104,679,361	36,608,444	129,198	200,829
Total equity and liabilities		291,791,953	213,107,563	175,611,286	176,699,948

These financial statements were approved and authorised for issue by the Board of Directors on 26 July 2012 and signed on their behalf by:

Donald Lake
Director

Nicholas Sallnow-Smith
Director

The notes on pages 26 to 43 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2012

	Share capital £	Share premium £	Translation reserve £	Revaluation reserve £	Retained loss £	Total £
Balance at 1 April 2010	3,600,000	342,918,991	80,079,180	(22,468,045)	(145,913,267)	258,216,859
Total comprehensive loss for the year:						
Loss for the year	-	-		-	(70,790,259)	(70,790,259)
Other comprehensive loss	-	-	(10,927,481)	-	-	(10,927,481)
Total comprehensive loss for the year	-	-	(10,927,481)	-	(70,790,259)	(81,717,740)
Balance at 31 March 2011	3,600,000	342,918,991	69,151,699	(22,468,045)	(216,703,526)	176,499,119
Balance at 1 April 2011	3,600,000	342,918,991	69,151,699	(22,468,045)	(216,703,526)	176,499,119
Total comprehensive profit/ (loss) for the year:						
Profit for the year	-	-		-	33,979,404	33,979,404
Other comprehensive loss	-	-	(23,365,931)	-	-	(23,365,931)
Total comprehensive profit/ (loss) for the year	-	-	(23,365,931)	-	33,979,404	10,613,473
Balance at 31 March 2012	3,600,000	342,918,991	45,785,768	(22,468,045)	(182,724,122)	187,112,592

	Share capital £	Share premium £	Retained loss £	Total £
Balance at 1 April 2010	3,600,000	342,918,991	(88,302,132)	258,216,859
Total comprehensive loss for the year:				
Loss for the year	-	-	(81,717,740)	(81,717,740)
Balance at 31 March 2011	3,600,000	342,918,991	(170,019,872)	176,499,119
Balance at 1 April 2011	3,600,000	342,918,991	(170,019,872)	176,499,119
Total comprehensive loss for the year:				
Loss for the year	-	-	(1,017,031)	(1,017,031)
Balance at 31 March 2012	3,600,000	342,918,991	(171,036,903)	175,482,088

The Directors consider that all results derive from continuing activities.

The notes on pages 26 to 43 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2012

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Operating activities		
Profit/(loss) for the year before tax	42,879,413	-98,723,426
Adjustment for:		
Interest income on cash balances	(579,082)	(956,966)
Income on amortisation of security deposits	(1,009,720)	(2,898,578)
Net gain/(loss) from fair value adjustment on investment property	(36,166,120)	103,114,477
Finance costs	3,915,535	490,778
Depreciation	18,674	42,547
Operating profit before changes in working capital	9,058,700	1,068,832
(Increase)/decrease in trade and other receivables	(3,750,299)	5,955,237
Increase in trade and other payables	9,933,438	5,105,160
	15,241,839	12,129,229
Tax paid	(2,773,682)	(351,287)
Net cash generated from operating activities	12,468,157	11,777,942
Investing activities		
Acquisition of investment property	(31,462,613)	(35,451,595)
Acquisition of property, plant and equipment	(201,153)	(214,023)
Investment in corporate deposits	(11,753,843)	-
Interest received	579,082	1,540,938
Net cash used in investing activities	(42,838,527)	(34,124,680)
Financing activities		
Borrowings from banks	60,728,190	-
Repayment of borrowings	(678,269)	-
Interest expense paid	(50,507)	-
Payment of leasehold rights liabilities	(958,334)	(736,576)
Net cash generated from/(used in) financing activities	59,041,080	(736,576)
Increase/(decrease) in cash and cash equivalents	28,670,710	(23,083,314)
Cash and cash equivalents at beginning of year	14,053,833	38,385,317
Exchange difference on cash and cash equivalents	(2,734,170)	(1,248,170)
Cash and cash equivalents at end of the year	39,990,373	14,053,833

The notes on pages 26 to 43 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2012

1. Reporting entity

Unitech Corporate Parks PLC (the "Company") is a closed-ended investment company domiciled in the Isle of Man. It was incorporated on 6 September 2006 in the Isle of Man as a public limited company and is quoted on the Alternative Investment Market (AIM) operated and regulated by the London Stock Exchange. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in jointly controlled entities.

The Company invests in the Indian real estate sector. The Company's strategy is to invest in commercial real estate developed specifically for the high growth IT (Information Technology) and ITES (IT Enabled Services) sectors. The Company intends to focus on investment in Special Economic Zones dedicated to the IT and ITES industries (IT SEZs) or IT Parks which are suitable for foreign direct investment (FDI).

The Company does not have any employees.

2. Basis of preparation

2.1 Statement of compliance
The consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRS') and the Isle of Man Companies Acts 1931-2004.

In accordance with the provisions of Section 3 of the Isle of Man Companies Act 1982, no separate statement of comprehensive income has been presented for the Company.

2.2 Basis of preparation
The consolidated financial statements have been prepared on the historical cost basis except that investment property and investment property under construction are measured at fair value.

2.3 Functional and presentation currency
These consolidated financial statements are presented in British pounds, which is the Company's functional currency.

2.4 Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 6: Determination of Fair Values and Note 4: Management Fees.

2. Basis of preparation (continued)

2.5 Future changes in accounting policies
International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards and interpretations with an effective date after the date of these financial statements:

New/Revised International Financial Reporting Standards (IAS/IFRS)	Effective date (accounting periods commencing after)
IAS 1 Presentation of Financial Statements - amendments to revise the way other comprehensive income is presented	1 July 2012
IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets) (December 2010)	1 January 2012
IAS 19 Employee Benefits - Amendment resulting from the Post-Employment Benefits and Termination Benefits projects	1 January 2013
IAS 27 Consolidated and Separate Financial Statements*	1 July 2011
IAS 27 Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (as amended in May 2011)	1 January 2013
IAS 28 Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (as amended in May 2011)	1 January 2013
IFRS 7 Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (October 2010)	1 July 2011
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRS 10 Consolidated Financial Statements**	1 January 2013
IFRS 11 Joint Arrangements**	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities**	1 January 2013
IFRS 13 Fair Value Measurement**	1 January 2013

The Directors do not expect the adoption of these standards and interpretations to have a material impact on the Group's financial statements in the period of initial application except IFRS 11 "Joint Arrangements" that requires the Group to account for its investment in the Indian Joint Ventures using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures".

3. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

3.1 Basis of consolidation

Subsidiaries
Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Joint Ventures
Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Joint ventures are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

3. Significant accounting policies (continued)

Transactions eliminated on consolidation
Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on translation are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to British pounds at exchange rates at the reporting date. The income and expenses of foreign operations are translated to British pounds at exchange rates at the dates of the transactions. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and presented in the translation reserve in equity. On disposal of a foreign operation, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss.

3.3 Investment property
Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property comprises freehold land, freehold buildings, land held under finance lease and buildings held under finance/operating lease.

Land held under operating/finance lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease, if any, is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value with any change therein recognised in profit or loss. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

The valuation of the properties has been done by Knight Frank (India) Private Limited (independent professionally qualified valuers) as of 31 March 2012.

The fair value of investment property reflects, among other things, rental income from current leases, if any, and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognized in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation of property, plant and equipment as prescribed by IAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in profit or loss.

Investment property held for sale without redevelopment is classified as non-current assets held for sale, as prescribed by IFRS 5.

3.4 Property, plant and equipment

Recognition and measurement
Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss in the financial period in which they are incurred.

Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives are as follows:

Plant and machinery	14 years
Fixtures and fittings	16 years

3.5 Intangible assets - goodwill
Goodwill represents the difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary or joint venture at the effective date of acquisition. Goodwill on acquisition of subsidiaries and joint ventures is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment.

The gain or loss on disposal of subsidiaries and joint ventures is calculated by reference to the Group's share of net assets at the date of disposal including the attributable amount of any goodwill remaining.

3.6 Finances leases
Lease of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments, comprising of lease premium and annual lease rentals and stamp duty, if any, forms part of the initial cost of the property interest. Each lease payment is allocated between the liability and finance charges, where applicable, so as to achieve a constant rate on the final balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3.7 Investment property revenue
Revenue includes rental income, service charges and management charges from properties, and income from property trading, if any. Rental income from operating leases is recognized in income on a straight-line basis over the lease term. When the Group provides incentives to its customers, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

Service and management charges are recognized in the accounting period in which the services are rendered, i.e, on the completion of the activity relating to the service.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities.

Revenue is presented, net of goods and services tax, rebates and discounts. Revenue is recognised as follows:

(a) Base rent, amenities income, fit-out and car park rental income
Base rent, amenities income, fit-out and car park rental income, net of incentives received, are recognised in profit or loss on a straight-line basis over the term of the lease.

Base rent comprises rental income earned from the leasing of the owned, completed and occupied lettable office area of the properties.

Amenities income is rental revenue earned from the leasing of the owned, completed and occupied lettable area at the properties for common amenities.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

3. Significant accounting policies (continued)

Fit-out rental income is rental revenue earned from fit-out provisions developed in accordance with specifications required by tenants of the properties. Fit-out rents typically arise from the higher costs related to tenant-specific fit-out requirements, which are in turn passed through to those tenants via fit-out provisions in their lease agreements. The cost of fit-outs is recovered from tenants over the lease period with an implied annual return on actual costs and a mark-up.

Car park rental income is earned from the operation of parking facilities, with parking spaces leased to tenants on a monthly basis. The parking facilities are expected to commence operations in line with the phasing schedules of the lettable area.

(b) Operations and maintenance income
Operations and maintenance income consists of revenue earned from the provision of daily maintenance, security and administration services, and is charged to tenants based on the occupied lettable area of the properties with a fixed mark¬up on specific operating, maintenance and utilities expenses incurred to date.

3.8 Interest income
Interest income comprises bank interest earned on uninvested funds and is recognised on an accruals basis using the effective interest rate method.

3.9 Expenses
Expenses are accounted for on an accruals basis.

3.10 Finance costs
Interest expense on lease payments is recognised on the effective interest rate method.

The net present value adjustment for mobilisation advances is included in finance costs. Finance Costs also includes the finance expenses on discounting of security deposits.

3.11 Income tax expense
Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for

financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Earnings per share
The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.13 Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.14 Segment reporting
A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group invests in a single geographic region and has a single business segment.

4. Management fee

Nectrus Limited, the Investment Manager, and an affiliate of the Unitech Group, receives a management fee equivalent to 2 per cent per annum of the Company's average invested equity capital paid quarterly in arrears. With effect from 19 February 2009 25% of the management fee is being deferred until the sale of each asset is completed and payment will be contingent on an internal rate of return ("IRR") of 10% being achieved on that project. The remaining 75% of the management fee is to be invested in UCP shares acquired in the open market. The management fee payable for the year ended 31 March 2012 amounted to £4,731,344 of which £2,364,064 was payable at the year end. £2,333,044 has been paid since the year end.

At 31 March 2012 the total deferred management fee amounted to £5,111,943 (2011: £3,535,829). No provision for deferred management fee has been made in the financial statements at 31 March 2012, as the IRR on each project is below 10 per cent.

In addition the Group may become due to pay the Investment Manager a performance fee calculated by reference to the amount by which the internal rate of return on an investment project (Project IRR) exceeds certain benchmarks. The Investment Manager receives:

- a performance fee of 20 per cent of that part of the net cash flow generated in respect of a project that results in a Project IRR greater than 10 per cent and less than or equal to 20 per cent; and
- a performance fee of 30 per cent of that part of the net cash flow generated in respect of a project that results in a Project IRR greater than 20 per cent; minus
- any performance fees previously paid in respect of the relevant project.

The provision for performance fees at the year end has been determined on an individual project basis. No provision has been made at 31 March 2012 based on the Project IRRs (2011: £nil).

5. Financial risk management

5.1 Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The risk management policies employed by the Group to manage these risks are discussed below.

5.2 Market risk

(i) Risks relating to real estate and investment property development in India
Political, economic and social factors, changes in Indian law or regulations and the status of India's relations with other countries may adversely affect the value of the Group's assets.

The performance of the Group is dependent on the state of the Indian property market and its ability to acquire interest in development projects, develop the projects, lease the developments at attractive rentals and/or sell the developments. The market value and rental rates for properties are generally affected by overall conditions in the economy, such as growth in and absolute levels of GDP, employment trends, inflation and changes in interest rates. Market value can also be affected by regional or local conditions and the Group's current development projects are mainly concentrated in the National Capital Region.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

5. Financial risk management (continued)

The Group focuses on development of real estate for the IT and ITES industries which are dependent on the continued popularity of business process outsourcing, principally by businesses located in Western Europe and North America. Competitive pressure from other countries providing similar services, reduction or removal of tax incentives and changes in government policy with regard to foreign direct investment may impact the results of the Group adversely.

The construction work at all of the Group's development projects is performed by contractors and the Group is reliant on such contractors performing these services in accordance with the relevant construction contracts. If the contractors fail to perform their obligations in a manner consistent with their contracts, the development projects may not be completed as and when envisaged, which may lead to unexpected costs. The Group has entered into a Project Management Agreement with Unitech Limited, its co-investor and one of the largest listed companies in India, under which Unitech Limited is engaged to provide property management services in respect of each of the investment properties under construction.

The Group is exposed to fluctuations in the prices of raw materials and components used in its construction projects. These commodities include steel, cement and timber. The costs of components and various small parts sourced from outside manufacturers may also fluctuate based on their availability from suppliers. Notwithstanding the Group's intention to protect itself against any increases in such costs by entering into fixed price construction contracts, nonetheless, the Group has a residual exposure to any such increases.

(ii) Risks relating to financial assets
The Group's investments in financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the instruments. Prices of financial instruments fluctuate due to changes in foreign exchange rates, market interest rates, market factors specific to the security or its issuer or factors affecting all securities traded in the market.

(iii) Foreign currency risk
The Group's principal operating currency is the British pound but substantially all of its income and expenditure are expected to be denominated in currencies other than the British pound, primarily the Indian rupee. All monies returned to shareholders and the reported net asset value of the Group will be denominated in British pounds. Consequently, the Group's performance is subject to the effect of exchange rate fluctuations with respect to the currencies in which its income and expenditure are denominated. Where feasible and, as appropriate, the Group finances assets using local currency denominated financing.

At the reporting date, the Group's currency exposure was as follows:

	2012 £	2011 £
British pounds	3,067,250	8,200,501
Indian rupees	183,767,146	168,297,421
US dollar	278,196	1,197
Net assets	187,112,592	176,499,119

If the Indian rupee appreciated/depreciated by 5% against the British pound the effect on net assets would be to increase/decrease net assets by £8,764,064 (2011: £8,014,220).

(iv) Interest rate risk
The Group holds financial assets and liabilities that are interest bearing. As a result the Group is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The table below summarises the Group's exposure to interest rate risks. It includes the Group's financial assets and liabilities at the earlier of contractual re-pricing or maturity date, measured by the carrying values of assets and liabilities:

	2012 £	2011 £
Trade and other receivables	20,540,226	5,409,732
Corporate deposits	11,039,612	-
Cash and cash equivalents	39,990,373	14,053,833
	71,570,211	19,463,565

5.3 Credit risk
Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation or commitment it has entered with the Group.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates to financial assets carried at amortised cost, as they have a short term maturity.

At the reporting date, the Group's financial assets exposed to credit risk amounted to the following:

	2012 £	2011 £
Trade and other receivables	20,540,226	5,409,732
Corporate deposits	11,039,612	-
Cash and cash equivalents	39,990,373	14,053,833
	71,570,211	19,463,565

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

5.4 Liquidity risk
The Group manages its liquidity risk by maintaining sufficient cash balances to meet its obligations. The Group's liquidity position is monitored by the Investment Manager and the Board of Directors.

31 March 2012	Less than 3 months £	3 months to 1 year £	01-May years £	Over 5 years £	No stated maturity £
Financial liabilities					
Borrowings	436,248	1,553,015	12,670,960	41,740,723	-
Leasehold rights	-	262,711	-	-	-
Trader and other payables	19,251,973	-		-	-
	19,688,221	1,815,726	12,670,960	41,740,723	-

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

5. Financial risk management (continued)

31 March 2011	Less than 3 months £	3 months to 1 year £	01-May years £	Over 5 years £	No stated maturity £
Financial liabilities					
Leasehold rights	-	721,421	605,037	-	-
Trader and other payables	11,531,691	-	-	-	-
	11,531,691	721,421	605,037	-	-

6. Determination of fair values

Investment property and investment property under construction
The Company's investment properties were valued at fair value in accordance with the RICS Appraisal and Valuation Standards ("The Red Book") by Knight Frank (India) Private Limited at 31 March 2012. The valuer used the following valuation methodologies depending on each project's particular circumstances.

At 31 March 2012: Particular	Method	Value £'m (UCP's 60% share)
Already constructed and leased out portion	Income approach - Discounted cash flow method (DCF)	122.2
Already constructed / under construction portion	Cost approach - land and building method	45.9
Land without construction	Market approach - land comparison method	51.7

Income approach - this valuation methodology is applicable to properties which are in the nature of investments. All investments are intended to generate revenues and profits. The valuation methodology consists of ascertaining the present worth of future benefits. The income approach begins with an analysis of present income and series of projected income in the future. The primary factors that decide the yield of land and building by way of rental are the location, amenities provided in the building, occupational use, age of the building and type of neighbourhood.

Cost approach - under this valuation methodology, the value of a property is estimated by summing the land value and the depreciated value of any improvement. In most cases where the cost approach is involved, the overall methodology is a hybrid of the cost and sales comparison approaches ie while the replacement cost to construct a building can be determined by adding the labour, material and other costs, land values and depreciation must be derived from an analysis of comparable data.

Market approach - this valuation methodology is applicable to all property which is capable of being bought or sold in the market. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and has thus been acquired at market value. The sale comparison approach is the preferred approach when sales data are available.

In the absence of a sale, sale prices of comparable properties are usually considered the best evidence of market value. Sale comparison approach models the behaviour of the market by comparing the properties being appraised with similar properties that have recently been sold or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such as age, size, shape, quality of construction, building features, condition, design, gentry, etc. Sales prices are then adjusted for their difference from the subject property and a market value is estimated from the adjusted sales price of the comparable properties.

7. Investment property

	2012 £	2011 £
Value		
Balance at the start of year	193,365,310	274,412,440
Reclassification from plant and machinery	-	1,094,035
Reversal of land finance lease liabilities	-	(1,572,396)
Net additions	18,239,862	34,810,137
Revaluation of investment property	36,166,120	(103,114,477)
Effect of movements in exchange rates	(27,965,246)	(12,264,429)
Balance at end of year	219,806,046	193,365,310

Investment property was valued at market value in accordance with the RICS Appraisal and Valuation Standards by Knight Frank (India) Private Limited at 31 March 2012 and 31 March 2011 (see Note 6).

8. Property, plant and equipment

31 March 2012	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
Balance at 1 April 2011	15,005	157,345	135,387	307,737
Additions	-	186,348	14,805	201,153
Effect of movements in exchange rates	(1,852)	(30,736)	(17,603)	(50,191)
Balance at 31 March 2012	13,153	312,957	132,589	458,699
Depreciation				
Balance at 1 April 2011	973	14,165	13,911	29,049
Depreciation for the year	228	10,109	8,337	18,674
Effect of movements in exchange rates	(133)	(2,362)	(2,225)	(4,720)
Balance at 31 March 2012	1,068	21,912	20,023	43,003
Carrying amounts				
At 1 April 2011	14,032	143,180	121,476	278,688
At 31 March 2012	12,085	291,045	112,566	415,696

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

8. Property, plant and equipment (continued)

31 March 2011	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
Balance at 1 April 2010	15,754	1,071,116	351,788	1,438,658
Reclassification to investment property	-	(966,944)	(307,130)	(1,274,074)
Additions	-	105,325	108,696	214,021
Effect of movements in exchange rates	(749)	(52,152)	(17,967)	(70,868)
Balance at 31 March 2011	15,005	157,345	135,387	307,737
Depreciation				
Balance at 1 April 2010	764	131,999	42,602	175,365
Reclassification to investment property	-	(147,314)	(32,725)	(180,039)
Depreciation for the year	247	36,170	6,130	42,547
Effect of movements in exchange rates	(38)	(6,690)	(2,096)	(8,824)
Balance at 31 March 2011	973	14,165	13,911	29,049
Carrying amounts				
At 1 April 2010	14,990	939,117	309,186	1,263,293
At 31 March 2011	14,032	143,180	121,476	278,688

9. Other operating expenses

Other operating expenses comprise:

	2012 £	2011 £
Legal and professional fees	410,711	616,826
Shareholder servicing fees	99,284	96,613
NOMAD fee	134,646	113,166
Property valuation fees	44,274	30,775
Depreciation	18,674	42,547
Board meeting and travel expenses	84,856	90,875
Share of joint venture maintenance expenses	7,601,164	3,777,650
Share of joint venture other expenses	1,095,376	576,943
Sundry expenses	29,861	271,631
Foreign exchange	-3,583	31,114
	9,515,263	5,648,140

10. Finance costs

Finance costs comprise:

	2012 £	2011 £
Interest	692,784	490,778
Net present value adjustment for mobilisation advances	3,222,751	-
	3,915,535	490,711

11. Taxation

A standard zero per cent rate of income tax applies for Isle of Man companies (except in relation to profits arising from banking, or from land and property in the Isle of Man).

The Mauritius subsidiaries are subject to taxation at 15 per cent on dividends received from the joint venture companies however a foreign tax credit will be available reducing the tax rate to 3 per cent. The Mauritius subsidiaries are not expected to have any liability to capital gains tax.

The joint venture companies are subject to corporate taxation in India at the rate of 32.445 per cent (2011: 33.445 per cent) on their net income calculated as per applicable tax rules.

	2012 £	2011 £
Tax credit in the statement of comprehensive income:		
Current tax expense in joint ventures	(432,869)	(19,905)
Deferred tax charge arising on amortisation of security deposits	(96,513)	(831,514)
Deferred tax credit arising on revaluation of investment property	(8,370,627)	(28,784,586)
	(8,900,009)	27,933,167

	2012 £	2011 £
Income tax liabilities at end of year		
Current tax liabilities		
Arising on net operating income in joint ventures	-	-10,364

	2012 £	2011 £
Deferred tax liabilities at end of year		
Deferred tax liabilities are attributable to the following:		
Investment property	27,875,299	22,917,829
Security deposits	805,640	822,102
Accelerate tax depreciation	82,792	-
	28,763,731	23,739,931

Deferred tax arising on the revaluation of investment property under construction has been provided for at the reporting date as Indian capital gains tax would be payable in the event that the property is sold.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

12. Share capital and reserves

12.1 Capital management

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

Company capital comprises share capital, share premium and reserves. The Company is not subject to externally imposed capital requirements.

12.2 Share capital

	Number	£
Ordinary shares of par value £0.01 each		
Authorised	500,000,000	5,000,000
Issued	360,000,000	3,600,000

12.3 Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

12.4 Revaluation reserve

The revaluation reserve comprises gains arising on the revaluation of investment property under construction, net of related deferred tax and a provision for performance fees prior to reclassification as investment property.

13. Basic and diluted earnings per share

The calculation of earnings per share at 31 March 2012 of 9.44p (2011: loss per share of 19.66p) is based on the gain attributable to ordinary shareholders of £33,979,404 (2011: loss £70,790,259) and a weighted average number of ordinary shares outstanding of 360,000,000 (2011: 360,000,000 shares). The Company has no dilutive potential ordinary shares. The diluted earnings per share therefore is the same as the basic earnings per share.

14. Leases

The land lease liability component that was previously capitalised as a finance lease was deemed to be an operating lease and was reversed during the year 2011(see Note 7).

The outstanding lease liabilities related to land leasehold rights are payable as follows:

	2012 £	2011 £
Less than one year	262,711	721,421
Between one and five years	-	605,037
	262,711	1,326,458

The Noida authority allotted Unitech Infra-Con Limited leasehold title to two sites comprising 74.75 acres in Greater Noida Technical Zone for the purpose of setting up an IT and an IT SEZ. The annual ground lease rents payable for the 90 year leases which commenced 9 June 2006 and 11 August 2006 are INR 3,311,238 and INR 2,488,997 respectively for the first 10 years with a 10 year review cycle.

The Noida authority allotted Unitech Infra-Con Limited leasehold title to two sites comprising 74.75 acres in Greater Noida Technical Zone for the purpose of setting up an IT and an IT SEZ. The annual ground lease rents payable for the 90 year leases which commenced 9 June 2006 and 11 August 2006 are INR 3,311,238 and INR 2,488,997 respectively for the first 10 years with a 10 year review cycle.

15. Corporate deposits

During the year Unitech Developers and Projects Limited ("UDPL") has placed three inter corporate deposits with SREI Infrastructure Finance Limited, a company incorporated in India. The deposits, which each have a term of 364 days, earn interest at the rate of 10.9% pa and may be recalled at any time during their term subject to the giving of ninety days' notice.

16. Borrowings

Unitech Hi-Tech Structures Limited has bank borrowings of INR1 ,342,408,953 as at 31 March 2012 which are secured by a first charge on its immovable property and receivables. The loan is subject to interest at 13.25% pa and is repayable in monthly instalments being fully repayable by 2020.

Unitech Developers and Projects Limited has bank borrowings ofINR4,750,000,000 as at 31 March 2012 which are secured by a first charge on its immovable property and receivables. The loan is subject to interest at 13.25% pa and is repayable in monthly instalments being fully repayable by 2024.

Seaview Developers Limited has bank borrowings of INR1 ,57 1,028,630 as at 31 March 2012 which are secured by a first charge on its immovable property and receivables. The loan, which is subject to interest at 13.25% pa, is repayable in monthly instalments being fully repayable by 2021.

17. Trade and other payables

The Group's trade and other payables are analysed as follows:

	2012 £	2011 £
Non-current		
Security deposits from tenants	6,187,235	7,288,677
Retention money from contractors	562,058	-
	6,749,293	7,288,677
Current		
Trade payables	3,326,317	2,277,689
Amounts due to related parties (see Note 20)	2,632,405	822,527
Social security and other taxes	772,082	216,061
Security deposits from tenants	3,010,847	-
Management fee payable (see Note 4)	2,364,064	-
Other payables	396,965	926,737
	12,502,680	4,243,014
	19,251,973	11,531,691

Security deposits from tenants
The Indian SPVs obtain lease security deposits from lessees. These lease security deposits are an integral part of the leasing arrangements and have a contractual repayment date, which is the last day of the non-cancellable lease period.

Security deposits have always been carried at historical cost till 2010. As per the requirements of IAS 39 "Financial Instruments - Recognition and Measurement" - these need to be discounted to arrive at the amortised cost (as it would have been at the inception of the deposit term) and the difference between amortised cost and historical cost is recognised as "interest income" in the profit or loss, which unwinds as "interest expense" over the non-cancellable period.

Interest income on amortisation of security deposits of £1 .0m (March 2011: £2.9m) and related interest expense of £0.7m (March 2011: £0.3) were recognised in the profit or loss during the period.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

18. Trade and other receivables

The Group's trade and other receivables are analysed as follows:

	2012 £	2011 £
Amount due from related party (see Note 20)	-	197,798
Trade and other receivables	10,540,226	5,211,934
Mobilisation advances	10,000,000	-
	20,540,226	5,409,732

Mobilisation advances are only paid prior to some construction phases, and where paid are to secure costs against future increase, or for other commercial reasons. Mobilisation advances are stated at net present value. The gross amount is £13,222,751. The difference between the gross amount and the net present value is shown in finance costs. In prior years mobilisation advances were an integral part of the investment property.

19. Directors' fees

	2012 Total £	2011 Total £
Atul Kapur (resigned 1 March 2011)	(5,167)	64,000
Aubrey Adams	62,971	39,000
Ajay Chandra	27,000	29,000
Mohammad Khan	28,000	29,000
Donald Lake*	29,917	29,000
Nicholas Sallnow-Smith	23,951	-
	166,672	190,000

* excluding VAT

Mr Kapur was Chairman to the point of his resignation on 1 March 2011 during which time he received an annual Director's fee of £60,000 plus sitting fees of £1,000 per meeting. Mr Adams was appointed to and held the position of Chairman from 2 March 2011 to 29 February 2012 during which period his annual Director's fee increased to £60,000. Mr Lake was appointed Chairman on 1 March 2012 from which date his annual Director's fee increased to £60,000. Mr Sallnow-Smith was appointed on 18 July 2011 and receives a Director's fee of £30,000 per annum.

Aubrey Adams and Donald Lake have been paid £12,000 and £43,000 respectively for carrying out additional duties requested and approved by the Board.

20. Related-party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Ajay Chandra, a Director of the Company, is also the Managing Director of Unitech Limited.

As at 31 March 2012 and 31 March 2011 Aubrey John Adams was beneficially interested in 300,000 Ordinary Shares of the Company.

As at 31 March 2012 Ajay Chandra was beneficially interested in 2,481,737 Ordinary Shares in the Company (31 March 2011: 781,737 Ordinary Shares).

As at 31 March 2012 Donald Lake was beneficially interested in 42,500 Ordinary Shares in the Company (31 March 2011: Nil).

20. Related-party transactions (continued)

Nectrus Limited, the Investment Manager to the Company, is an affiliate of the Unitech Group, the Company's co-investor in the investment property under construction. It receives a management fee and performance fee from the Group as detailed in Note 4. In May 2009, Nectrus Limited agreed to compensate the Company for a loss of £4,919,424 incurred on a structured note investment. This amount has been repaid by way of offsetting the investment management fee due. At 31 March 2012 the balance owed by Nectrus Limited to the Company amounted to £Nil (2011: £197,798). At 31 March 2012 Nectrus Limited was beneficially interested in 27,086,691 Ordinary Shares in the Company (2011: 16,256,517).

Unitech Limited, the Company's co-investor, acts as Property Manager for the investment property under construction and receives a fee of 5% of the total cost of construction of each project (exclusive of service tax). The fees payable to Unitech Limited for the year ended 31 March 2012 totalled £2,710,444 (year ended 31 March 2011: £3,713,896) and the amount outstanding as at 31 March 2012 was £1,146,662 (31 March 2011: £822,527).

Unitech Limited has provided corporate guarantees to Unitech Hi-Tech Structures Limited, Unitech Developers and Projects Limited and Seaview Developers Limited in respect of their bank borrowings and receives a fee of 1.25% pa of the sanctioned amount from each of those companies. The total fee payable to Unitech Limited for the year ended 31 March 2012 amounted to INR 117,500,000.

Mobilisation advances at 31 March 2012 (as described in note 18) included payments to Unitech Infra Ltd., a 100% subsidiary of Unitech Ltd. amounting to £330,000, against a contract for construction work of £4.5 million. This advance represented 3.3% of the total advances, and approximately £30,000 of it has been set-off against work completed and invoiced since that date.

Shantiniketan Properties Limited, Seaview Developers Limited, Unitech Developers and Projects Limited, Unitech Hi-Tech Structures Limited have paid fees amounting to INR 228,900,000 to Candor Investments Limited and INR 153,315,000 to Unitech Limited in respect of real estate agent services for the year ended 31 March 2012. The amounts outstanding at the year-end were INR 204,771,689 and INR 137,983,500 respectively.

Unitech Property Management Pvt. Ltd ("UPMP"), which is a wholly owned subsidiary of Unitech Limited, is rendering its services in respect of management and co-ordination of operation and maintenance services of the complexes including the common areas and certain other services. The fees payable to UPMP for the year ended 31 March 2012 totalled £2,370,386 (year ended 31 March 2011: £1,346,957) and the amount paid in advance as at 31 March 2012 was £1,051,804 (31 March 2011: amount outstanding £358,284).

21. Group entities

21.1 Subsidiaries

	Country of incorporation	Class of shares	Percentage holding
Candor Investments Limited	Mauritius	Ordinary	100%
Acacia Properties Inc.	Mauritius	Ordinary	100%
Dotterel Estates Limited	Mauritius	Ordinary	100%
Gladiolys Realty Inc.	Mauritius	Ordinary	100%
Myna Holdings Limited	Mauritius	Ordinary	100%
Sparrow Properties Limited	Mauritius	Ordinary	100%
Tulipa Investments Inc.	Mauritius	Ordinary	100%

On 16 November 2006 the Company acquired the entire share capital of Candor Investments Limited for a consideration of US$1. Prior to its acquisition by the Company, Candor Investments Limited had not traded.

On 28 November 2006 Candor Investments Limited acquired the entire share capital of the six underlying subsidiaries at par for a consideration of US$1 each. Prior to their acquisition by Candor Investments Limited none of the underlying subsidiaries had traded.

On 10 January 2007 Acacia Properties Inc. acquired a 60% interest in the ordinary share capital and a 100% interest in the preference share capital of Shantiniketan Properties Limited for a consideration of INR 2,630 million.

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2012

21. Group entities (continued)

On 10 January 2007 Dotterel Estates Limited acquired a 60% interest in the ordinary share capital of Seaview Developers Limited for a consideration of INR 4,526 million.

On 29 January 2007 Tulipa Investments Inc. acquired a 60% interest in the ordinary share capital of Unitech Realty Projects Limited for a consideration of INR 6,268 million.

On 11 January 2007 Gladiolys Realty Inc. acquired a 60% interest in the ordinary share capital of Unitech Developers and Projects Limited for a consideration of INR 5,709 million.

On 23 January 2007 Myna Holdings Limited acquired a 60% interest in the ordinary share capital of Unitech Hi-Tech Structures Limited for a consideration of INR 5,167 million.

On 10 January 2007 Sparrow Properties Limited acquired a 60% interest in the ordinary share capital of Unitech Infra- con Limited for a consideration of INR 2,973 million.

21.2 Joint ventures

The following companies have been proportionately consolidated as joint ventures.

	Country of incorporation	Class of shares	Percentage holding
Shantiniketan Properties Limited	India	Ordinary	60%
Shantiniketan Properties Limited	India	Preference	100%
Seaview Developers Limited	India	Ordinary	60%
Unitech Developers and Projects Limited	India	Ordinary	60%
Unitech Hi-Tech Structures Limited	India	Ordinary	60%
Unitech Infra-Con Limited	India	Ordinary	60%
Unitech Realty Projects Limited	India	Ordinary	60%

The following amounts representing the Group's 60% share of the income and expenses of the joint ventures for the financial year are included within the statement of comprehensive income.

	2012 £	2011 £
Income		
Investment property revenue	22,454,523	11,671,198
Interest income on cash balances	575,496	911,350
Income on amortisation of security deposits	1,009,720	2,898,578
Net gain/(loss) from fair value adjustment on investment property	36,166,120	(103,114,477)
	60,205,859	(87,633,351)
Expenses		
Other operating expenses	8,715,214	4,334,801
	8,715,214	4,334,801
Operating profit/(loss) for the year	51,490,645	(91,968,152)
Finance costs	(3,915,535)	(490,778)
Taxation	(8,900,009)	27,933,167
Profit/(loss) for the year	38,675,101	(64,525,763)

The following amounts representing the Group's 60% share of the assets and liabilities of the joint ventures at the reporting date are included within the statement of financial position.

	2012 £	2011 £
Assets		
Non-current assets		
Investment property	219,806,046	193,365,310
Property, plant and equipment	415,696	278,688
	220,221,742	193,643,998
Current assets		
Trade and other receivables	18,242,903	3,882,997
Corporate deposits	11,039,612	-
Cash at bank	36,406,854	7,145,093
	65,689,369	11,028,090
Total assets	285,911,111	204,672,088
Liabilities		
Non-current assets		
Leasehold rights liabilities	-	605,037
Borrowings	54,411,682	-
Trade and other payables	6,749,293	7,288,677
Deferred tax	28,763,731	23,739,931
	89,924,706	31,633,645
Current liabilities		
Leasehold rights liabilities	262,711	721,420
Borrowings	1,989,239	-
Trade and other payables	10,139,231	4,009,238
Income tax liabilities	-	10,364
	12,391,181	4,741,022
Total liabilities	102,315,887	36,374,667
Net assets	183,595,224	168,297,421

22. Commitments

The Group's share of capital commitments in respect of capital expenditure contracted for by the joint ventures as at 31 March 2012 was £63,742,723 (2011: £79,607,874).

23. Net asset value per share

The calculation of net asset value per share of £0.52 as at 31 March 2012 (£0.49 as at 31 March 2011) is based on the net assets attributable to ordinary shareholders of £187,112,592 and 360,000,000 ordinary shares outstanding (£176,499,119 and 360,000,000 ordinary shares outstanding as at 31 March 2011).

24. Subsequent events

There are no significant subsequent events after the reporting date that would require disclosure in the consolidated financial statements.

List of Tenants

Accenture
Acidaes Solutions
Amdocs
Artech
Bank of America Continuum Solutions
Barclays
British Telecom
Capgemini
Cognizant
COLT
Ernst and Young
EvalueServe
Genpact
Hays
HCL
IBM Daksh
Mercer
Metlife
NIIT
NTT Data
RBS
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