

UNITECH CORPORATE PARKS PLC

**Consolidated
Financial statements**

**For the year ended
31 March 2011**

UNITECH CORPORATE PARKS PLC

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UNITECH CORPORATE PARKS PLC

Company Information

Directors (all non-executive; * independent)

Aubrey John Adams (Chairman) *
Ajay Chandra
Mohammad Yousuf Khan *
Donald Lake *
Nicholas Sallnow-Smith *

Company Secretary

Elizabeth Tansell

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Administrator and Registrar

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54 - 62 Athol Street
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Legal Advisers (Isle of Man law)

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Douglas
Isle of Man IM1 5PD

Legal Advisers (Cypriot law)

Chrysses Demetriades & Co
Fortuna Court
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Limasol 3105
Cyprus

Auditors

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41 Athol Street
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Isle of Man IM99 1HN

Nominated Adviser and Broker

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103 Ashoka Estate
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UNITECH CORPORATE PARKS PLC

Chairman's Statement

I am pleased to report that we have made good progress on letting space during the year and that this momentum has continued after the year end. The total area now leased or subject to binding pre-leasing commitments has increased by 113% to 5.1 million sq ft as at August 2011, up from 2.4 million sq ft at 31 March 2010. This has been achieved against a background where, despite continuing strong growth of Indian GDP, the commercial real estate market remains affected by rising interest rates and oversupply, which is particularly prevalent in the IT/ITES office sector in which UCP operates.

Financial results

The Company's share of the market valuation of the assets at 31 March 2011 was £193.4m (2010: £274.4m). It should be noted that the valuation methodology in relation to undeveloped land and partially constructed developments was adjusted at 31 July 2010 and this is referred to in greater detail in the section on valuation below.

NAV at 31 March 2011 was 49p per share representing a small reduction on the last reported 50p per share at 30 September 2010 due in part to additional expenditure on infrastructure. Compared with the NAV at 31 March 2010 of 72p there has been a 32% reduction, largely arising from the change in the valuation methodology adopted last year.

However, we are particularly pleased to report a 56% increase in net rental income to £11.7m (2010: £7.5m) demonstrating the considerable progress being made in letting developments. Subject to the completion of the scheduled building work, the new contracted lettings and the implementation of indexation on the existing leases, annualised rental income from the leased or committed space is now expected to be at the rate of some £33.4m from the third quarter of 2013 (UCP's interest is 60%).

Cash balances and debt

At 31 March 2011 UCP had £14m of cash (31 March 2010: £38m) of which £6.3m is held by UCP while the balance is held within the Indian SPVs to fund construction of the development properties. The Group had no debt at the year end but we are currently in the process of raising loans secured against rental income to finance further development.

Strategy

When UCP came to the market in December 2006 it was envisaged that the six projects would by now be largely complete and a sales programme would have been implemented to realise funds in advance of the anticipated 2014 wind up date for the Company. As we are only too well aware, progress has been much slower due to the impact of the turmoil in the global economic and financial markets and changes in demand for commercial and IT/ITES office space within India.

Of all the projects G2 is the most advanced with N2 and K1 progressing well. We are therefore actively considering ways to monetise these assets in two main ways:

- Creation of a REIT – we are investigating the possibility of establishing a Singaporean Real Estate Investment Trust to acquire part interests in all or part of the more advanced developments.
- Sale of properties – as there is only a very limited institutional market in India and there are major technical limitations on transferring SEZs, direct sales are difficult but we are also testing possible interest from international funds.

However it is clear that the greatest value for shareholders will be achieved by selling income producing investments and so we are concentrating on completing and letting developments rather than selling immature projects at distressed prices.

UNITECH CORPORATE PARKS PLC

Chairman's Statement (continued)

Portfolio Update

In total 5.1m sq. ft. of space is now leased or committed an increase of 2.7m, or 113%, since 31 March 2010. A summary update on the portfolio of six assets is as follows:

- **G2:** 2.2 m sq.ft. is let/committed. We expect the project to be fully constructed and substantially let by the first quarter of 2013
- **K1:** 1.2m sq. ft. is subject to let/committed
- **N1:** 0.2m sq. ft is now let
- **N2:** 1.3m sq. ft. is let/committed
- **N3:** there has been some site preparation works but no construction is expected in the near future
- **G1:** construction work has now commenced following receipt of a letter of intent for 0.2m sq ft

A full detailed update on the portfolio is given in the Investment Manager's Report.

Portfolio Spend

Total cumulative expenditure on the portfolio at 31 March 2011 amounted to £226.4m (UCP's 60% share £135.9m). It is anticipated to build out the full 21.4m sq. ft. would cost approximately £774m.

Summary of Valuations

Knight Frank, our independent valuer, valued the properties at 31 March 2011 at £322.3m, of which the Company's 60% share amounted to £193.4m.

The valuation methodology was revised for the valuation as at 31 July 2010 and subsequent valuations. A discounted cash flow basis (DCF) basis has been used for actual and anticipated income from agreed lettings and where development activity is relatively certain; elsewhere less certain projects or parts thereof are valued on the basis of the underlying land value plus the cost of construction to date. The Directors believe that this methodology is in accordance with best valuation practice and is appropriate given the uncertainties of the IT office market and the resultant extended development horizons for the projects.

The Weighted Average Cost of Capital (WACC) and capitalisation rates used for the purposes of valuations at 31 March 2011 are as follows:

| Portfolio | WACC | Capitalisation Rate |
|-----------|-------|---------------------|
| K1 | 17.5% | 12.0% |
| N1 | 16.5% | 11.5% |
| N2 | 16.0% | 11.5% |
| G2 | 15.0% | 11.5% |

Approach by Unitech Ltd

During the year Unitech Ltd ("Unitech") made an approach to the independent directors of UCP in connection with a possible cash offer for UCP at a price of 31p per UCP share.

The Independent Directors of UCP (advised by PricewaterhouseCoopers, Arbuthnot Securities and UCP's property advisers) concluded that they could not recommend shareholders to accept such an offer. No further proposal was received from Unitech and the independent Directors now consider the matter closed.

UNITECH CORPORATE PARKS PLC

Chairman's Statement (continued)

Board of Directors

On 1 March 2011 Atul Kapur, who had been chairman since the Company's flotation in December 2006, resigned from the Company as chairman and director as a result of his other business interests requiring an increasing amount of his time. On behalf of the Board, I would like to thank Atul for his leadership and his contribution to the Company, and I am pleased to have been appointed to succeed him, having been a director of the Company since IPO.

In addition and subsequent to the year end, we were delighted to appoint Nicholas Sallnow-Smith as a non executive director who brings significant expertise through a wide-ranging property, finance and management background in Asia and the UK over the last 30 years.

Outlook

Although the Indian commercial real estate market environment remains challenging, we are confident that the high quality office space being developed by UCP will continue to attract steady tenant demand. Once projects are substantially completed and let, we expect to be well placed to realise value for shareholders and will vigorously pursue ways of returning cash to investors.

Aubrey Adams
Chairman

17 August 2011

UNITECH CORPORATE PARKS PLC

Investment Manager's Review

Overview of the Indian Economy

The Indian economy expanded by almost 7.8% in the quarter ended March 2011 while GDP growth for the fiscal year 2010 - 2011 stood at 8.5%. It is anticipated that growth during the current fiscal year could be in the range of 8-8.5% due to inflationary pressures and rising interest rates.

To arrest rising inflation and manage liquidity and currency, the RBI (Reserve Bank of India) continued with the tightening of the key benchmark rates resulting in increased borrowing costs.

Overview of Indian Real Estate Sector

Sustained economic growth and robust expansion plans of most of the leading corporates contributed to a healthy growth in office absorption figures across all major cities. The National Capital Region ("NCR"), Mumbai, Bangalore and Chennai accounted for the majority of the space absorbed across the country.

The Investment Manager believes that, going forward, the demand for SEZ space may remain under strain due to the imposition of MAT on SEZ units while demand for commercial office space will continue to grow as a result of new opportunities offered by expansion plans across most industry sectors.

Commercial Rent and Capital Values Across Key Cities

I) Gurgaon Office Market Overview

Overview

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'. It is an established IT/ITES destination and also houses a number of non-IT majors.

The preference of IT majors for setting up operations in Gurgaon has resulted in 22 notified IT/ITES SEZs in the region by real estate majors. In addition Gurgaon leads office space supply in the NCR with a 45% to 50% market share and has also seen a demand for pure commercial office spaces from all sectors. (*Source: Knight Frank Research - Mar 2011*)

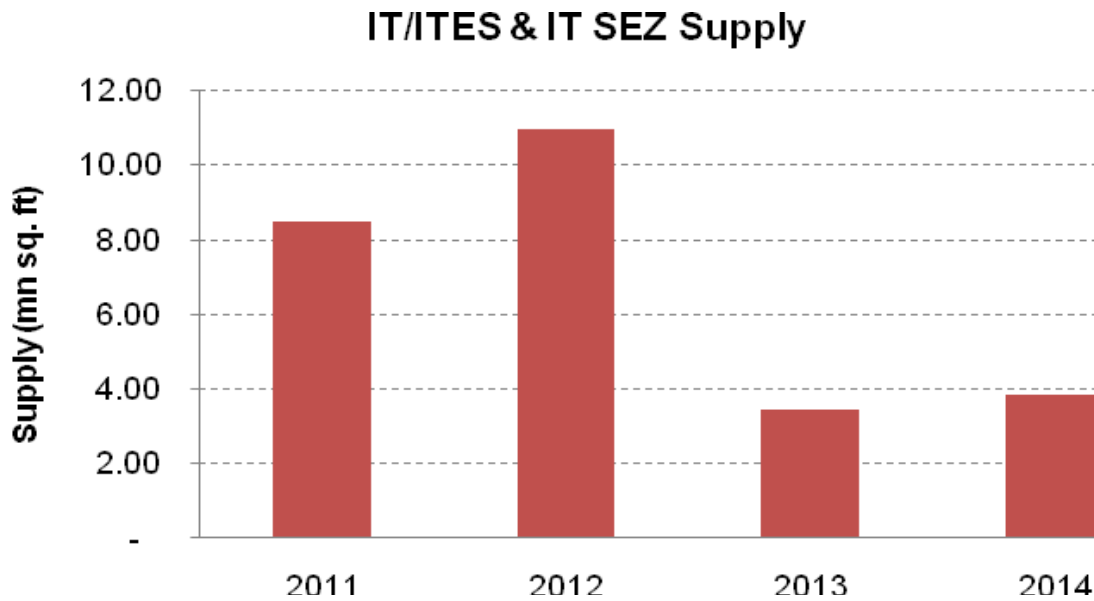
Approximately 26.78m sq ft of commercial office space (IT & Non-IT) is expected to come on stream by 2014 in Gurgaon and Manesar. Around 48% of the supply will be made available in the numerous IT Parks with 52% in the SEZs. The revival of the economy along with the increasing interest from potential acquirers has resulted in the commencement of construction on old projects which were stalled during the recession periods. (*Source: Knight Frank Research - Mar 2011*)

Gurgaon continued to be an attractive market for existing tenants' expansion plans, thus leading to enhanced leasing activity during the last few quarters.

With increase in demand, rental values in certain micro markets observed an increase of 12 to 13% q-o-q while values of IT stock in the other markets remained static, albeit under downward pressure due to surplus stock.

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Investment Manager's Review (continued)



Source: Knight Frank Research

Rental and capital values

The average rental level in the Gurgaon market is approximately INR 60 per sq ft per month. (Source: Knight Frank Research - Mar 2011). However, as you would expect, this 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

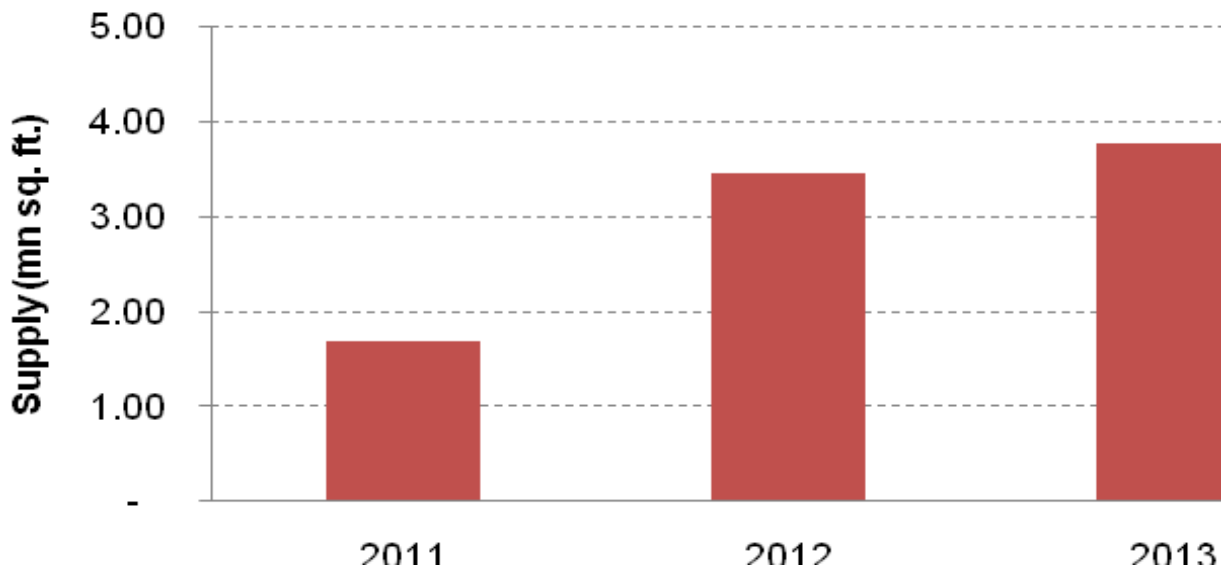
Overview

Noida is the outsourcing hub for IT/ITES industry and is home to automobile ancillary units and manufacturing companies. Development of the Taj corridor and development of huge SEZ and IT parks has attracted huge foreign direct investments in the city and 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. However, unlike the Gurgaon commercial property market, where benchmark rates have been established by developers, lease rentals of property in Noida vary extensively. (Noida currently caters to IT/ITES companies that operate from an independent or BTS (built-to-suit) development.)

Approximately 1.68m sq ft of IT/ITES office supply is expected to come up in Noida by the end of 2011. Further, it is expected that by the end of 2012, Noida will witness a huge supply due to the recommencement of deferred projects. (Source: Knight Frank Research - Mar 2011)

Overall office leasing activity in Noida remained low in the quarter ended March 2011. However an increasing occupier interest in SEZ projects along the Noida – Greater Noida expressway is likely to give a push to transaction activity in the near term, while, due to abundant ready office supply available, rental levels are expected to remain under pressure in the short to medium term.

IT/ITes and SEZ Supply Noida



Source: Knight Frank Research

Rental and capital values

The commercial space rental rates vary depending on the location of the projects within Noida. In Sector-62, rents vary in the range of Rs.25 and Rs.35 per sq ft per month for IT spaces which are further negotiable. In Sector-125, Sector-127 and Sector-135 the IT space rents vary between Rs.30 and Rs.40 per sq ft per month (not inclusive of CAM charges). The monthly CAM (common area maintenance) charges are between Rs.12 and Rs.15 per sq ft per month. (Source: Knight Frank Research - Mar 2011)

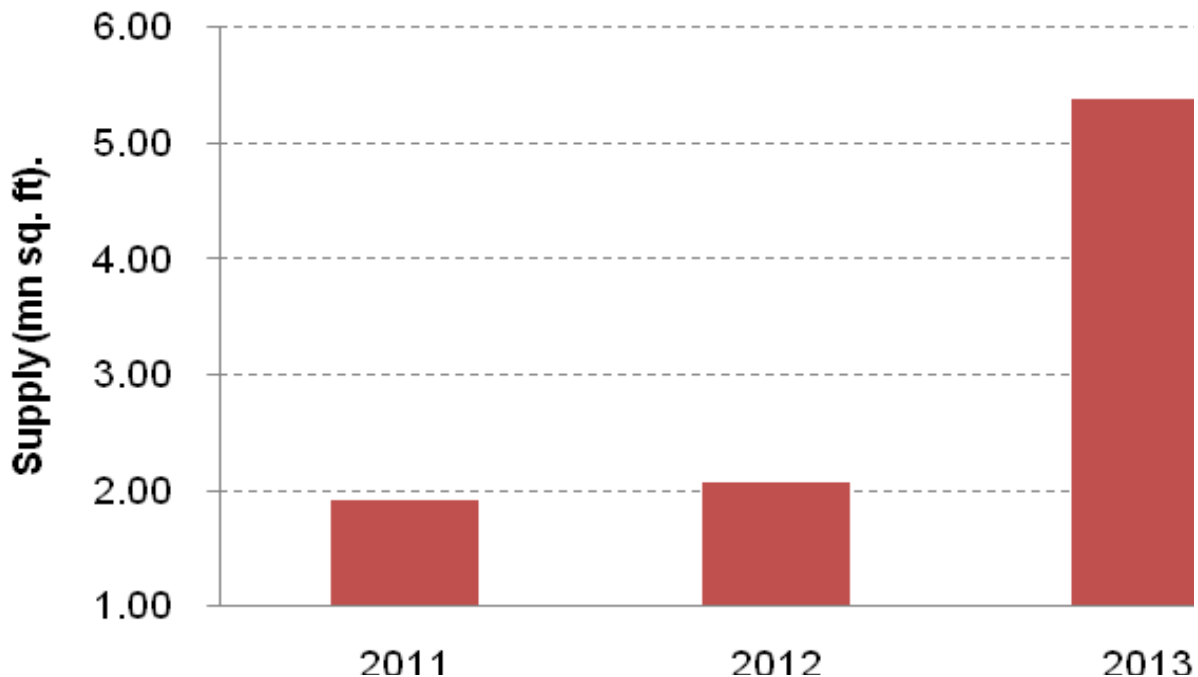
III) Greater Noida Office Market Overview

The Greater Noida office market 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 - Mar 2011)

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 (approx 300 acres) has been allotted to many developers. (Source: Knight Frank Research - Mar 2011)

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



Source: Knight Frank Research

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 sectors has pushed the real estate growth towards the suburban and peripheral areas of the city. (Source: Knight Frank Research - Mar 2011)

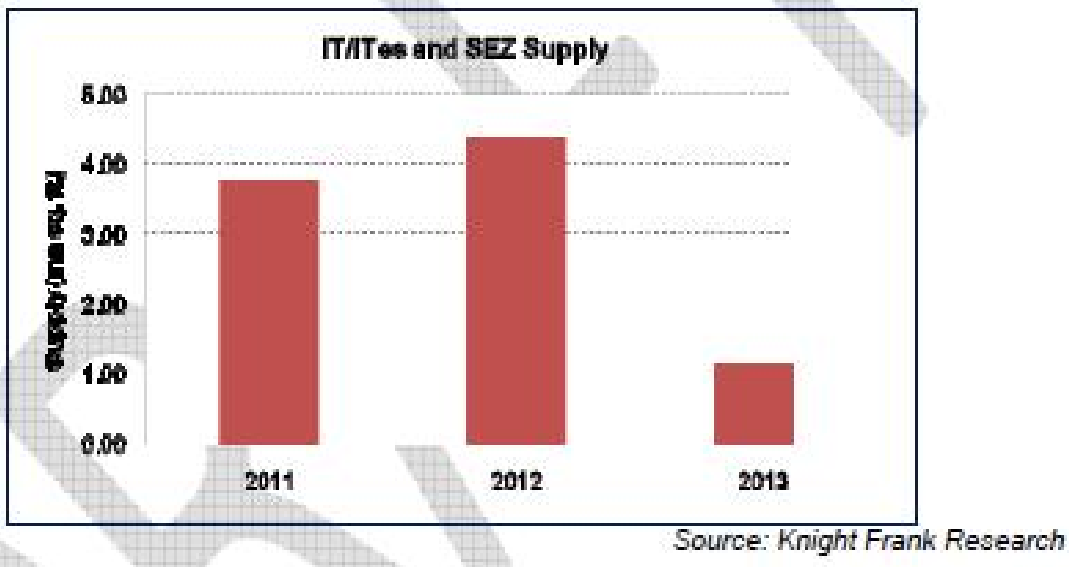
Approximately 7,000 hectares of land in possession of West Bengal Housing Infrastructure Development Corporation in Rajarhat have been earmarked for residential/commercial and industrial space. Out of this approximately 200 acres of land have been earmarked for IT/ITES units, with New Town (Rajarhat), in the east of Kolkata, being promoted as an IT hub and the government allotting approximately 27.78m sq ft of land for the development of IT/ITES in the area. (Source: Knight Frank Research - Mar 2011)

The Kolkata market will witness a huge office space supply (IT) by 2011 and 2012. Approximately 9.3m sq ft of office space in Kolkata is expected to be operational by the end of 2013. (Source: Knight Frank Research - Mar 2011)

The peripheral markets of Salt Lake and Rajarhat witnessed enhanced enquiry levels and a considerable amount of space was transacted in the first quarter of this year. Rental values are expected to remain stable in the next few quarters, primarily due to supply pipeline.

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Investment Manager's Review (continued)

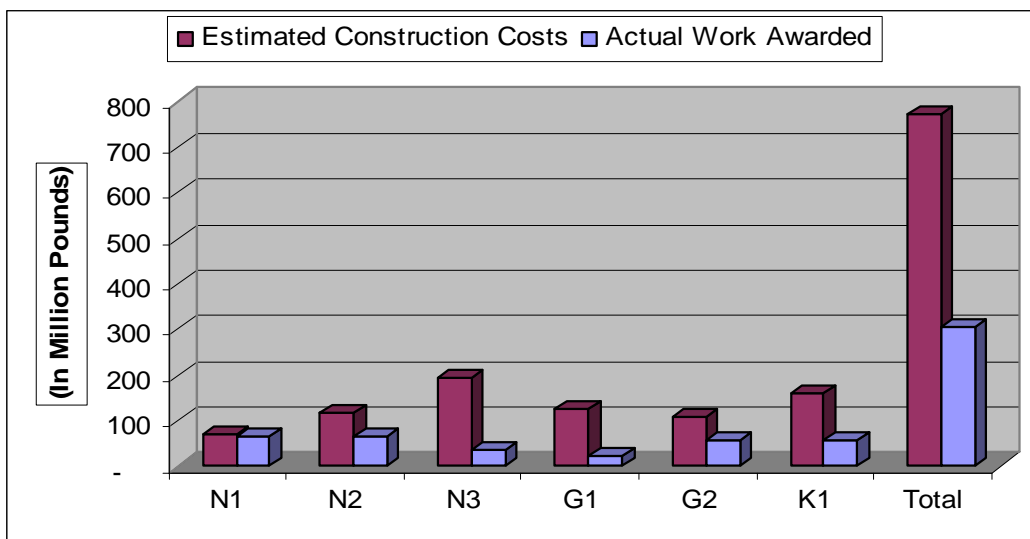


Rental and capital values

The base rental rates in the Central Business District (CBD) areas of Park Street, Camac Street are in the range of Rs.85 to Rs.120 per sq ft per month. However, rental values in the CBD location of Dalhousie Square area are in the range of Rs.50 to Rs.65 per sq ft per month. The prevailing rate in Salt Lake, a preferred destination for the IT/ITES sector, ranges between Rs.43 and Rs.54 per sq ft per month, while Rajarhat, being a peripheral location for the IT/ITES sector, has average rental rates ranging between Rs.27 and Rs.32 per sq ft per month. (Source: Knight Frank Research - Mar 2011)

Project Update

Project Progress (as at 31 March 2011)
(in million pounds)



UNITECH CORPORATE PARKS PLC

Investment Manager's Review (continued)

(Amount in million)

| Projects | Actual Work Awarded | | Estimated Construction Cost | |
|--------------|---------------------|------------|-----------------------------|------------|
| | INR (Rs.) | Pound (£) | INR (Rs.) | Pound (£) |
| N1 | 4,909 | 68 | 5,191 | 71 |
| N2 | 4,742 | 65 | 8,426 | 116 |
| N3 | 2,601 | 36 | 14,143 | 195 |
| G1 | 1,750 | 24 | 9,014 | 124 |
| G2 | 4,124 | 57 | 7,989 | 110 |
| K1 | 4,082 | 56 | 11,503 | 158 |
| Total | 22,208 | 306 | 56,266 | 774 |

An update on the Company's six assets, all as at 31 March 2011, is as follows:

- § **InfoSpace, Dundaheera, Gurgaon ("G2-IST"):** The total completed and operational LA for Batch 1, Batch 2 and Batch 3 amounted to 1.718m sq ft. LA to be completed, relating to Batches 4, 5 and 6 of G2-IST, is currently estimated to be 1.905m sq ft. G2-IST has Committed Leases* in respect of approximately 2.196m sq ft amounting to 61% of the aggregate estimated LA for G2-IST when fully completed. As of 31 March 2011 the leased area where the rent has already started accruing is 1.541m 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.
- § **InfoSpace, Kolkata ("K1"):** The completed LA and super structure for K1 amounted to approximately 1.642 m sq ft and the LA to be completed across the development is currently estimated to be approximately 2.708m sq ft. As at 31 March 2011, K1 had Committed Leases* in respect of 1.185m sq ft amounting to approximately 27% of the aggregate estimated LA for K1 when fully completed. As of 31 March 2011 the leased area where the rent has already started accruing is 0.741m sq ft.
- § **InfoSpace, Sector-62, Noida ("N1"):** The estimated LA is currently expected to be approximately 2.064m sq ft. The completed LA is approximately 0.27m sq ft. As at 31 March 2011, N1 had Committed Leases * in respect of 0.037m sq ft amounting to approximately 1.8% of the aggregate estimated LA for N1 when fully completed. As of 31 March 2011 the leased area where the rent has already started accruing is 0.025m sq ft.
- § **InfoSpace, Sector-135, Noida ("N2"):** The estimated LA is currently expected to be approximately 3.170m sq ft consisting of approximately 3.139m sq ft of office space and approximately 0.031m sq ft of retail space. The first batch of N2, Batch 1 comprising approximately 0.954m sq ft of LA is complete and operational. As at 31 March 2011, N2 has Committed Leases* in respect of 1.258m sq ft amounting to approximately 40% of the aggregate estimated LA for N2 when fully completed. As of 31 March 2011 the leased area where the rent has already started accruing is 0.396m sq ft.
- § **InfoSpace, Greater Noida ("N3"):** The estimated LA at completion is currently expected to be approximately 4.947m sq ft consisting of approximately 4.847m sq ft of office space and approximately 0.100m sq ft of retail space. N3 has not entered into any leases to date.
- § **InfoSpace, Gurgaon ("G1-ITC"):** The estimated LA at completion is currently expected to be approximately 3.260m sq ft consisting of approximately 3.210m sq ft of office space and approximately 0.050m sq ft of retail space. As of 31 March 2011 G1 has committed leases of 0.206m sq ft.

*Committed Leases/Pre-Lease Agreements include signed Agreement to binding lease agreements.

The updated leased/committed space for each project as at 4 July 2011 is as follows:

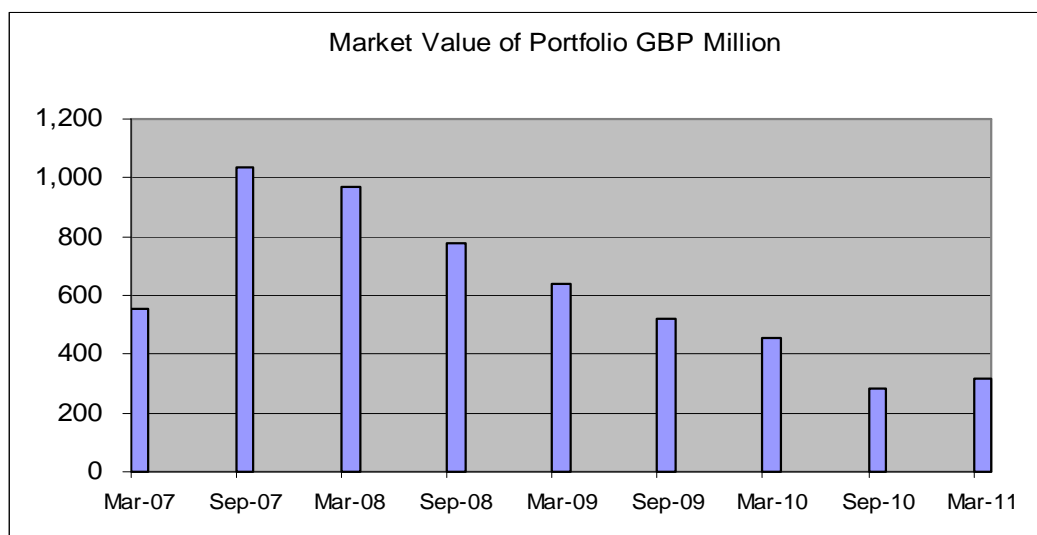
| Project | Total Committed Space (m sq ft) |
|--------------|---------------------------------|
| G2-IST | 2.20 |
| K1 | 1.20 |
| N1 | 0.16 |
| N2 | 1.32 |
| N3 | - |
| G1-ITC | 0.21 |
| Total | 5.09 |

UNITECH CORPORATE PARKS PLC

Investment Manager's Review (continued)

Summary of Valuations

Knight Frank, an independent valuer valued the joint ventures' properties under construction as at 31 March 2011 at a valuation of £322.3 million. The Company's share of the market valuation of the assets as at 31 March 2011, representing 60% of the joint ventures' total portfolio, is £193.4 million.



Progress of Leasing

LA Completed and Leased

(Fig in sq ft)

| UCP Assets | Estimated Completion Date | Estimated Lettable Area (LA) | LA Completed/ready for fit-outs | | | | LA Currently Leased | | | |
|--------------|---------------------------|------------------------------|---------------------------------|------------------|-------------|-------------|---------------------|------------------|-------------|-------------|
| | | | Actual | | % | | Actual | | % | |
| | | | Sep-10 | Mar-11 | Sep-10 | Mar-11 | Sep-10 | Mar-11 | Sep-10 | Mar-11 |
| G2 | Mar-13 | 3,622,744 | 1,713,883 | 1,717,744 | 47.3 | 47.4 | 1,366,097 | 1,541,466 | 37.7 | 42.5 |
| K1 | Dec-21 | 4,350,978 | 1,040,551 | 1,642,191 | 23.9 | 37.7 | 706,609 | 740,935 | 16.2 | 17.0 |
| N1 | Jul-16 | 2,064,000 | 270,000 | 270,000 | 13.1 | 13.1 | - | 25,480 | - | 1.2 |
| N2 | Dec-16 | 3,169,713 | 458,521 | 954,348 | 14.5 | 30.1 | 150,462 | 396,492 | 4.7 | 12.5 |
| N3 | Mar-23 | 4,947,055 | - | - | - | - | - | - | - | - |
| G1 | Mar-16 | 3,260,000 | - | - | - | - | - | - | - | - |
| Total | | 21,414,490 | 3,482,955 | 4,584,283 | 16.3 | 21.4 | 2,223,168 | 2,704,373 | 10.4 | 12.6 |

Committed Leases

(Fig in sq ft)

| UCP Assets | Estimated Completion Date | Estimated Lettable Area (LA) | Committed Leases | | Committed Leases (%) | |
|--------------|---------------------------|------------------------------|------------------|------------------|----------------------|-------------|
| | | | Sep-10 | Mar-11 | Sep-10 | Mar-11 |
| G2 | Mar-13 | 3,622,744 | 1,763,103 | 2,195,633 | 48.7 | 60.6 |
| K1 | Dec-21 | 4,350,978 | 873,939 | 1,184,529 | 20.1 | 27.2 |
| N1 | Jul-16 | 2,064,000 | - | 37,149 | - | 1.8 |
| N2 | Dec-16 | 3,169,713 | 697,507 | 1,258,341 | 22.0 | 39.7 |
| N3 | Mar-23 | 4,947,055 | - | - | - | - |
| G1 | Mar-16 | 3,260,000 | - | 206,309 | - | 6.3 |
| Total | | 21,414,490 | 3,334,549 | 4,881,961 | 15.6 | 22.8 |

UNITECH CORPORATE PARKS PLC

Investment Manager's Review (continued)

Development progress - Completed LA and LA to be completed as at 31 March 2011

(Start date wherever not mentioned is subject to market conditions)

| G2-IST Batches | Start Date | Expected Completion | Total Estimated Construction Costs(1) | | Estimated LA (sq ft) | LA (sq ft) | |
|----------------|------------|---------------------|---------------------------------------|-------------|----------------------|------------------|-----------------------|
| | | | (Rs. million) | (£ million) | | Committed Leases | Leased (Rent Accrued) |
| Batch 1 | | Completed | 918 | 13 | 464,057 | 464,057 | 464,057 |
| Batch 2 | | Completed | 1,467 | 20 | 667,089 | 667,089 | 571,131 |
| Amenity | | Completed | 55 | 1 | 25,000 | 3,921 | - |
| Batch 3 | | Completed | 1,111 | 15 | 561,598 | 534,704 | 506,278 |
| Batch 4 | Sep-10 | Jun-12 | 1,815 | 25 | 800,000 | 128,856 | - |
| Batch 5 | Jun-10 | Mar-12 | 1,471 | 20 | 650,000 | 397,006 | - |
| Batch 6 | | Mar-13 | 1,089 | 15 | 430,000 | - | - |
| Amenity | | Dec-12 | 63 | 1 | 25,000 | | |
| Total | | | 7,989 | 110 | 3,622,744 | 2,195,633 | 1,541,466 |

Notes:

1 Includes fit-outs of £17 million and excludes interest during construction.

| K1 Batches | Start Date | Expected Completion | Total Estimated Construction Costs(1) | | Estimated LA (sq ft) | LA (sq ft) | |
|--------------|------------|---------------------|---------------------------------------|-------------|----------------------|------------------|-----------------------|
| | | | (Rs. million) | (£ million) | | Committed Leases | Leased (Rent Accrued) |
| Batch 1 | | Completed | 1,628 | 22 | 797,650 | 637,645 | 637,645 |
| Batch 2.1 | Dec-06 | Aug-11 | 566 | 8 | 267,500 | 267,500 | - |
| Batch 2.2 | Dec-06 | Dec-11 | 343 | 5 | 157,871 | - | - |
| Batch 2.3 | Dec-06 | Aug-11 | 401 | 5 | 181,448 | 41,662 | - |
| Batch 3.1 | | Completed | 484 | 6 | 237,722 | 237,722 | 103,290 |
| Batch 3.2 | Dec-08 | Dec-11 | 528 | 7 | 246,014 | - | - |
| Batch 3.3 | Jan-11 | Dec-12 | 618 | 8 | 237,223 | - | - |
| Batch 4.1 | | Jul-12 | 998 | 14 | 383,333 | - | - |
| Batch 4.2 | | Jul-13 | 1,068 | 15 | 383,333 | - | - |
| Batch 4.3 | | Jun-15 | 1,141 | 16 | 383,333 | - | - |
| Batch 5.1 | | Dec-17 | 1,142 | 16 | 358,517 | - | - |
| Batch 5.2 | | Jun-19 | 1,277 | 17 | 358,517 | - | - |
| Batch 5.3 | | Dec-21 | 1,309 | 18 | 358,517 | - | - |
| Total | | | 11,503 | 157 | 4,350,978 | 1,184,529 | 740,935 |

Notes:

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

UNITECH CORPORATE PARKS PLC

Investment Manager's Review (continued)

| N1 Batches | Start Date | Expected Completion | Total Estimated Construction Costs(1) | | Estimated LA (sq ft) | LA (sq ft) | |
|---------------|------------|------------------------|--|-------------|-------------------------|---------------------|--------------------------|
| | | | (Rs. million) | (£ million) | | Committed Leases | Leased (Rent Accrued) |
| Batch 1 | | Completed | 655 | 9 | 270,000 | 37,149 | 25,480 |
| Batch 2 | Dec-06 | Jul-11 | 922 | 13 | 380,000 | - | - |
| Batch 3 | Jan-07 | Jul-12 | 873 | 12 | 357,000 | - | - |
| Batch 4 | Dec-07 | Jul-14 | 692 | 9 | 274,000 | - | - |
| Batch 5 | Jan-08 | Jul-15 | 1,123 | 15 | 436,000 | - | - |
| Batch 6 | Feb-08 | Jul-16 | 926 | 13 | 347,000 | - | - |
| Total | | | 5,191 | 71 | 2,064,000 | 37,149 | 25,480 |

Notes:

1 Includes fit-outs of £8 million and excludes interest during construction.

| G1-ITC Batches | Start Date | Expected Completion | Total Estimated Construction Costs(1) | | Estimated LA (sq ft) | LA (sq ft) | |
|-------------------|------------|------------------------|--|-------------|-------------------------|---------------------|--------------------------|
| | | | (Rs. million) | (£ million) | | Committed Leases | Leased (Rent Accrued) |
| Batch 1 | Dec-12 | Dec-14 | 981 | 14 | 340,000 | - | - |
| Batch 2 | Dec-10 | May-12 | 1,007 | 14 | 430,000 | 206,309 | - |
| Batch 3 | Dec-10 | Apr-12 | 779 | 11 | 300,000 | - | - |
| Amenity | | Mar-13 | 65 | 1 | 25,000 | | |
| Batch 4 | Dec-10 | Jun-12 | 823 | 11 | 340,000 | - | - |
| Batch 5 | Dec-10 | Oct-12 | 1,106 | 15 | 430,000 | - | - |
| Batch 6 | | Dec-14 | 803 | 11 | 300,000 | - | - |
| Batch 7 | | Jul-15 | 1,065 | 14 | 340,000 | - | - |
| Amenity | | Mar-16 | 78 | 1 | 25,000 | | |
| Batch 8 | | Jul-15 | 1,347 | 19 | 430,000 | - | - |
| Batch 9 | | Jan-16 | 960 | 13 | 300,000 | - | - |
| Total | | | 9,014 | 124 | 3,260,000 | 206,309 | - |

Notes:

1 Includes fit-outs of £21 million and excludes interest during construction.

UNITECH CORPORATE PARKS PLC

Investment Manager's Review (continued)

| N2 Batches | Start Date | Expected Completion | Total Estimated Construction Costs(1) | | Estimated LA (sq ft) | LA (sq ft) | |
|---------------|------------|------------------------|--|-------------|-------------------------|---------------------|--------------------------|
| | | | (Rs. million) | (£ million) | | Committed Leases | Leased (Rent Accrued) |
| Batch 1.1 | | Completed | 427 | 6 | 207,826 | 207,826 | 177,622 |
| Batch 1.2 | | Completed | 553 | 8 | 250,839 | 155,423 | 161,346 |
| Batch 1.3 | | Completed | 454 | 6 | 205,583 | 117,406 | 57,524 |
| Batch 1.4 | | Completed | 553 | 8 | 290,100 | 290,100 | - |
| Batch 2.1 | Sep-10 | Apr-12 | 590 | 8 | 229,814 | - | - |
| Batch 2.2 | Sep-10 | Apr-12 | 944 | 13 | 367,809 | - | - |
| Batch 2.3 | Sep-10 | Apr-12 | 648 | 9 | 252,362 | 243,793 | - |
| Batch 3.1 | May-12 | Dec-14 | 683 | 9 | 229,814 | - | - |
| Batch 3.2 | May-12 | Dec-14 | 1,093 | 15 | 367,809 | - | - |
| Batch 3.3 | May-12 | Dec-14 | 750 | 10 | 252,362 | 243,793 | - |
| Batch 4 | | Dec-16 | 1,731 | 24 | 515,395 | - | - |
| Total | | | 8,426 | 116 | 3,169,713 | 1,258,341 | 396,492 |

Notes:

1 Includes fit-outs of £12 million and excludes interest during construction.

| N3 Batches | Start Date | Expected Completion | Total Estimated Construction Costs(1) | | Estimated LA (sq ft) | LA (sq ft) | |
|---------------|------------|------------------------|--|-------------|-------------------------|---------------------|--------------------------|
| | | | (Rs. million) | (£ million) | | Committed Leases | Leased (Rent Accrued) |
| Batch 1.1 | | Sep-15 | 1,962 | 27 | 824,509 | - | - |
| Batch 1.2 | | Mar-17 | 2,126 | 29 | 824,509 | - | - |
| Batch 2.1 | | Sep-18 | 2,269 | 31 | 824,509 | - | - |
| Batch 2.2 | | Mar-20 | 2,425 | 34 | 824,509 | - | - |
| Batch 3.1 | | Sep-21 | 2,591 | 36 | 824,509 | - | - |
| Batch 3.2 | | Mar-23 | 2,770 | 38 | 824,510 | - | - |
| Total | | | 14,143 | 195 | 4,947,055 | - | - |

Notes:

1 Includes fit-outs of £19 million and excludes interest during construction.

Nectrus Limited
Investment Manager

17 August 2011

UNITECH CORPORATE PARKS PLC

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2011.

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 19 to 41. The Group reported net assets at the date of the statement of financial position of £176,499,119 (2010: £258,216,859) and for the year ended 31 March 2011 total comprehensive loss attributable to the shareholders of £81,717,740 (year ended 31 March 2010: loss £116,445,937).

The Directors do not propose a dividend in respect of the year ended 31 March 2011 (year ended 31 March 2010: £nil).

Directors

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

| | | |
|------------------------|--------------------------|---------------------------------------|
| Atul Kapur | (resigned 1 March 2011) | Alternate |
| Aubrey John Adams | | |
| Ajay Chandra | | Jayesh Desai (appointed 1 April 2011) |
| Mohammad Yousuf Khan | | |
| Donald Lake | | |
| Nicholas Sallnow-Smith | (appointed 20 July 2011) | |

As at 31 March 2011 and 31 March 2010, Aubrey John Adams was beneficially interested in 300,000 ordinary shares of the Company.

Secretary

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

Elizabeth Tansell

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

E. Tansell
Company Secretary

17 August 2011

UNITECH CORPORATE PARKS PLC

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

E. Tansell
Company Secretary

17 August 2011

UNITECH CORPORATE PARKS PLC

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 members of the Board, all of whom are non-executive, meet quarterly.

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

Nicholas Sallnow-Smith
Chairman, Audit Committee

17 August 2011

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 2011 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 16, 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 2011 and of the Group's loss 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

17 August 2011

UNITECH CORPORATE PARKS PLC

Consolidated Statement of Comprehensive Income for the year ended 31 March 2011

| | Note | Year ended 31 March 2011 £ | Year ended 31 March 2010 £ |
|---|------|----------------------------------|----------------------------------|
| Income | | | |
| Investment property revenue | | 11,671,198 | 7,501,923 |
| Interest income on cash balances | | 956,966 | 1,190,405 |
| Interest income on corporate deposits | 18 | - | 2,234,436 |
| Income on amortisation of security deposits | | 2,898,578 | - |
| Net loss from fair value adjustment on investment property | 7 | (103,114,477) | (137,815,658) |
| | | <u>(87,587,735)</u> | <u>(126,888,894)</u> |
| Expenditure | | | |
| Goodwill impairment | 9 | - | 44,176,857 |
| Management fee | 4 | 4,721,623 | 4,333,545 |
| Administration and accounting fees | | 59,503 | 58,508 |
| Directors' fees | 17 | 190,000 | 190,000 |
| Audit fees | | 25,647 | 55,649 |
| Other operating expenses | 10 | 5,648,140 | 3,035,281 |
| | | <u>10,644,913</u> | <u>51,849,840</u> |
| Operating loss for the year | | (98,232,648) | (178,738,734) |
| Leasehold rights costs | | (490,778) | - |
| Finance lease costs | | - | (329,590) |
| | | <u>-</u> | <u>(329,590)</u> |
| Loss for the year before tax | | (98,723,426) | (179,068,324) |
| Current tax expense | 11 | (19,905) | (700,985) |
| Deferred tax credit | 11 | 27,953,072 | 47,289,645 |
| | | <u>27,953,072</u> | <u>47,289,645</u> |
| Loss for the year | | <u>(70,790,259)</u> | <u>(132,479,664)</u> |
| Other comprehensive (loss)/income | | | |
| Foreign currency translation differences for foreign operations | | (10,927,481) | 15,217,886 |
| Movement in performance fee provision | | - | 815,841 |
| Other comprehensive (loss)/income for the year net of income tax | | <u>(10,927,481)</u> | <u>16,033,727</u> |
| Total comprehensive loss for the year | | <u>(81,717,740)</u> | <u>(116,445,937)</u> |
| Basic and diluted loss per share | 13 | <u>(19.66)p</u> | <u>(36.80)p</u> |

The Directors consider that all results derive from continuing activities.

The notes on pages 23 to 41 form an integral part of these financial statements.

UNITECH CORPORATE PARKS PLC

Consolidated and Company Statements of Financial Position as at 31 March 2011

| | Note | Group | | Company | |
|-------------------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 2011 £ | 2010 £ | 2011 £ | 2010 £ |
| Assets | | | | | |
| Non-current assets | | | | | |
| Investment in subsidiary | | - | - | 149,201,823 | 229,438,253 |
| Investment property | 7 | 193,365,310 | 274,412,440 | - | - |
| Property, plant and equipment | 8 | 278,688 | 1,263,293 | - | - |
| | | <u>193,643,998</u> | <u>275,675,733</u> | <u>149,201,823</u> | <u>229,438,253</u> |
| Current assets | | | | | |
| Loan to subsidiary | | - | - | 20,951,603 | 16,229,979 |
| Trade and other receivables | 16 | 5,409,732 | 10,950,637 | 239,424 | 5,003,334 |
| Cash at bank and brokers | | 14,053,833 | 38,385,317 | 6,307,098 | 7,681,889 |
| | | <u>19,463,565</u> | <u>49,335,954</u> | <u>27,498,125</u> | <u>28,915,202</u> |
| Total assets | | <u>213,107,563</u> | <u>325,011,687</u> | <u>176,699,948</u> | <u>258,353,455</u> |
| Financed by: | | | | | |
| Equity and liabilities | | | | | |
| Capital and reserves | | | | | |
| Share capital | 12 | 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 | | 69,151,699 | 80,079,180 | - | - |
| Revaluation reserve | | (22,468,045) | (22,468,045) | - | - |
| Retained loss | | (216,703,526) | (145,913,267) | (170,019,872) | (88,302,132) |
| | | <u>176,499,119</u> | <u>258,216,859</u> | <u>176,499,119</u> | <u>258,216,859</u> |
| Non-current liabilities | | | | | |
| Leasehold rights liabilities | 14 | 605,037 | - | - | - |
| Finance lease liabilities | 14 | - | 2,580,763 | - | - |
| Deferred tax liabilities | 11 | 23,739,931 | 53,942,962 | - | - |
| | | <u>24,344,968</u> | <u>56,523,725</u> | <u>-</u> | <u>-</u> |
| Current liabilities | | | | | |
| Leasehold rights liabilities | 14 | 721,421 | - | - | - |
| Finance lease liabilities | 14 | - | 1,047,876 | - | - |
| Trade and other payables | 15 | 11,531,691 | 9,218,313 | 200,829 | 136,596 |
| Income tax liabilities | 11 | 10,364 | 4,914 | - | - |
| | | <u>12,263,476</u> | <u>10,271,103</u> | <u>200,829</u> | <u>136,596</u> |
| Total liabilities | | <u>36,608,444</u> | <u>66,794,828</u> | <u>200,829</u> | <u>136,596</u> |
| Total equity and liabilities | | <u>213,107,563</u> | <u>325,011,687</u> | <u>176,699,948</u> | <u>258,353,455</u> |

These financial statements were approved and authorised for issue by the Board of Directors on 17 August 2011 and signed on their behalf by:

Aubrey Adams
Director

Donald Lake
Director

The notes on pages 23 to 41 form an integral part of these financial statements.

UNITECH CORPORATE PARKS PLC

Consolidated Statement of Changes in Equity for the year ended 31 March 2011

| | Share capital £ | Share premium £ | Translation reserve £ | Revaluation reserve £ | Retained loss £ | Total £ |
|---|-----------------------|-----------------------|-----------------------------|-----------------------------|-----------------------|---------------|
| Balance at 1 April 2009 | 3,600,000 | 342,918,991 | 64,861,294 | (23,283,886) | (13,433,603) | 374,662,796 |
| Total comprehensive loss for the year: | | | | | | |
| Loss for the year | - | - | - | - | (132,479,664) | (132,479,664) |
| Other comprehensive income | - | - | 15,217,886 | 815,841 | - | 16,033,727 |
| Total comprehensive income/(loss) for the year | - | - | 15,217,886 | 815,841 | (132,479,664) | (116,445,937) |
| Balance at 31 March 2010 | 3,600,000 | 342,918,991 | 80,079,180 | (22,468,045) | (145,913,267) | 258,216,859 |
| 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 |

Company Statement of Changes in Equity for the year ended 31 March 2011

| | Share capital £ | Share premium £ | Retained loss £ | Total £ |
|---|-----------------------|-----------------------|-----------------------|--------------|
| Balance at 1 April 2009 | 3,600,000 | 342,918,991 | (198,067) | 346,320,924 |
| Total comprehensive loss for the year: | | | | |
| Loss for the year | - | - | (88,104,065) | (88,104,065) |
| Balance at 31 March 2010 | 3,600,000 | 342,918,991 | (88,302,132) | 258,216,859 |
| 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 |

The Directors consider that all results derive from continuing activities.

The notes on pages 23 to 41 form an integral part of these financial statements.

UNITECH CORPORATE PARKS PLC

Consolidated Statement of Cash Flows for the year ended 31 March 2011

| | Year ended 31 March 2011 £ | Year ended 31 March 2010 £ |
|---|----------------------------------|----------------------------------|
| Operating activities | | |
| Loss for the year before tax | (98,723,426) | (179,068,324) |
| Adjustment for: | | |
| Interest income on cash balances | (956,966) | (1,190,405) |
| Interest income on corporate deposits | - | (2,234,436) |
| Income on amortisation of security deposits | (2,898,578) | - |
| Net loss from fair value adjustment on investment property | 103,114,477 | 137,815,658 |
| Goodwill impairment | - | 44,176,857 |
| Leasehold rights costs | 490,778 | - |
| Finance lease costs | - | 329,590 |
| Depreciation | 42,547 | 79,151 |
| Operating profit/(loss) before changes in working capital | <u>1,068,832</u> | <u>(91,909)</u> |
| Decrease/(increase) in trade and other receivables | 5,955,237 | (1,201,221) |
| Increase/(decrease) in trade and other payables | 5,105,160 | (7,558,034) |
| Tax paid | (351,287) | (1,285,826) |
| Net cash generated from/(used in) operating activities | <u>11,777,942</u> | <u>(10,136,990)</u> |
| Investing activities | | |
| Acquisition of investment property including advances | (35,451,595) | (17,743,721) |
| Acquisition of property, plant and equipment | (214,023) | (20,301) |
| Proceeds from sale of financial assets (including realised gains) | | 556,337 |
| Repayment of advances by related party | | 52,999,564 |
| Interest received | 1,540,938 | 3,020,575 |
| Net cash generated (used in)/from investing activities | <u>(34,124,680)</u> | <u>38,812,454</u> |
| Financing activities | | |
| Repayment of borrowings from banks | - | (16,512,361) |
| Payment of finance lease liability | (736,576) | (1,510,570) |
| Net cash used in financing activities | <u>(736,576)</u> | <u>(18,022,931)</u> |
| (Decrease)/Increase in cash and cash equivalents | (23,083,314) | 10,652,533 |
| Cash and cash equivalents at beginning of year | 38,385,317 | 21,493,904 |
| Exchange difference on cash and cash equivalents | (1,248,170) | 6,238,880 |
| Cash and cash equivalents at end of the year | <u>14,053,833</u> | <u>38,385,317</u> |

The notes on pages 23 to 41 form an integral part of these financial statements.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011

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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

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:

| | Effective date (accounting periods commencing after) |
|--|---|
| New/Revised International Financial Reporting Standards (IAS/IFRS) | |
| IAS 1 Presentation of Financial Statements* | 1 January 2011 |
| 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 24 Related Party Disclosures - Revised definition of related parties | 1 January 2011 |
| 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 |
| IAS 34 Interim Financial Reporting* | 1 January 2011 |
| IFRS 3 Business Combinations* | 1 July 2010 |
| IFRS 7 Financial Instruments: Disclosures* | 1 January 2011 |
| 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 |
| IFRIC Interpretation | |
| IFRIC 13 Customer Loyalty Programmes* | 1 January 2011 |
| IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - November 2009 amendments with respect to voluntary prepaid contributions | 1 January 2011 |
| IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments | 1 July 2010 |

*Amendments resulting from May 2010 Annual Improvements to IFRSs

** Original issue May 2011

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 the IAS 28 "Investments in Associates and Joint Ventures".

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

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 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 2011.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

3. Significant accounting policies (continued)

3.3 Investment property (continued)

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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

3. Significant accounting policies (continued)

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.

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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

3. Significant accounting policies (continued)

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

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

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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

3. Significant accounting policies (continued)

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 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.

At 31 March 2011 the total deferred management fee amounted to £3,535,829 (2010: £1,961,955). No provision for deferred management fee has been made in the financial statements at 31 March 2011, as the IRR on each project is below 10 per cent.

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 year end has been determined on an individual project basis. No provision has been made at 31 March 2011 based on the Project IRRs (2010: £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 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 Group adversely.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

5. Financial risk management (continued)

5.2 Market risk (continued)

(i) Risks relating to real estate and investment property development in India (continued)

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 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:

| | 2011 | 2010 |
|----------------|--------------------|--------------------|
| | £ | £ |
| British pounds | 8,200,501 | 13,881,159 |
| Indian rupees | 168,297,421 | 243,686,360 |
| US dollar | 1,197 | 649,340 |
| Net assets | <u>176,499,119</u> | <u>258,216,859</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 £8,014,220 (2010: £11,635,034).

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

5. Financial risk management (continued)

5.2 Market risk (continued)

(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 2011

| | Less than 3 months £ | 3 months to 1 year £ | 1-5 years £ | Over 5 years £ | Non-interest bearing £ | Total £ |
|---|----------------------------|----------------------------|-------------------|----------------------|------------------------------|-------------------|
| Financial assets | | | | | | |
| Debtors and other receivables | - | - | - | - | 5,409,732 | 5,409,732 |
| Cash and cash equivalents | 14,053,833 | - | - | - | - | 14,053,833 |
| Total financial assets | 14,053,833 | - | - | - | 5,409,732 | 19,463,565 |
| Financial liabilities | | | | | | |
| Leasehold rights liabilities | - | 721,421 | 605,037 | - | - | 1,326,458 |
| Trade and other payables | - | - | - | - | 11,531,691 | 11,531,691 |
| Total financial liabilities | - | 721,421 | 605,037 | - | 11,531,691 | 12,858,149 |
| Net financial assets/(liabilities) | 14,053,833 | (721,421) | (605,037) | - | | |

31 March 2010

| | Less than 3 months £ | 3 months to 1 year £ | 1-5 years £ | Over 5 years £ | Non-interest bearing £ | Total £ |
|---|----------------------------|----------------------------|--------------------|----------------------|------------------------------|-------------------|
| Financial assets | | | | | | |
| Debtors and other receivables | - | - | - | - | 10,950,637 | 10,950,637 |
| Cash and cash equivalents | 37,672,266 | 713,051 | - | - | - | 38,385,317 |
| Total financial assets | 37,672,266 | 713,051 | - | - | 10,950,637 | 49,335,954 |
| Financial liabilities | | | | | | |
| Financial lease liabilities | - | 1,047,876 | 1,581,518 | 999,245 | - | 3,628,639 |
| Trade and other payables | - | - | - | - | 9,218,313 | 9,218,313 |
| Total financial liabilities | - | 1,047,876 | 1,581,518 | 999,245 | 9,218,313 | 12,846,952 |
| Net financial assets/(liabilities) | 37,672,266 | (334,825) | (1,581,518) | (999,245) | | |

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

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

5. Financial risk management (continued)

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:

| | 2011 £ | 2010 £ |
|-----------------------------|-------------------|-------------------|
| Trade and other receivables | 5,409,732 | 10,950,637 |
| Cash and cash equivalents | 14,053,833 | 38,385,317 |
| | <u>19,463,565</u> | <u>49,335,954</u> |

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.

Residual contractual maturities of financial liabilities:

31 March 2011

| | Less than 3 months £ | 3 months to 1 year £ | 1-5 years £ | Over 5 years £ | No stated maturity £ |
|------------------------------|----------------------------|----------------------------|-------------------|----------------------|----------------------------|
| Financial liabilities | | | | | |
| Leasehold rights liabilities | - | 721,421 | 605,037 | - | - |
| Trade and other payables | 11,531,691 | - | - | - | - |
| | <u>11,531,691</u> | <u>721,421</u> | <u>605,037</u> | <u>-</u> | <u>-</u> |

31 March 2010

| | Less than 3 months £ | 3 months to 1 year £ | 1-5 years £ | Over 5 years £ | No stated maturity £ |
|------------------------------|----------------------------|----------------------------|-------------------|----------------------|----------------------------|
| Financial liabilities | | | | | |
| Finance lease liabilities | - | 1,047,876 | 1,581,518 | 999,245 | - |
| Trade and other payables | 9,218,313 | - | - | - | - |
| | <u>9,218,313</u> | <u>1,047,876</u> | <u>1,581,518</u> | <u>999,245</u> | <u>-</u> |

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

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 by Knight Frank (India) Private Limited at 31 March 2011. The valuer used the following valuation methodologies depending on each project's particular circumstances.

| At 31 March 2011: | | Value £'m |
|--|--|--------------|
| Particular | Method | |
| Already constructed and leased out portion | Income approach - Discounted cash flow method (DCF) | 107.3 |
| Already constructed / under construction portion | Cost approach - land and building method | 18.3 |
| Land without construction | Market approach - land comparison method | 67.8 |

As at 31 March 2010, all properties were valued using the DCF method.

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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

7. Investment property

| | 2011 £ | 2010 £ |
|--|--------------------|--------------------|
| Value | | |
| Balance at start of year | 274,412,440 | 46,603,071 |
| Reclassification from investment property under construction | - | 335,723,948 |
| Reclassification from plant and machinery | 1,094,035 | - |
| Reversal of land finance lease liabilities | (1,572,396) | - |
| Additions | 34,810,137 | 17,012,325 |
| Revaluation of investment property | (103,114,477) | (137,815,658) |
| Effect of movements in exchange rates | (12,264,429) | 12,888,754 |
| Balance at end of year | <u>193,365,310</u> | <u>274,412,440</u> |

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 2011 and 31 March 2010 (see Note 6).

8. Property, plant and equipment

31 March 2011

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|---|----------------------------|--------------------------------|----------------------------------|----------------|
| Value, cost or deemed 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 | <u>15,005</u> | <u>157,345</u> | <u>135,387</u> | <u>307,737</u> |
| 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 | <u>973</u> | <u>14,165</u> | <u>13,911</u> | <u>29,049</u> |
| Carrying amounts | | | | |
| At 1 April 2010 | 14,990 | 939,117 | 309,186 | 1,263,293 |
| At 31 March 2011 | <u>14,032</u> | <u>143,180</u> | <u>121,476</u> | <u>278,688</u> |

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

8. Property, plant and equipment (continued)

31 March 2010

| | Land and buildings £ | Investment property under construction at valuation £ | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|---|-------------------------------|---|--------------------------------|----------------------------------|---------------|
| Value, cost or deemed cost | | | | | |
| Balance at 1 April 2009 | 14,757 | 335,723,948 | 989,431 | 322,324 | 337,050,460 |
| Reclassification to investment property | - | (335,723,948) | - | - | (335,723,948) |
| Additions | - | - | 13,368 | 6,933 | 20,301 |
| Effect of movements in exchange rates | 997 | - | 68,317 | 22,531 | 91,845 |
| Balance at 31 March 2010 | 15,754 | - | 1,071,116 | 351,788 | 1,438,658 |
| Depreciation | | | | | |
| Balance at 1 April 2009 | 475 | - | 61,975 | 19,721 | 82,171 |
| Depreciation for the year | 232 | - | 59,458 | 19,461 | 79,151 |
| Effect of movements in exchange rates | 57 | - | 10,566 | 3,420 | 14,043 |
| Balance at 31 March 2010 | 764 | - | 131,999 | 42,602 | 175,365 |
| Carrying amounts | | | | | |
| At 1 April 2009 | 14,282 | 335,723,948 | 927,456 | 302,603 | 336,968,289 |
| At 31 March 2010 | 14,990 | - | 939,117 | 309,186 | 1,263,293 |

9. Intangible assets - goodwill

| | 2011 £ | 2010 £ |
|---------------------------------------|-----------|--------------|
| Cost | | |
| Balance at start of year | - | 41,379,773 |
| Effect of movements in exchange rates | - | 2,797,084 |
| Goodwill impairment | - | (44,176,857) |
| Balance at end of year | - | - |

The Board reviewed the potential impairment of goodwill at 31 March 2010 and wrote the value down to zero accordingly. The goodwill represented the difference between the price paid for the Group's interest in the investment property owning joint venture companies ("JVs") and the fair value of the assets and liabilities acquired. In performing the impairment review the Directors assessed the fair value of the Group's interest in the JVs and compared this to the carrying value of the JVs in the financial statements, including goodwill. For this purpose, the determination of the fair value of investment property owned by the JVs was based on the valuations performed by Knight Frank (India) Private Limited as at 31 March 2010.

10. Other operating expenses

Other operating expenses comprise:

| | 2011 £ | 2010 £ |
|---------------------------------------|-----------|-----------|
| Legal and professional fees | 616,826 | 133,949 |
| Shareholder servicing fees | 96,613 | 103,327 |
| NOMAD fee | 113,166 | 89,931 |
| Property valuation fees | 30,775 | 49,019 |
| Depreciation | 42,547 | 79,151 |
| Directors' expenses | 90,875 | 71,532 |
| Share of joint venture other expenses | 4,354,593 | 2,581,671 |
| Sundry expenses | 271,631 | 25,964 |
| Foreign exchange | 31,114 | (99,263) |
| | 5,648,140 | 3,035,281 |

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

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 33.22 per cent (2010: 33.99 per cent) on their net income calculated as per applicable tax rules.

| | 2011 £ | 2010 £ |
|---|-------------------|-------------------|
| Tax credit in the statement of comprehensive income: | | |
| Current tax expense in joint ventures | (19,905) | (700,985) |
| Deferred tax charge arising on amortisation of security deposits | (831,514) | - |
| Deferred tax credit arising on revaluation of investment property | 28,784,586 | 47,289,645 |
| | <u>27,933,167</u> | <u>46,588,660</u> |

| | 2011 £ | 2010 £ |
|---|-----------------|----------------|
| Income tax liabilities at end of year | | |
| <i>Current tax liabilities</i> | | |
| Arising on net operating income in joint ventures | <u>(10,364)</u> | <u>(4,914)</u> |

| | 2011 £ | 2010 £ |
|--|-------------------|-------------------|
| Deferred tax liabilities at end of year | | |
| <i>Deferred tax liabilities are attributable to the following:</i> | | |
| Investment property | 22,917,829 | 53,942,962 |
| Security deposits | 822,102 | - |
| | <u>23,739,931</u> | <u>53,942,962</u> |

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.

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

12.3 Translation reserve

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

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

12. Share capital and reserves (continued)

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 loss per share

The calculation of loss per share at 31 March 2011 of 19.66p (2010: loss per share of 36.80p) is based on the loss attributable to ordinary shareholders of £70,790,259 (2010: loss £132,479,664) and a weighted average number of ordinary shares outstanding of 360,000,000 (2010: 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 (see Note 7).

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

| | 2011 |
|----------------------------|------------------|
| | £ |
| Less than one year | 721,421 |
| Between one and five years | 605,037 |
| | <u>1,326,458</u> |

The outstanding finance lease liabilities as at 31 March 2010 were payable as follows:

| | 2010 |
|----------------------------|------------------|
| | £ |
| Less than one year | 1,047,876 |
| Between one and five years | 1,581,518 |
| More than five years | 999,245 |
| | <u>3,628,639</u> |

The New Okhla Industrial Development Area (Noida) authority 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 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 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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

15. Trade and other payables

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

| | 2011 | 2010 |
|--|-------------------|------------------|
| | £ | £ |
| Trade payables | 9,566,366 | 8,076,547 |
| Amounts due to related parties (see Note 18) | 822,527 | 622,379 |
| Social security and other taxes | 216,061 | 302,987 |
| Other payables | 926,737 | 216,400 |
| | <u>11,531,691</u> | <u>9,218,313</u> |

16. Trade and other receivables

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

| | 2011 | 2010 |
|---|------------------|-------------------|
| | £ | £ |
| Amount due from related party (see Note 18) | 197,798 | 4,919,424 |
| Trade and other receivables | 5,211,934 | 6,031,213 |
| | <u>5,409,732</u> | <u>10,950,637</u> |

17. Directors' fees

The Group Directors' fees are analysed as follows:

| | Annual | Sitting | 2011 | 2010 |
|---------------|----------------|----------------|----------------|----------------|
| | £ | £ | Total | Total |
| | | | £ | £ |
| Atul Kapur | 60,000 | 4,000 | 64,000 | 64,000 |
| Aubrey Adams | 35,000 | 4,000 | 39,000 | 39,000 |
| Ajay Chandra | 25,000 | 4,000 | 29,000 | 29,000 |
| Mohamed Khan | 25,000 | 4,000 | 29,000 | 29,000 |
| Donald Lake * | 25,000 | 4,000 | 29,000 | 29,000 |
| | <u>170,000</u> | <u>20,000</u> | <u>190,000</u> | <u>190,000</u> |

* excluding VAT

Mr Adams was appointed Chairman on 2 March 2011 and from that date his annual Director's fee increased to £60,000.

During the year, Mr Adams and Mr Lake received an additional £12,000 and £35,250* respectively as consultancy fees (2010 £9,750 and £Nil).

18. 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.

During the year ended 31 March 2009, the Indian joint venture companies issued unsecured short-term advances to Unitech Limited, the Company's co-investor by way of quarterly loan facilities with automatic rollover. Interest was charged on the advances at commercial rates. The Company's 60% share interest of the outstanding balances as at 31 March 2009 was INR4,263,826,500 (£58,675,842 based on the closing rate at 31 March 2009). All of the advances were repaid in full by 10 July 2009.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

18. Related-party transactions (continued)

As at 31 March 2011 and 31 March 2010 Aubrey John Adams was beneficially interested in 300,000 Ordinary Shares of the Company.

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 is being repaid by way of offsetting the investment management fee due. At 31 March 2011 the balance owed by Nectrus Limited to the Company amounted to £197,798 (2010: £4,919,424). At 31 March 2011 Nectrus Limited was beneficially interested in 16,256,517 Ordinary Shares in the Company (2010: Nil).

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 2011 totalled £3,713,896 (year ended 31 March 2010: £1,696,803) and the amount outstanding as at 31 March 2011 was £822,527 (31 March 2010: £622,379).

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 2011 totalled £1,346,957 (year ended 31 March 2010: £448,768) and the amount outstanding as at 31 March 2011 was £358,284 (31 March 2010: £128,517).

19. Group entities

19.1 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 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.

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

19. Group entities (continued)

19.1 Subsidiaries

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.

19.2 Joint ventures

The following companies have been proportionately consolidated as joint ventures.

| | Country of incorporation | Class of shares | Percentage holding |
|---|-----------------------------|--------------------|-----------------------|
| Shantineketan Properties Limited | India | Ordinary | 60% |
| Shantineketan 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.

| | 2011 £ | 2010 £ |
|---|----------------------|----------------------|
| Income | | |
| Investment property revenue | 11,671,198 | 7,501,923 |
| Interest income on cash balances | 911,350 | 1,053,372 |
| Interest income on corporate deposits | - | 2,234,436 |
| Income on amortisation of security deposits | 2,898,578 | - |
| Net loss from fair value adjustment on investment property | <u>(103,114,477)</u> | <u>(137,815,658)</u> |
| | <u>(87,633,351)</u> | <u>(127,025,927)</u> |
| Expenses | | |
| Other operating expenses | <u>4,334,801</u> | <u>2,596,225</u> |
| | <u>4,334,801</u> | <u>2,596,225</u> |
| Operating loss for the year | <u>(91,968,152)</u> | <u>(129,622,152)</u> |
| Leasehold rights costs | (490,778) | - |
| Finance lease costs | - | (329,590) |
| Taxation | <u>27,933,167</u> | <u>46,632,523</u> |
| Loss for the year | <u>(64,525,763)</u> | <u>(83,319,219)</u> |

UNITECH CORPORATE PARKS PLC

Notes to the Consolidated Financial Statements for the year ended 31 March 2011 (continued)

19. Group entities (continued)

19.2 Joint ventures (continued)

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.

| | 2011 | 2010 |
|--------------------------------|--------------------|--------------------|
| | £ | £ |
| Assets | | |
| <i>Non-current assets</i> | | |
| Investment property | 193,365,310 | 274,412,440 |
| Property, plant and equipment | 278,688 | 1,263,293 |
| | <u>193,643,998</u> | <u>275,675,733</u> |
| <i>Current assets</i> | | |
| Trade and other receivables | 3,882,997 | 4,587,105 |
| Cash at bank | 7,145,093 | 30,052,705 |
| | <u>11,028,090</u> | <u>34,639,810</u> |
| Total assets | <u>204,672,088</u> | <u>310,315,543</u> |
| Liabilities | | |
| <i>Non-current liabilities</i> | | |
| Leasehold rights liabilities | 605,037 | - |
| Finance lease liabilities | - | 2,580,763 |
| Deferred tax | 23,739,931 | 53,942,962 |
| | <u>23,739,931</u> | <u>53,942,962</u> |
| <i>Current liabilities</i> | | |
| Leasehold rights liabilities | 721,420 | - |
| Finance lease liabilities | - | 1,047,876 |
| Trade and other payables | 11,297,915 | 9,052,670 |
| Income tax liabilities | 10,364 | 4,914 |
| | <u>12,029,699</u> | <u>10,105,460</u> |
| Total liabilities | <u>35,769,630</u> | <u>64,048,422</u> |
| Net assets | <u>168,902,458</u> | <u>246,267,121</u> |

20. Commitments

The Group's share of capital commitments in respect of capital expenditure contracted for by the joint ventures as at 31 March 2011 was £79,607,874 (2010: £57,493,068).

21. Subsequent events

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