

Unitech Corporate Parks Plc
(“UCP” or the “Company”)

YEAR-END RESULTS SHOW CONTINUED ANNUAL NAV GROWTH AND FIRST ASSETS PRODUCING INCOME

Unitech Corporate Parks Plc (AIM: UCP), one of the leading investment companies focusing on commercial real estate in India, announces preliminary results for the year ended 31 March 2008, its second since Admission to AIM in December 2006.

Highlights:

- Total market value of portfolio increased 75.3% to £969.5 million compared to £553.0 million as at 31 March 2007 (£481.5 million at Admission in December 2006).
- UCP’s 60% ownership of these projects is therefore valued at £581.7 million, compared to £331.8 million as at 31 March 2007 and £288.9 million at the time of Admission, an increase of 75.3% and 101.3% respectively.
- Valuation increases achieved due to good progress on developments, achieving rents above budget, completion of construction phases and the successful letting of properties.
- Adjusted NAV* per share grew 44.9% to £1.7408 (£1.2012 per share as at 31 March 2007).
- NAV per share was £1.3759 compared to £1.0184 per share at 31 March 2007 and £0.9626 per share at the time of Admission, representing a rise of 35.1% and 42.9% respectively.
- Earnings per share were 0.19 pence for the year compared to loss per share of 0.01 pence per share for the period ended 31 March 2007.
- Balance sheet remains strong with £83.2 million of cash (2007: £110.2 million).
- First rental income from tenants, at Infospace Gurgaon (“G2-IST”) and Infospace Kolkata (“K1”) achieved, with further leasing expected in the current financial year.
- Post the year end further leasing commitments were achieved including the first tenant at InfoSpace, Sector 135, Noida (“N2”).

**Adjusted NAV excludes the impact of the deferred tax provision and goodwill on the net assets of the Company and is considered by the Board to be a more appropriate method of evaluating the performance of the Company than NAV. The Board considers the provision of deferred tax a technical accounting issue and does not believe that a material tax liability will arise on a correctly structured sale of the Company’s assets. The previous year’s adjusted NAV has also been accounted to exclude goodwill.*

Mr Atul Kapur, Chairman of Unitech Corporate Parks, commented;

“Our results reflect the strength of our business strategy and re-affirm the quality of our assets and team.

Some of the current turmoil in the global economic and financial markets is affecting India as well, mainly through inflationary pressures. This has resulted in the recent interest rate increases by the central bank, the Reserve Bank of India.

As a consequence of this, we feel that the economic growth in India over the short term is likely to slow down. This will impact the demand for commercial and IT/ITES office space. However, on the positive side, the recent depreciation of the rupee has restored the competitive edge of IT/ITES outsourcing to India.

These factors, coupled with an increase in supply and a slight rise in vacancies brought about by the fact that our market is not entirely insulated by the short-term adverse global economic and financial market conditions, has had a slightly negative impact on valuations since the half year.

We have created significant value in the assets over the course of the whole year and, over the medium-term, prospects for the Indian real estate market continue to remain good, especially for high-quality, secure and well located assets such as those in our portfolio. Appetite for quality commercial, residential, hospitality and retail space driven by India’s continuing economic growth remains strong, albeit slightly constrained on account of inflation and interest rate increases.

We remain committed to the realisation of investments in a manner which maximises both returns to the Company and subsequent shareholder value.

Given the timely investments in the projects, solid marketing initiatives, assembly of a world-class delivery team and progress on the pipeline projects, I believe UCP has established a strong base, with excellent momentum to achieve targeted returns. The year-on-year increase in valuations bears testimony to this and we look forward to the future with confidence.”

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Chairman's Statement

It is my privilege to report UCP's results for the period ended 31 March 2008 and to update shareholders on the ongoing substantial progress made by your Company since we reported our last results.

Financial results

Adjusted NAV per share as at 31 March 2008 increased 44.9% to £1.7408 per share compared to £1.2012 per share as at 31 March 2007.

NAV as at 31 March 2008 was £1.3759 per share (compared to £1.0184 per share as at 31 March 2007 and to £0.9626 per share at the time of Admission). This represents a rise of 35.1% in NAV over the twelve months from 31 March 2007, and an increase of 42.9% since Admission.

Adjusted NAV excludes the impact of the deferred tax provision and goodwill on the net assets of the Company and is considered by the Board to be a more appropriate method of evaluating the performance of the Company than NAV. The Board considers the provision of deferred tax a technical accounting issue and does not believe that a material tax liability will arise on a correctly structured sale of the Company's assets. The previous year's adjusted NAV has also been accounted to exclude goodwill.

Earnings per share were 0.19 pence for the year compared to a loss of 0.01 pence per share for the period ended 31 March 2007.

The year saw the beginning of rental income from tenants, in Infospace Gurgaon ("G2-IST") and Infospace Kolkata ("K1"), with further leasing expected in the year ahead. Further commitments have been achieved since the period end, including the first tenant at InfoSpace, Sector 135, Noida ("N2").

Knight Frank completed an independent valuation of the Company's properties as at 31 March 2008. The Board of UCP is pleased to report that the total market valuation of the six assets in the Company's portfolio ("Seed Portfolio Assets") based on the exchange rate on 31 March 2008, is £969.5 million (as compared to £553.0 million on 31 March 2007 and £481.5 million at Admission).

UCP's 60% ownership of these projects is therefore valued at £581.7 million (an increase of 75.3% compared to £331.8 million as at 31 March 2007 and 101.3% compared to £288.9 million at the time of Admission).

These valuations have been achieved on the back of progress on developments, leasing, completion of well managed and efficient construction and lettings which have achieved rents above budget, underscoring the quality of our products.

As at 31 March 2008, the Company held £83.2 million of cash and short-term financial assets, against £110.2 million at 31 March 2007.

In line with the statement made in the Admission Document at the time of our IPO, the Directors have not proposed a dividend in respect of the year ended 31 March 2008. The Directors will consider the payment of dividends when, in their opinion, it becomes commercially prudent to do so.

Strategy

UCP was formed to invest in Indian commercial real estate, targeting the requirements of the high growth Indian IT and IT Enabled Services ("IT/ITES") sectors. The Company is focused on investment in Special Economic Zones ("SEZs") dedicated to the IT/ITES industries or IT Parks which are suitable for foreign direct investment.

Although progress continues to be made in the construction and letting of the Seed Portfolio Assets, on the macro front, some of the current turmoil in the global economic and financial markets is affecting India as well, mainly through inflationary pressures. This has resulted in the recent interest rate increases by the central bank, the Reserve Bank of India.

As a consequence of this, we feel that the economic growth in India over the short term is likely to slow down. This will impact the demand for commercial and IT/ITES office space. However, on the positive side, the recent depreciation of the rupee has restored the competitive edge of IT/ITES outsourcing to India.

These factors, coupled with an increase in supply and a slight rise in vacancies brought about by the fact that our market is not entirely insulated from the short-term adverse global economic and financial market conditions, has had a slightly negative impact on valuations since the half year.

However, even under these conditions, I am pleased to say that we have made positive progress on the continued development of our assets, particularly that Infospace Gurgaon ("G2-IST") and Infospace Kolkata ("K1") which are now starting to produce income. Additionally, the local knowledge, experience and reputation of Unitech, combined with the international expertise and capabilities of our external consultants, has created an unrivalled team to plan, design, and undertake the development of the Seed Portfolio and future pipeline assets. Based on the track record of this team and the strength of the portfolio, we remain confident of achieving the development targets necessary to realise our anticipated project returns.

We have also undertaken a series of marketing initiatives and benchmarking studies to strengthen client relationships through customer relationship management. On top of this, sophisticated analysis and value engineering of the construction process is yielding savings in construction costs and earlier delivery of floor space for tenants, thereby matching our portfolio to supply and leading to an increased value proposition for investors.

Non-pursuance of the proposed corporate transaction

On 29 April 2008, we announced that the proposed conditional disposal of three assets to Unitech Office Trust ("UOT"), Singapore, which was approved by shareholders of UCP on 7 January 2008, had been postponed. This decision was taken as the Board felt that, given the current uncertainty in global markets, it was not in shareholders' best interests to pursue this course of action. We will continue to develop these projects, in accordance with the strategy outlined at the time of the Company's IPO in order to create value and we will continue to explore the possibility of disposing of these assets in both public and private markets once market conditions improve and at a time when it believes such a disposal would be in the best interests of shareholders.

Seed portfolio update

Five of the Company's original six assets are located in the National Capital Region (the area surrounding Delhi, Northern India) and account for approximately 80% of UCP's potential completed leaseable area. The sixth asset, which accounts for the remaining 20%, is situated in the Kolkata area of West Bengal.

UCP will continue to explore opportunities to expand and diversify its portfolio by acquiring more assets, spread across different business sectors and geographic locations, with the best interests of the shareholders in mind.

Project update on the Company's six assets is as follows:

Project Progress as on 31 March 2008

	Actual work allocated £m	Estimated construction costs £m
N1	27.38	52.41
N2	34.33	88.85
N3	19.38	117.83
G1	1.59	97.98
G2	33.25	87.42
K1	47.99	106.47
Total	163.92	550.96

InfoSpace, Sector 62, Noida ("N1"):

- Designed to provide approx. 2,000,000 sq ft of office space and approx. 60,000 sq ft of retail space
- Also expected to include facilities such as a food court, gymnasium, coffee shops and other amenities
- Completion of the first Phase of N1, comprising approx. 270,000 sq ft of lettable area ("LA"), expected in July 2008.

InfoSpace, Sector 135, Noida ("N2"):

- Estimated LA at completion will be approx. 3,170,000 sq ft consisting of approx. 3,140,000 sq ft of office space and approx. 30,000 sq ft of retail space.
- First Phase, comprising an LA of approx. 900,000 sq ft expected to be completed by August 2009.

InfoSpace, Greater Noida ("N3"):

- The estimated LA at completion will be approx. 4,950,000 sq ft consisting of approx. 4,850,000 sq ft of office space and approx. 100,000 sq ft of retail space.
- First Phase of N3, comprising an LA of approx. 1,650,000 sq ft, is expected to be completed by March 2011

InfoSpace, Gurgaon ("G1-ITC"):

- Estimated LA upon completion will be approx. 3,260,000 sq ft, consisting of approx. 3,210,000 sq ft of office space and approx. 50,000 sq ft of retail space
- Completion of the first Phase of G1, comprising an LA of approx. 1,100,000 sq ft expected May 2010

InfoSpace, Dundaheera, Gurgaon ("G2-IST"):

- The completed LA for Phase one of G2-IST was 464,361 sq ft.
- The LA for the remaining incomplete Phases, two to six, is 3,185,659 sq ft.
- G2-IST has Committed Leases* for approximately 753,401 sq ft of LA, reflecting a committed occupancy rate of 100% and 46% for Phase 1, and Phase 3 respectively or 20.64% of the aggregate estimated LA of the fully completed project.
- The tenant profile of G2-IST represented by the lease commitments is diverse and represents a wide variety of industry sub-sectors in the IT and ITES segments.

InfoSpace, Kolkata ("K1"):

- K1's completed LA is approx. 797,650 sq ft with a further 3,553,329 sq ft under development
- K1 has Committed Leases* for 957,588 sq ft, amounting to approx. 22.01% of the aggregate estimated LA for K1 when fully completed.

*Committed Leases include signed Agreement to Lease, LOIs and Acceptance Letters

SUMMARY OF VALUATIONS:

Knight Frank undertook an independent assessment of the joint ventures' properties under construction as at 31 March 2008 and valued them at £969.5 million. The Company's share of the market valuation of the assets as at 31 March 2008 (representing 60% of the joint ventures' total portfolio), including construction costs is £581.7 million. Despite Knight Frank taking a prudent view on the current pressures on rents and future yields, as well as the general economic and financial market conditions, the March 2008 figure, although down 6.5% on September 2007 is still 75.3% up on March 2007.

At time of Admission	31 March 2007	30 September 2007	31 March 2008
£481.5 million	£553 million	£1,037 million	£969.5 million

It is expected that continued development and letting activity will have a further positive impact on the valuation of the assets in the coming financial year.

Outlook

The SEZ notifications which we announced were confirmed on our five SEZ/ITES assets are a significant development for the Company and our investors, as well as future occupiers of the projects. We continue to make progress in all UCP's projects, and look forward to updating our investors with future developments.

With the initial investments in the NCR and Kolkata projects, UCP has made significant progress toward its goal of capitalizing on the diverse and growing Indian real estate market through the development of commercial and retail space. Additionally, the Company continues to explore strategic funding options to further enhance project and shareholder returns.

Given the timely investments in the projects, solid marketing initiatives, assembly of a world-class delivery team and progress on the pipeline projects, I believe UCP has established a strong base, with excellent momentum to achieve targeted returns. The year-on-year increase in valuations bears testimony to this and I look forward to the future with confidence.

Atul Kapur

Chairman

10 July 2008

The Company's audited consolidated financial statements and associated notes are set out below.

UNITECH CORPORATE PARKS PLC

Consolidated Income Statement for the year ended 31 March 2008

	Note	Year ended 31 March 2008 £	Period from 6 September 2006 to 31 March 2007 £
Income			
Investment property revenue		613,523	-
Interest income on cash balances		6,135,716	2,703,121
Net gain from fair value adjustment on investment property		4,007,139	-
Net realised gains on financial assets at fair value through profit or loss		277,800	-
Movement in net unrealised gains on financial assets at fair value through profit or loss		(31,646)	-
		<u>11,002,532</u>	<u>2,703,121</u>
Expenditure			
Management fee	4	6,312,747	1,407,976
Performance fee	4	722,713	-
Repair and maintenance costs		90,684	-
Administration and accounting fees		58,750	44,974
Directors' fees		195,176	63,309
Audit fees		47,670	25,376
Other operating expenses		757,927	138,131
		<u>8,185,667</u>	<u>1,679,766</u>
Operating profit for the year/period		2,816,865	1,023,355
Finance lease costs		(481,835)	(742,024)
Profit for the period before tax		2,335,030	281,331
Taxation	12	<u>(1,638,311)</u>	<u>(325,636)</u>
Net profit/(loss) for the year/period after tax		<u>696,719</u>	<u>(44,305)</u>
Basic and diluted earnings/(loss) per share	14	<u>0.19p</u>	<u>(0.01)p</u>

The Directors consider that all results derive from continuing activities.

UNITECH CORPORATE PARKS PLC

Consolidated and Company Balance Sheets as at 31 March 2008

	Note	Group		Company	
		2008 £	2007 £	2008 £	2007 £
Assets					
Non-current assets					
Investment in subsidiary		-	-	317,000,000	317,000,000
Investment property	8	51,246,482	-	-	-
Property, plant and equipment	9	530,467,736	331,817,304	-	-
Intangible assets – goodwill	10	37,785,487	34,633,986	-	-
Deferred tax asset	12	43,863	43,863	-	-
		<u>619,543,568</u>	<u>366,495,153</u>	<u>317,000,000</u>	<u>317,000,000</u>
Current assets					
Financial assets at fair value through profit or loss	7	5,048,646	-	5,048,646	-
Trade and other receivables		2,587,321	3,463,831	45,246	106,685
Loan to subsidiary		-	-	5,556,373	-
Cash at bank and brokers		78,180,626	110,210,552	19,545,915	30,067,380
		<u>85,816,593</u>	<u>113,674,383</u>	<u>30,196,180</u>	<u>30,174,065</u>
Total assets		<u>705,360,161</u>	<u>480,169,536</u>	<u>347,196,180</u>	<u>347,174,065</u>
Financed by:					
Equity and liabilities					
Capital and reserves					
Share capital	13	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		31,783,177	4,478,399	-	-
Revaluation reserve		116,588,437	15,679,442	-	-
Retained profit/(loss)		417,372	(44,305)	563,146	272,455
		<u>495,307,977</u>	<u>366,632,527</u>	<u>347,082,137</u>	<u>346,791,446</u>
Non-current liabilities					
Finance lease liability	15	3,964,899	4,710,494	-	-
Performance fee provision	4	23,613,808	1,575,000	-	-
Deferred tax	12	169,170,554	100,413,908	-	-
		<u>196,749,261</u>	<u>106,699,402</u>	<u>-</u>	<u>-</u>
Current liabilities					
Finance lease liability	15	976,366	892,706	-	-
Trade and other payables		12,326,557	5,575,402	114,043	382,619
Income tax liabilities	12	-	369,499	-	-
		<u>13,302,923</u>	<u>6,837,607</u>	<u>114,043</u>	<u>382,619</u>
Total liabilities		<u>210,052,184</u>	<u>113,537,009</u>	<u>114,043</u>	<u>382,619</u>
Total equity and liabilities		<u>705,360,161</u>	<u>480,169,536</u>	<u>347,196,180</u>	<u>347,174,065</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 July 2008 and signed on their behalf by:

Aubrey Adams
Director

Donald Lake
Director

UNITECH CORPORATE PARKS PLC

Consolidated and Company Statements of Changes in Equity for the year ended 31 March 2008

Group	Share capital £	Share Premium £	Translation reserve £	Revaluation reserve £	Retained earnings £	Total £
Issue of shares	3,600,000	356,399,802	-	-	-	359,999,802
Costs incurred in the issue of shares	-	(13,480,811)	-	-	-	(13,480,811)
Currency translation differences on consolidation of subsidiaries and joint ventures	-	-	4,478,399	-	-	4,478,399
Gain on revaluation of investment property under construction	-	-	-	25,979,780	-	25,979,780
Deferred tax arising from revaluation of investment property under construction	-	-	-	(8,725,338)	-	(8,725,338)
Performance fee provision	-	-	-	(1,575,000)	-	(1,575,000)
Loss for the period	-	-	-	-	(44,305)	(44,305)
Balance at 31 March 2007	3,600,000	342,918,991	4,478,399	15,679,442	(44,305)	366,632,527
Balance at 1 April 2007	3,600,000	342,918,991	4,478,399	15,679,442	(44,305)	366,632,527
Currency translation differences on consolidation of subsidiaries and joint ventures	-	-	27,304,778	-	-	27,304,778
Gain on revaluation of investment property under construction	-	-	-	181,251,050	-	181,251,050
Deferred tax arising from revaluation of investment property under construction	-	-	-	(59,025,960)	-	(59,025,960)
Performance fee provision	-	-	-	(21,316,095)	-	(21,316,095)
Brokerage costs	-	-	-	-	(235,042)	(235,042)
Profit for the year	-	-	-	-	696,719	696,719
Balance at 31 March 2008	3,600,000	342,918,991	31,783,177	116,588,437	417,372	495,307,977
Company						
Issue of shares	3,600,000	356,399,802	-	-	-	359,999,802
Costs incurred in the issue of shares	-	(13,480,811)	-	-	-	(13,480,811)
Profit for the period	-	-	-	-	272,455	272,455
Balance at 31 March 2007	3,600,000	342,918,991	-	-	272,455	346,791,446
Balance at 1 April 2007	3,600,000	342,918,991	-	-	272,455	346,791,446
Profit for the period	-	-	-	-	290,691	290,691
Balance at 31 March 2008	3,600,000	342,918,991	-	-	563,146	347,082,137

UNITECH CORPORATE PARKS PLC

Consolidated Cash Flow Statement for the year ended 31 March 2008

	Year ended 31 March 2008 £	Period from 6 September 2006 to 31 March 2007 £
Cash flows from operating activities		
Profit for the year/period before tax	2,335,030	281,331
Adjustment for:		
Interest receivable	(6,135,716)	(2,703,121)
Net gain from fair value adjustment on investment property	(4,007,139)	-
Net realised gains on financial assets at fair value through profit or loss	(277,800)	-
Movement in net unrealised gains on financial assets at fair value through profit or loss	31,646	-
Performance fee provision	722,713	-
Finance lease costs	481,835	742,024
Depreciation	29,937	291
Operating loss before working capital changes	(6,819,494)	(1,679,475)
Decrease in trade and other receivables	455,837	2,927,847
Increase in trade and other payables	6,754,846	38,860
	391,189	1,287,232
Unamortised brokerage costs	(235,042)	-
Taxation paid	(336,066)	-
Net cash (used in)/generated from operating activities	(179,919)	1,287,232
Cash flows from investing activities		
Acquisition of interests in joint ventures, net of cash acquired	-	(226,421,910)
Acquisition of property, plant and equipment	(37,635,078)	(14,658,169)
Acquisition of financial assets	(25,109,342)	-
Proceeds from sale of financial assets (including realised gains)	20,306,850	-
Interest received	6,495,190	2,638,418
Net cash outflow from investing activities	(35,942,380)	(238,441,661)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	359,999,802
Share issue expenses paid	(271,950)	(13,208,861)
Payment of finance lease liabilities	(1,543,352)	(742,024)
Cash (outflow)/inflow from financing activities	(1,815,302)	346,048,917
Net (decrease)/increase in cash and cash equivalents	(37,937,601)	108,894,488
Cash and cash equivalents at beginning of year/period	110,210,552	-
Exchange difference on cash and cash equivalents	5,907,675	1,316,064
Cash and cash equivalents at end of year/period	78,180,626	110,210,552

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2008

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 income statement 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.

In preparing these consolidated financial statements, the Group has adopted IFRS 7 *Financial Instruments: Disclosures* and IAS 1 *Presentation of Financial Statements – Capital Disclosures*. The adoption of IFRS 7 and the amendment to IAS 1 impacted the type and amount of disclosures made in these financial statements, but had no impact on the reported profits or financial position of the Group. In accordance with the transitional requirements of the standards, the Group has provided full comparative information.

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 Value and Note 4: Management Fees.

2.5 Future changes in accounting policies

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

Interanational Accounting Standards (IAS/IFRS)	Effective date (accounting periods commencing after)
IFRS 8 Operating segments	1 January 2009
IAS 40 Revision – Investment property	1 January 2009
IFRS 23 Amendment – Borrowing costs	1 January 2009
IFRIC 13 Customer loyalty programs	1 July 2008

IFRS 8 introduces the “management approach” to segment reporting, with information based on internal reports. Management are currently assessing the impact of this on the disclosures to be presented regarding segmental reporting.

A revision to IAS 40 has amended the definition of investment property to include investment property under construction with fair value gains on investment property under construction being taken to the income statement.

The Directors do not expect the adoption of the other standards and interpretations to have a material impact on the Group’s financial statements in the period of initial application.

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.

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 the income statement.

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 taken to the translation reserve. On disposal of a foreign operation, in part or in full, the relevant amount in the translation reserve is transferred to profit or loss reserve.

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. 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 (independent professionally qualified valuers) as of 31 March 2008.

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 the income statement during the financial period in which they are incurred.

Changes in fair values are recorded in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property, if any, that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is complete. At that time, it is reclassified and subsequently accounted for as investment property.

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 the income statement.

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

Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at fair value through equity, until construction or development is complete. At that time, it is reclassified and subsequently accounted for as investment property.

3.4 Property, plant and equipment

Investment property under construction

Investment property under construction is measured initially at its cost, including related transaction costs. After initial recognition, investment property under construction is carried at fair value. 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 carried out by Knight Frank (independent professionally qualified valuers) as of 31 March 2008. Gains and losses arising from the revaluation of investment property under construction are taken to equity.

Plant and equipment

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 the income statement 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. Investment property under construction is not depreciated.

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 Finance 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 the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Investment properties under construction acquired under finance leases are carried at their fair value.

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 taxes, rebates and discounts.

Revenue is recognized 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 recognized in the income statement 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.

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.

3.9 Expenses

Expenses are accounted for on an accruals basis.

3.10 Finance costs

Finance costs comprise interest expense on lease payments and are recognized on the effective interest rate method.

3.11 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income 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.

Deferred tax is recognised using the balance sheet method, providing for 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 the following temporary timing differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary timing differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed 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 comprises 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.

In addition the Group pays 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 resulted 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 period end has been determined on an individual project basis and has been split between the income statement and reserves in proportion to the gains recognized in each.

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 Company 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 Company'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 is 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.

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 Company adversely.

The construction work at all of the Group's development projects is performed by third party 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 Company'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 Company will be denominated in British pounds. Consequently, the Company'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 Company finances assets using local currency denominated financing.

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

	2008 £	2007 £
British pounds	3,025,074	30,809,060
Indian rupees	492,474,330	335,823,467
Net assets	<u>495,499,404</u>	<u>366,632,527</u>

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 £23,451,159 (2007: £15,991,594).

(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:

31 March 2008

	Less than 3 months £	3 months to 1 year £	1 - 5 years £	Over 5 years £	Non- interest bearing £	Total £
Financial assets						
Financial assets at fair value through profit or loss	5,048,646	-	-	-	-	5,048,646
Trade and other receivables	-	-	-	-	2,587,321	2,587,321
Cash and cash equivalents	78,180,626	-	-	-	-	78,180,626
Total financial assets	<u>83,229,272</u>	-	-	-	2,587,321	85,816,593
Financial liabilities						
Finance lease liability	329,156	647,210	2,943,836	1,021,063	-	4,941,265
Performance fee provision	-	-	-	-	23,613,808	23,613,808
Trade and other payables	-	-	-	-	12,326,557	12,326,557
Total financial liabilities	<u>329,156</u>	<u>647,210</u>	<u>2,943,836</u>	<u>1,021,063</u>	<u>35,940,365</u>	<u>40,881,630</u>
Net financial assets/(liabilities)	<u>82,900,116</u>	<u>(647,210)</u>	<u>(2,943,836)</u>	<u>(1,021,063)</u>		

31 March 2007

	Less than 3 months £	3 months to 1 year £	1 - 5 years £	Over 5 years £	Non- interest bearing £	Total £
Financial assets						
Trade and other receivables	-	-	-	-	3,463,831	3,463,831
Cash and cash equivalents	110,210,552	-	-	-	-	110,210,552
Total financial assets	110,210,552	-	-	-	3,463,831	113,674,383
Financial liabilities						
Finance lease liability	325,976	578,200	3,122,446	1,588,048	-	5,614,670
Performance fee provision	-	-	-	-	1,575,000	1,575,000
Trade and other payables	-	-	-	-	5,575,402	5,575,402
Income tax liabilities	-	-	-	-	369,499	369,499
Total financial liabilities	325,976	578,200	3,122,446	1,588,048	7,519,901	13,134,571
Net financial assets/(liabilities)	109,884,576	(578,200)	(3,122,446)	(1,588,048)		

The effective rate of interest on the Group's finance lease liabilities is 10% per annum.

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 Company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet 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:

	2008 £	2007 £
Financial assets at fair value through profit or loss	5,048,646	-
Trade and other receivables	2,587,321	3,463,831
Cash and cash equivalents	78,180,626	110,210,552
	85,816,593	113,674,383

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

5.4 Liquidity risk

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

Residual contractual maturities of financial liabilities:

31 March 2008

	Less than 3 months £	3 months to 1 year £	1 - 5 years £	Over 5 years £	Non- stated maturity £
Financial liabilities					
Financial lease liability	329,156	647,210	2,943,836	1,021,063	-
Performance fee provision	-	-	-	-	23,613,808
Trade and other payables	10,578,345	-	1,748,212	-	-
	10,907,501	647,210	4,692,048	1,021,063	23,613,808

31 March 2007

	Less than 3 months £	3 months to 1 year £	1 - 5 years £	Over 5 years £	Non- stated maturity £
Financial liabilities					
Financial lease liability	325,976	578,200	3,122,446	1,588,048	-
Performance fee provision	-	-	-	-	1,575,000
Trade and other payables	5,575,402	-	-	-	-
	<u>5,901,378</u>	<u>578,200</u>	<u>3,122,446</u>	<u>1,588,048</u>	<u>1,575,000</u>

6. Determination of fair values

Investment property and investment property under construction

The Company's investment property and investment property under construction were valued by independent professional valuers at market value in accordance with the RICS Appraisal and Valuation Standards at the balance sheet date.

Financial assets

The Directors accept the values quoted by issuing brokers as representing the fair value of the Company's investment in structured notes.

7. Financial assets at fair value through profit or loss

	2008 £	2007 £
Designated at fair value through profit or loss		
Structured notes	5,048,646	-
Total financial assets at fair value through profit or loss	<u>5,048,646</u>	<u>-</u>

During the year the Company has invested surplus cash reserves in structured notes with the aim of enhancing the return on its cash reserves. As at 31 March 2008 the Company had one investment in a medium term note having a floating interest rate.

8. Investment property

	2008 £	2007 £
Value		
Balance at start of year/period	-	-
Transfer from investment property under construction	47,159,196	-
Revaluation of investment property	4,007,138	-
Effect of movements in exchange rates	80,148	-
Balance at end of year/period	<u>51,246,482</u>	<u>-</u>

9. Property, plant and equipment

31 March 2008

	Investment property under construction at valuation £	Plant and machinery £	Fixtures and fittings £	Total £
Value, cost or deemed cost				
Balance at 1 April 2007	331,699,787	116,865	943	331,817,595
Additions	37,279,466	306,540	49,072	37,635,078
Transfer to investment property	(47,159,196)	-	-	(47,159,196)
Revaluation of investment properties under construction	181,251,050	-	-	181,251,050
Effect of movements in exchange rates	26,945,655	8,334	67	26,954,056
Balance at 31 March 2008	<u>530,016,762</u>	<u>431,739</u>	<u>50,082</u>	<u>530,498,583</u>
Depreciation				
Balance at 1 April 2007	-	273	18	291
Depreciation for the year	-	25,835	4,102	29,937
Effect of movements in exchange rates	-	536	83	619
Balance at 31 March 2008	<u>-</u>	<u>26,644</u>	<u>4,203</u>	<u>30,847</u>
Carrying amounts				
At 1 April 2007	<u>331,699,787</u>	<u>116,592</u>	<u>925</u>	<u>331,817,304</u>
At 31 March 2008	<u>530,016,762</u>	<u>405,095</u>	<u>45,879</u>	<u>530,467,736</u>

31 March 2007

	Investment property under construction at valuation £	Plant and machinery £	Fixtures And fittings £	Total £
Value, cost or deemed cost				
Balance at 6 September 2006	-	-	-	-
Acquisition through business combinations	286,438,069	8,438	618	286,447,125
Additions	14,549,497	108,357	315	14,658,169
Revaluation of investment properties under construction	25,979,780	-	-	25,979,780
Effect of movements in exchange rates	4,732,441	70	10	4,732,521
Balance at 31 March 2007	<u>331,699,787</u>	<u>116,865</u>	<u>943</u>	<u>331,817,595</u>
Depreciation				
Balance at 6 September 2006	-	-	-	-
Depreciation for the period	-	273	18	291
Balance at 31 March 2007	<u>-</u>	<u>273</u>	<u>18</u>	<u>291</u>
Carrying amounts				
At 6 September 2006	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2007	<u>331,699,787</u>	<u>116,592</u>	<u>925</u>	<u>331,817,304</u>

The net book value, at cost, of investment property under construction at 31 March 2008 was £338,267,032 (2007: £300,987,566).

Investment property under construction was valued at market value in accordance with the RICS Appraisal and Valuation Standards by Knight Frank at 31 March 2008 and by Jones Lang LaSalle at 31 March 2007.

10. Intangible assets – goodwill

	2008	2007
	£	£
Cost		
Balance at start of year/period	34,633,986	-
Arising on acquisitions of interests in joint ventures	-	34,633,986
Effect of movements in exchange rates	3,151,501	-
Balance at end of year/period	<u>37,785,487</u>	<u>34,633,986</u>

There was no impairment of goodwill as at the reporting date.

11. Acquisition of interests in joint ventures

The Group made no acquisitions of interests in joint ventures during the year ended 31 March 2008.

The fair value of assets and liabilities acquired on acquisition of interests in joint ventures during the period ended 31 March 2007 was as follows:

	Net book value	Adjustments	Fair value
	£	£	£
Property, plant and equipment	12,899,568	273,547,557	286,447,125
Deferred tax liability	-	(90,157,663)	(90,157,663)
Cash and cash equivalents	88,353,009	-	88,353,009
Other assets less liabilities	(4,501,538)	-	(4,501,538)
Net identifiable assets and liabilities	<u>96,751,039</u>	<u>183,389,894</u>	280,140,933
Goodwill on acquisition of joint ventures			<u>34,633,986</u>
Consideration paid, satisfied in cash			314,774,919
Cash acquired			<u>(88,353,009)</u>
Net cash outflow			<u>226,421,910</u>

12. 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 Company is required to pay an annual corporate charge, currently £250.

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 33.66 per cent on their net income and short term gains.

	2008	2007
	£	£
Tax expense in the income statement		
Current tax in joint ventures	276,285	369,499
Deferred tax arising on operating losses	-	(43,863)
Deferred tax arising on revaluation of investment property	1,362,026	-
	<u>1,638,311</u>	<u>325,636</u>

	2008 £	2007 £
Deferred tax assets and liabilities at end of year/period		
<i>Deferred tax assets</i>		
Arising on net operating losses in subsidiary companies	43,863	43,863
<i>Deferred tax liabilities</i>		
Arising on revaluation of investment property under construction	(169,170,554)	(100,413,908)

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 was sold. The Company does not intend that any taxation charge will arise since any disposal would be effected by way of a sale of the Group's interest in the joint venture.

13. Share capital and reserves

13.1 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.

13.2 Share capital

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

The Company was incorporated on 6 September 2006 with an authorised share capital of £2,000 comprising 2,000 ordinary shares of £1.00 each, of which two shares were issued. On 14 December 2006 the share capital of the Company was sub-divided into 200,000 shares of £0.01 each and the authorised share capital increased to £50,000, comprising 500,000,000 shares of £0.01 each. On 20 December the Company was admitted to AIM and, by way of a private placing, a further 359,999,800 ordinary shares of par value £0.01 each were issued at a price of £1.00 each.

13.3 Share premium

Costs totalling £13,480,811 associated with the placement of shares have been charged against share premium received on the issue of the shares in the prior period.

13.4 Translation reserve

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

13.5 Revaluation reserve

The revaluation reserve comprises gains arising on the revaluation of investment property under construction to their fair value at the reporting date, net of related deferred tax and a provision for performance fees.

14. Basic and diluted earnings/(loss) per share

The calculation of earnings per share at 31 March 2008 of 0.19p (2007: loss 0.01p) is based on the net profit attributable to ordinary shareholders of £696,719 (2007: loss £44,305) and a weighted average number of ordinary shares outstanding of 360,000,000. The Company has no dilutive potential ordinary shares. The dilutive earnings per share therefore is the same as the basic earnings per share.

15. Finance lease liabilities

Finance lease liabilities are payable as follows:

	2008	2007
	£	£
Less than one year	976,366	892,706
Between one and five years	2,943,836	3,122,446
More than five years	1,021,063	1,588,048
	<u>4,941,265</u>	<u>5,603,200</u>

The New Okhla Industrial Development Area (Noida) authority has allotted Shantiniketan Properties Limited a leasehold title to a 19.3 acre site in Noida for 90 years from 24 March 2006 for the purpose of setting up an IT and ITES project on the site. The annual ground lease rent payable is INR 7,349,865 for the first 10 years with a 10 year review cycle.

The Noida authority has allotted Seaview Developers Limited a leasehold title to a 29.7 acre site in Noida for 90 years from 17 February 2006 for the purpose of setting up an IT SEZ at the project site. The annual ground lease rent payable is INR 11,766,000 for the first 10 years with a 10 year review cycle.

The Noida authority has 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.

16. 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.

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.

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 2008 totalled £2,296,389 and the amount outstanding as at 31 March 2008 was £1,434,154.

17. Group entities

17.1 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.

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.

17.2 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 post-acquisition income and expenses of the joint ventures are included within the income statement.

	2008	2007
	£	£
Income		
Investment property revenue	613,523	-
Interest income on cash balances	5,097,513	1,520,266
Net gain from fair value adjustment on investment property	4,007,139	-
	<u>9,718,175</u>	<u>1,520,266</u>
Expenses		
Repair and maintenance costs	90,684	-
Other operating expenses	71,741	24,154
	<u>162,425</u>	<u>24,154</u>
Net income	9,555,750	1,496,112
Finance costs	(481,835)	(742,024)
Taxation	(957,499)	(369,499)
Net profit for the year/period after tax	<u>8,116,416</u>	<u>384,589</u>

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 balance sheet.

	2008	2007
	£	£
Assets		
<i>Non-current assets</i>		
Investment property	51,246,483	-
Property, plant and equipment	530,467,738	331,817,304
	<u>581,714,221</u>	<u>331,817,304</u>
<i>Current assets</i>		
Trade and other receivables	1,386,007	3,357,146
Cash at bank	56,316,411	77,233,646
	<u>57,702,418</u>	<u>80,590,792</u>
Total assets	<u>639,416,639</u>	<u>412,408,096</u>
Liabilities		
<i>Non-current liabilities</i>		
Finance lease liability	3,964,899	4,710,494
Deferred tax	169,170,553	100,413,908
	<u>173,135,452</u>	<u>105,124,402</u>
<i>Current liabilities</i>		
Finance lease liability	976,365	892,706
Trade and other payables	10,615,974	3,761,681
Income tax liabilities	-	369,499
	<u>11,592,339</u>	<u>5,023,886</u>
Total liabilities	<u>184,727,791</u>	<u>110,148,288</u>
Net assets	<u>454,688,848</u>	<u>302,259,808</u>

18. Commitments

The Group's share of capital commitments in respect of capital expenditure contracted for by the joint ventures as at 31 March 2008 was £41,152,748 (2007: £32,422,940).