unitech CORPORATE PARKS PLC

LOOKING FORWARD>>

Annual Report **2010**

unitech CORPORATE PARKS PLC

www.unitechcorporateparks.com

Contents

Company Information

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UCP has invested the proceeds in the following seed portfolio projects, comprising of six IT or ITES related projects, five of which are located in the National Capital Region (“NCR”, being the area surrounding Delhi, India) and one of which is located in Kolkata, India.

(a) Infospace, Gurgaon (G1-IST)

(b) Infospace, Dundahera, Gurgaon (G2-IST)

(c) Infospace, Sector 62, Noida (N1)

(d) Infospace, Sector 135, Noida (N2)

(e) Infospace, Greater Noida (N3)

(f) Infospace, Kolkata (K1)

Infospace, Gurgaon (G1-IST)

Infospace, Dundahera, Gurgaon (G2-IST)

Infospace, Sector 62, Noida (N1)

Infospace, Sector 135, Noida (N2)

Infospace, Greater Noida (N3)

Infospace, Kolkata (K1)

Infospace, Gurgaon (G1-IST)

Infospace, Dundahera, Gurgaon (G2-IST)

Infospace, Sector 62, Noida (N1)

Infospace, Sector 135, Noida (N2)

Infospace, Greater Noida (N3)

Infospace, Kolkata (K1)

Chairman's Statement

The twelve months to 31 March 2010 were a difficult period with regional and global factors affecting our operations. Even though the domestic Indian stock markets and the Indian real estate sector have shown signs of strength, the demand for commercial real estate continues to be soft. Residential real estate in key urban clusters is the only sub-segment of the market that is experiencing positive demand and pricing dynamics. Most other sub-segments of real estate, retail and commercial, continue to suffer from slow demand and pricing pressures.

Financial Results

NAV at 31 March 2010 was £0.72 per share compared to £0.89 at 30 September 2009, £1.04 per share at 31 March 2009 and £0.96 per share at the time of Admission. This represents a drop of 19.1% in NAV over the six months from 30 September 2009, a 30.8% drop in NAV from 31 March 2009, and a decrease of 25.0% since Admission.

The Board reviewed the potential impairment of goodwill at 31 March 2010 and has accordingly written down the valuation by £44.2m to zero. Goodwill originally represented the difference between the price paid for the SPVs and the underlying asset value.

Knight Frank (India) Private Limited ("Knight Frank") completed an independent valuation of the portfolio being developed by UCP with Unitech Limited at 31 March 2010.

Portfolio Market Valuation

31/03/10	30/09/09	31/03/09	31/03/08	31/03/07	Admission
£457.4m	£517.7m	£637.2m	£969.5m	£553.0m	£481.5m

UCP's 60% share in these projects is therefore valued at £274.4m (a decrease of 11.7% compared to £310.6m as at 30 September 2009, a decrease of 28.2% compared to £382.3m as at 31 March 2009, and a decrease of 5.0% compared to £288.9m at the time of Admission).

Subsequent Events

In view of significant market changes in the commercial office space sector, including the effects on current sentiment of the proposed Direct Tax Code (DTC) Guidelines issued by Government of India in respect of Special Economic Zones ("SEZs") (which are still uncertain but could significantly reduce the tax benefits to tenants of renting the Company's developments), and the revised construction programme agreed by the UCP Board, Knight Frank was instructed to undertake a further valuation as at 31 July 2010. Because of these market changes, this valuation at 31 July 2010 adopts changes of necessity in methodology in valuing undeveloped land and partially constructed developments where no tenant pre-let exists. As a result, the valuation at 31 July 2010 values partially constructed developments and undeveloped land on the basis of comparable land values plus cost of construction to date; this methodology is considered to be more appropriate for such assets in the current circumstances.

Applying this valuation to the NAV as at 31 March 2010, making appropriate adjustments to deferred tax (but no adjustments for construction cost differences, current assets etc) produces a 'pro forma' NAV as at 31 July 2010 of £0.52 per share:

	Pro-forma 31/07/10	31/03/10	30/09/10	21/07/09	31/03/09	30/09/08	31/03/08	20/12/06
NAV per share (£)	0.52	0.72	0.89	0.93	1.04	1.16	1.38	0.96

Of the aggregate 21.41m sq ft of Lettable Area ("LA") the developments can provide, the Company has constructed a superstructure of 4.98m sq ft, of which 2.29m sq ft was ready for occupation as at 31 March 2010. The balance of 2.69m sq ft can be made ready for occupation at relatively short notice as required by tenants. Out of 2.29m sq ft ready for use, an area of 1.37m sq ft had been leased out and was generating rental income at 31 March 2010 while an additional 0.53m sq ft was ready and committed under pre-lease agreements but rentals had not commenced. In addition, a further 0.53m sq ft was committed under pre-lease agreements as at 31 March 2010 but the space is not yet ready.

As at 31 July 2010 an area of 1.63m sq ft had been leased out and was generating rental income, while an additional 0.77m sq ft was ready and committed under pre-lease agreements but rentals had not commenced. In addition space committed under pre-lease agreements but not yet ready increased to 0.86m sq ft compared to 0.53m sq ft at 31 March 2010.

Cash balances and debt

As of the reporting date, UCP had £38m of cash (31 March 2009: £27m) of which £8m is held by UCP and the balance is held within the SPVs to be used for construction of the projects, as envisaged at the time of Admission.

As of 31 March 2010 the Company had no debt, since all the bank borrowings had been repaid. The Company will raise debt as and when required for completion of the projects. The build out of the remaining LA will be programmed keeping in view levels of demand and the evolving economic and business environment in India.

Dividends

In line with the statement made in the Admission Document, the Directors have not proposed a dividend in respect of the year ended 31 March 2010. The Directors will consider the payment of dividends when, in their opinion, it becomes commercially prudent to do so.

Strategy

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

These SEZs cater primarily to outsourced IT/ITES needs of large global and Indian companies. These companies, who are UCP's prime tenants, have started to make some new inquiries for space. However, the process of letting continues to be challenging, as the potential tenants are taking longer to commit to leases. In addition, the supply dynamics of office space in local markets continue to put downward pressure on rents. Our construction programme will therefore continue to be revised in line with these market trends.

We have made some progress on the continued development of our assets, particularly at InfoSpace, Dundahera, Gurgaon ("G2"), InfoSpace, Kolkata ("K1") and Infospace, Sector 135, Noida ("N2"), both of which have had new lettings after the close of the period. Given the current demand situation, we have not yet begun construction at Infospace, Sector 62, Noida ("N1"), Greater Noida ("N3") and Infospace Gurgaon ("G1"). We will continue to monitor the situation before committing capital to these projects.

Portfolio update

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

An update on the Company's six assets, all as at 31 March 2010, is as follows:

- **InfoSpace, Dundahera, Gurgaon ("G2"):** The total completed and operational LA for Batch 1 and Batch 3 amounted to 1.05m sq ft. LA relating to Batch 2, completed and operational in June 2010, is 0.66m sq ft. LA to be completed, relating to Batches 4, 5 and 6 of G2-IST, is currently estimated to be 1.90m sq ft. As at 31 March 2010, G2-IST had Committed Leases/Pre-Lease Agreements, including LA that is subject to binding lease agreements ("Committed Leases") in respect of approximately 1.07m sq ft (1.71m sq ft as at 31 July 2010) amounting to 30% (47% as at 31 July 2010) of the aggregate estimated LA for G2-IST when fully completed. As of 31 March 2010 the leased area where the rent has already started accruing is 0.97m 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 for K1 amounted to approximately 1.04m sq ft and the LA to be completed across the development is currently estimated to be approximately 3.31m sq ft. As at 31 March 2010, K1 had Committed Leases in respect of 1.21m sq ft (1.37m sq ft as at 31 July 2010) amounting to approximately 28% (32% as at 31 July 2010) of the aggregate estimated LA for K1 when fully completed. As of 31 March 2010 the leased area where the rent has already started accruing is 0.25m sq ft.
- **InfoSpace, Sector 62, Noida ("N1"):** The estimated LA at completion is currently expected to be approximately 2.06m sq ft. The first batch, comprising approximately 0.27m sq ft of LA, was completed in July 2010. As at 31 March 2010, N1 had no Committed Lease.

- **InfoSpace, Sector 135, Noida ("N2"):** The estimated LA at completion is currently expected to be approximately 3.17m sq ft consisting of approximately 3.14m sq ft of office space and approximately 0.03m sq ft of retail space. A first sub-batch of N2, Batch 1.1 comprising approximately 0.20m sq ft of LA is complete and operational. The super-structure for the rest of Batch 1, amounting to approximately 0.70m sq ft, is complete. As at 31 March 2010, N2 has Committed Leases in respect of 0.15m sq ft (0.18m sq ft as at 31 July 2010) amounting to approximately 5% (6% as at 31 July 2010) of the aggregate estimated LA for N2 when fully completed. As at 31 March 2010 and 31 July 2010, the leased area where rent has started accruing is 0.15m sq ft.
- **InfoSpace, Greater Noida ("N3"):** The estimated LA at completion is currently expected to be approximately 4.95m sq ft consisting of approximately 4.85m sq ft of office space and approximately 0.1m sq ft of retail space. N3 has not entered into any leases to date.
- **InfoSpace, Gurgaon ("G1"):** The estimated LA at completion is currently expected to be approximately 3.26m sq ft consisting of approximately 3.21m sq ft of office space and approximately 0.05m sq ft of retail space. G1 has not entered into any leases to date.

As detailed in the Investment Manager's Report (IMR), the Company has revised since 31 March 2010 the estimated completion dates of its projects as it adjusts construction on site to meet current and anticipated levels of demand.

Portfolio spend

As at 31 March 2010, £181.5m had been spent on the developments (31 March 2009: £139.1m) of which the Company's 60% share was £108.9m (31 March 2009: £83.4m).

In the period 1 April 2010 to 31 July 2010 a further £9.98m has been incurred on the developments.

Summary of valuations

Knight Frank, an independent valuer, valued the properties at 31 March 2010 at £457.4m. The Company's share of the market valuation of the assets at 31 March 2010, representing 60% of each project, is £274.4m.

In the revised valuation undertaken by Knight Frank at 31 July 2010, the properties have been revalued at £281.3m. The Company's share of the market valuation of the assets as at 31 July 2010 representing 60% of each project, is £168.8m.

Total portfolio value (Company's share is 60%):

At time of Admission	31/03/2007	30/09/2007	31/03/2008	30/09/2008	31/03/2009	30/09/2009	31/03/2010	31/07/2010
£481.5m	£553.0m	£1,037.0m	£969.5m	£781.0m	£637.2m	£517.7m	£457.4m	£281.3m

The WACC and capitalisation rates used for the purposes of valuation as at 31 March 2010 by the valuer were as follows:

Portfolio	WACC	Capitalisation rate
K1, G2 and N2	16%	11.5%
G1 and N3	17.5%	11.5%
N1	16%	12.0%

The basis of valuation at 31 March 2010 was a DCF valuation assuming the build out of the developments is in line with the estimated completion dates which will be shown in the IMR as at 31 March 2010. The valuation at 31 July 2010 reflects a revised build out schedule (the IMR will include revised estimated completion dates) to reflect changing market conditions, and values partially constructed developments and undeveloped land on the basis of comparable land values plus construction costs to date.

Financing

Revenue from current lease rentals and the available cash balances are not sufficient to complete the projects in their entirety. When appropriate, the Company will raise debt from the market.

Exit strategy

The Board continues to review options for exit routes to create maximum shareholder value. Given that the assets are partly built up and it is not permissible to sell part only of an SEZ, the exit options are limited. The Board continues to monitor the development of the capital market for potential exit routes.

Approach by Unitech Ltd

Shareholders will be aware of the approach by Unitech Ltd indicating a possible offer at 31p per share.

The Board is taking independent advice from PwC, Arbuthnot and Skadden and others to review the approach and the other options available to the Company. The proposal remains subject to a number of pre-conditions and accordingly there can be no certainty that any offer will be forthcoming nor as to the terms on which any offer might be made. I will write to you again as soon as there is any progress on this matter.

Outlook

Due to excess ready space available in the market and the cautious approach by UCP's target tenants when committing to space, the absorption and rental rates are likely to remain under pressure in the short to medium term. Recently released draft guidelines of the Direct Tax Code which mentions rollback of tax incentives available to SEZs are also likely to slow down space take up in SEZs besides putting further pressure on the rentals paid by IT/ITES businesses.

Atul Kapur
Chairman **15 September 2010**

unitech CORPORATE PARKS PLC

Investment Manager's Review

Overview of Indian Economy

The economic survey report released by the Government of India just ahead of the union budget forecast a GDP between 8.25% - 8.75% for the Financial Year 2010-11.

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

Overview of Indian Real Estate Sector

On 17 June 2010 the Government of India's Ministry of Revenue has issued draft guidelines on the Direct Tax code ("DTC") which proposes the roll back of tax incentives available to SEZ units that become operational after a specified date in the near future. DTC guidelines are under finalisation. Due to the absence of any clearcut regulations on the continuity of tax exemption for units desirable to take space in SEZs, IT/ITES are adopting a cautious approach. This uncertainty has also forced potential tenants to look at alternative options in Non-SEZ areas. The IT/ITES demand which was showing a robust recovery slowed down significantly after the announcements of proposed DTC guidelines.

IT/ITES Industry in India

Indian IT/ITES industry grew by 12 per cent in FY2009 to reach US$71.7 billion in aggregate revenue. IT/ITES exports reached US$47.3 billion in FY2009 from US$40.9 billion in FY2008, clocking a growth of 16 per cent. The domestic IT market reached US$24.3 billion in FY2009 as against US$23.1 billion in FY2008, achieving a growth of 5.3 per cent. *(Source: Knight Frank Research - Apr 2010)*

As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 5.8 per cent in FY2009. Net value-added by this sector, to the economy, is estimated at 3.5 - 4.1 per cent for FY2009. *(Source: Knight Frank Research - Apr 2010)*

Direct employment in Indian IT-BPO crossed the 2.2 million mark, an increase of about 226,000 professionals over FY2008; indirect job creation is estimated at about 8 million. *(Source: Knight Frank Research - Apr 2010)*

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
IT Exp. & Services Exports	170,000	205,000	296,000	390,000	513,000	690,000	860,000	946,809
BPO Exports	106,000	180,000	216,000	316,000	415,000	553,000	700,000	789,806
Domestic Market	246,250	285,000	318,000	352,000	365,000	378,000	450,000	500,000
Total	522,250	670,000	830,000	1,058,000	1,293,000	1,621,000	2,010,000	2,236,614

*Figures do not include employees in the hardware sector
Source: NASSCOM

Commercial Rent and Capital Values Across Key Cities

National Capital Region:

As per 2006 McKinsey-NASSCOM report, 18 - 20% of all IT demand is directed towards the NCR (National Capital Region). Nearly 75% of office space in the NCR is occupied by IT/ITES firms. *(Source: Knight Frank Research - Apr 2010)*

I) Gurgaon Office Market Overview

Overview

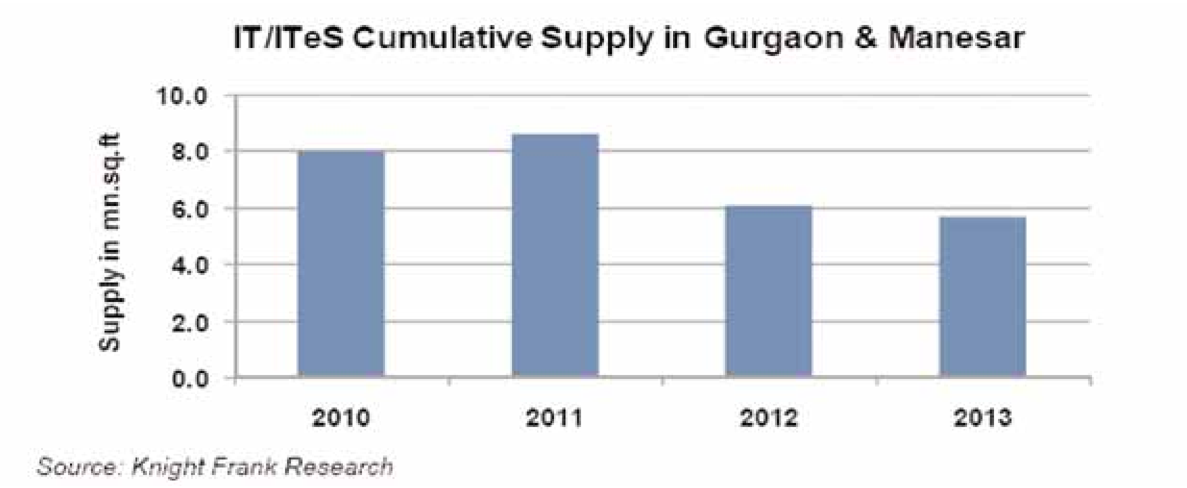
Gurgaon is the fastest growing town in the country and the pace of development has been so rapid that it has been branded as the 'Millennium City of India'. *(Source: Knight Frank Research - Apr 2010)*

Gurgaon is an established IT/ITES destination and also houses a number of non-IT majors. The biggest car and motorcycle manufacturers in India have their manufacturing plants in Gurgaon. *(Source: Knight Frank Research - Apr 2010)*

Preference for Gurgaon for setting up operation by IT majors has resulted in 17 notified IT/ITES SEZs in the region by real estate majors. *(Source: Knight Frank Research - Apr 2010)*

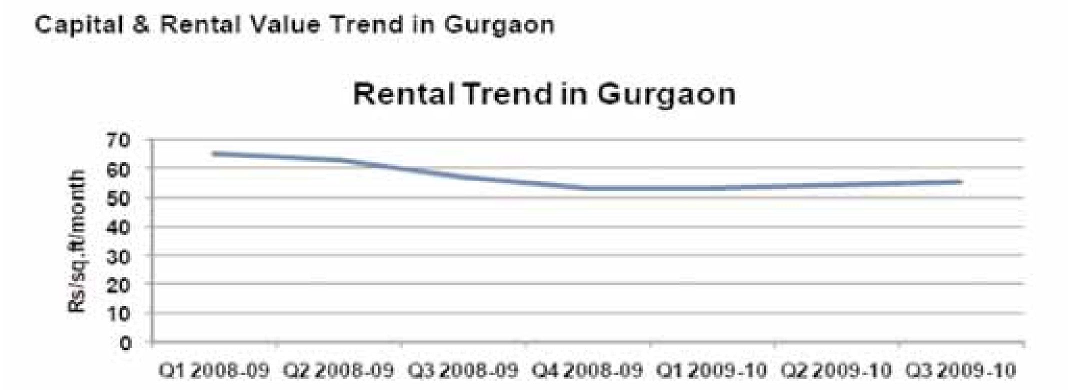
Gurgaon leads office space supply in the NCR with a 45% market share. Gurgaon market has also seen a demand for pure commercial office spaces from all sectors. *(Source: Knight Frank Research - Apr 2010)*

Approximately 28.3m sq ft of commercial office space (IT & Non-IT) is expected to come up by 2013 in Gurgaon and Manesar, out of which 23.2m sq ft (approx) office space is expected to come up in Gurgaon by 2013. Bulk of the supply will be made available in the numerous SEZ projects coming up. *(Source: Knight Frank Research - Apr 2010)*



Rental and capital values

The IT/ITES space rentals vary as per the location of the projects within Gurgaon and are in the range of Rs.45-Rs.55 per sq ft per month. The rental 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. The monthly CAM (common area maintenance) charges are between Rs.15-Rs.18 per sq ft per month. *(Source: Knight Frank Research - Apr 2010)*



Source: Knight Frank Research

II) Noida Office Market Overview

Overview

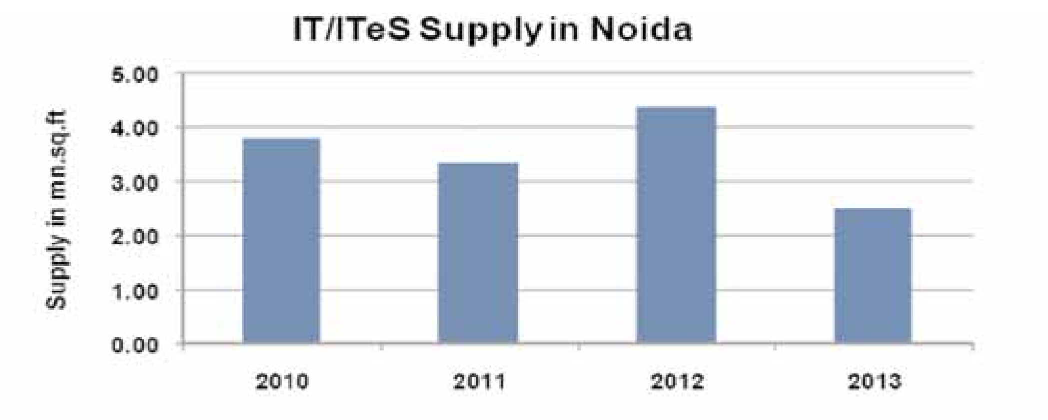
The city is the outsourcing hub for IT/ITES industry and is home to automobile ancillary units and manufacturing companies. Development of Taj corridor and development of huge SEZ and IT parks has attracted huge foreign direct investments in the city. *(Source: Knight Frank Research - Apr 2010)*

NOIDA is emerging as a low-cost alternative to Delhi and Gurgaon, to become the next big office destination. With cheaper land costs and the development of numerous high-profile projects, the city is emerging as a viable alternative to Gurgaon. *(Source: Knight Frank Research - Apr 2010)*

NOIDA currently caters to IT/ITES companies that operate from an independent or BTS (built-to-suit) development. Unlike the Gurgaon commercial property market, where benchmark rates have been established by developers, lease rentals of property in NOIDA vary extensively. *(Source: Knight Frank Research - Apr 2010)*

Demand for Grade A commercial space by IT/ITES companies has seen a constant growth. In the past year, more multi tenanted developments have been announced and IT/ITES firms have shown a positive response towards these developments. *(Source: Knight Frank Research - Apr 2010)*

Approximately 3.8m sq ft of IT/ITES office supply is expected to come up in Noida by end of 2010. Further, it is expected that by the end of 2012, Noida would witness a huge supply due to delay in the current announced projects. *(Source: Knight Frank Research - Apr 2010)*

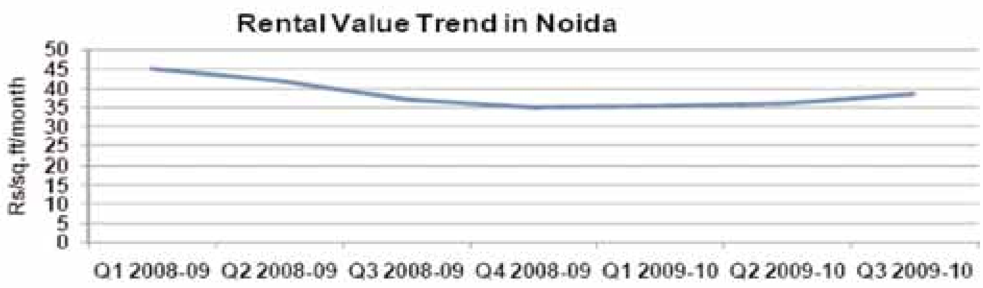


Source: Knight Frank

Rental and capital values

The commercial space rentals vary as per the location of the projects within Noida. In Sector-62, rentals vary in the range of Rs.30-Rs.40 per sq ft per month for IT spaces which are further negotiable. The rentals for the commercial spaces are between Rs.60-Rs.80 per sq ft per month (not inclusive of CAM charges) while in Sector-125 and Sector-127, the IT space rentals vary between Rs.35-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 - Apr 2010)

IT/ITeS Office Space Rentals in Noida



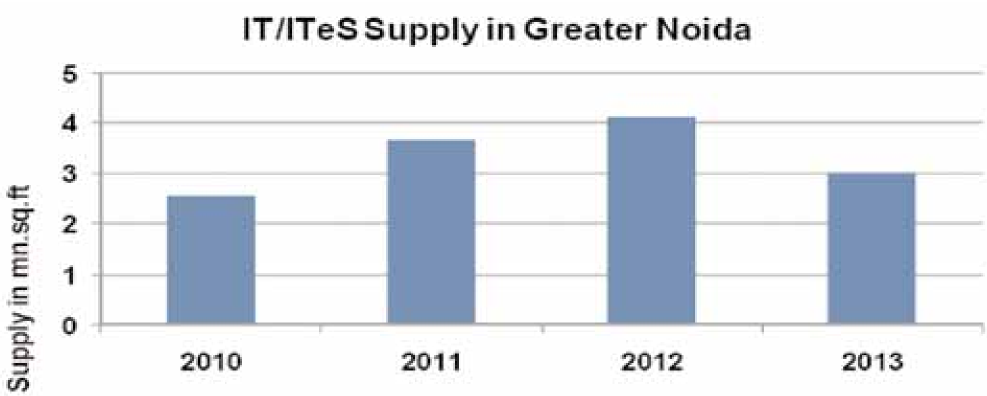
Source: Knight Frank

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, 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 - Apr 2010)*

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 a large number of IT giants setting up shops. *(Source: Knight Frank Research - Apr 2010)*

Approximately 2.55m sq ft of IT/ITES office space is expected to come up by end of 2010 in Greater Noida. *(Source: Knight Frank Research - Apr 2010)*



Source: Knight Frank

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 - Apr 2010)*

Approximately 7,000 hectares of land in possession of West Bengal Housing Infrastructure Development Corporation in Rajarhat has been earmarked for residential/commercial and industrial space. Out of this approximately 200 acres of land has been earmarked for IT/ITES units. *(Source: Knight Frank Research - Apr 2010)*

New Town (Rajarhat), in the east of Kolkata, is being promoted as an IT hub. The government has allotted approximately 27.78m sq ft of land area for the development of IT/ITES in New Town, Rajarhat. *(Source: Knight Frank Research - Apr 2010)*

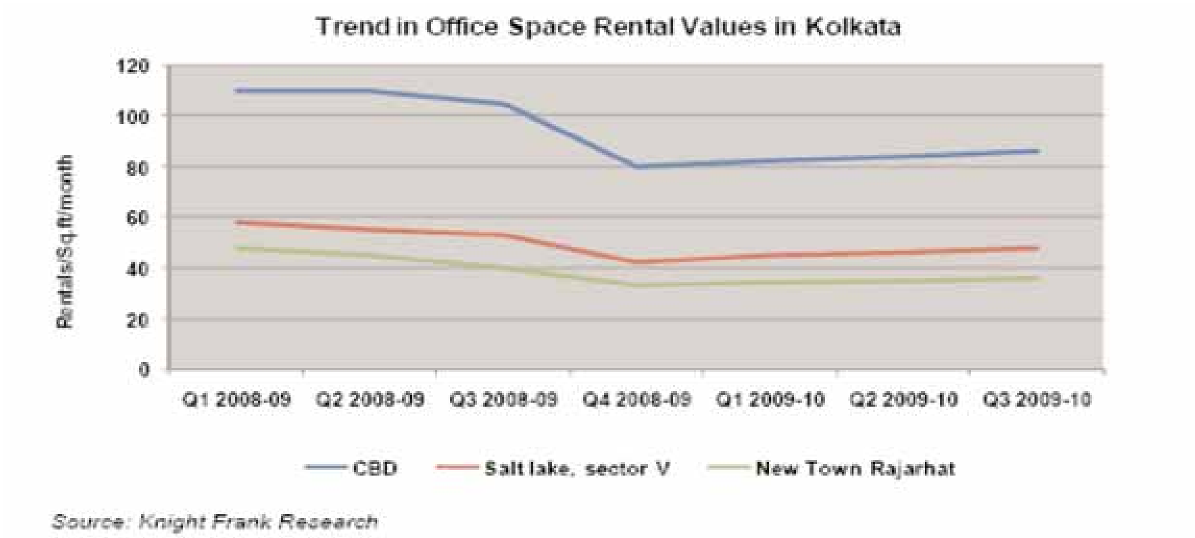
Kolkata market would witness a huge office space supply (IT) by 2011 and 2012. Approximately 11.89m sq ft of office space in Kolkata is expected to be operational by the end of 2012. Out of this, 2.36m sq ft became operational in 2010. *(Source: Knight Frank Research - Apr 2010)*

Supply of total office space in Kolkata between 2010-2013

Source: Knight Frank Research

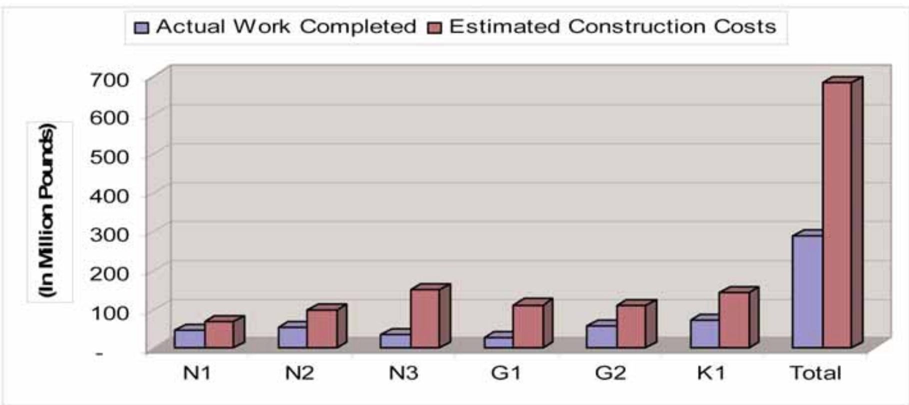
Rental and capital values

The base rentals in the Central Business District (CBD) areas of Park Street, Camac Street are in the range of Rs.85-Rs.90 per sq ft per month. However, rental values in the CBD location of Dalhousie Square area are in the range of Rs.50-Rs.65 per sq ft per month. The prevailing rate in Salt Lake, a preferred destination for the IT/ITES sector, ranges between Rs.40-Rs.50 per sq ft per month. Rajarhat, being a peripheral location for the IT/ITES sector has average rental rates ranging between Rs.30-Rs.40 per sq ft per month. *(Source: Knight Frank Research - Apr 2010)*



Project Update

Project Progress (as on 31st March 2010) (in million pounds)



(Amount in million)

Projects	Actual Work Allocated		Estimated Construction Cost as on 31 March 2010		Estimated Construction Cost as on 31 July 2010	
	INR (Rs.)	Pound (£)	INR (Rs.)	Pound (£)	INR (Rs.)	Pound (£)
N1	3,066	45	4,625	68	4,719	65
N2	3,625	53	6,681	99	7,671	106
N3	2,382	35	10,319	152	12,857	177
G1	1,909	28	7,616	112	8,490	117
G2	3,865	57	7,535	111	7,595	105
K1	4,914	73	9,685	143	11,444	158
Total	19,761	291	46,461	685	52,776	728

An update on the Company's six assets, all as at 31 March 2010, is as follows:

- **InfoSpace, Dundahera, Gurgaon ("G2-IST"):** The total completed and operational LA for Batch 1 and Batch 3 amounted to 1.05m sq ft. LA relating to Batch 2, completed and operational in June 2010 is 0.664m 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 1.074m sq ft (1.708m sq ft as at 31 July 2010) amounting to 30% (47% as at 31 July 2010) of the aggregate estimated LA for G2-IST when fully completed. As of 31 March 2010 the leased area where the rent has already started accruing is 0.970m sq ft (0.971m sq ft as at 31 July 2010). 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 for K1 amounted to approximately 1.041m sq ft and the LA to be completed across the development is currently estimated to be approximately 3.310m sq ft. As at 31 March 2010, K1 had Committed Leases* in respect of 1.209m sq ft (1.372m sq ft as at 31 July 2010) amounting to approximately 28% (32% as at 31 July 2010) of the aggregate estimated LA for K1 when fully completed. As of 31 March 2010 the leased area where the rent has already started accruing is 0.253m sq ft.

- **InfoSpace, Sector 62, Noida ("N1"):** The estimated LA at completion is currently expected to be approximately 2.064m sq ft. The first batch, comprising approximately 0.270m sq ft of LA was completed in July 2010. As at 31 March 2010, N1 had no Committed Lease.

- **InfoSpace, Sector 135, Noida ("N2"):** The estimated LA at completion 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. A first sub-batch of N2, Batch 1.1 comprising approximately 0.201m sq ft of LA is completed and operational. The super-structure for the rest of Batch 1, amounting to approximately 0.702m sq ft, is complete. As at 31 March 2010, N2 has Committed Leases* in respect of 0.150m sq ft, (0.180m sq ft as at 31 July 2010) amounting to approximately 5% (6% as at 31 July 2010) of the aggregate estimated LA for N2 when fully completed. As of 31 March 2010 and 31 July 2010 the leased area where the rent has already started accruing is 0.150m 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. G1 has not entered into any leases to date.

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

Summary of Valuations

Knight Frank, an independent valuer valued the joint ventures' properties under construction as at 31 March 2010 at a valuation of £457.4 million. The Company's share of the market valuation of the assets as at 31 March 2010, representing 60% of the joint ventures' total portfolio, including construction costs is £274.4 million.

As per the revised valuation undertaken by Knight Frank as at 31 July 2010, the properties under construction have been revalued at £281.3 million. The Company's share of the market valuation of the assets as at 31 July 2010, representing 60% of each project, is £168.8 million.

Progress of Leasing

LA Completed and Leased

UCP Assets	Estimated Completion Date as on 31-Mar-10	Estimated Completion Date as on 31-Jul-10	Estimated Lettable Area (LA)	LA Completed				LA Currently Leased			
				Actual		%		Actual		%	
				Sep-09	Mar-10	Sep-09	Mar-10	Sep-09	Mar-10	Sep-09	Mar-10
G2	May-13	Mar-15	3,618,883	1,049,778	1,049,778	29.0	29.0	675,892	969,501	18.7	26.8
K1	Mar-15	Dec-23	4,350,979	797,650	1,040,551	18.3	23.9	252,921	252,921	5.8	5.8
N1	Dec-13	Jul-16	2,064,000	-	-	-	-	-	-	-	-
N2	Jun-14	Dec-20	3,169,539	200,682	200,682	6.3	6.3	120,258	150,462	3.8	4.7
N3	Jun-16	Mar-23	4,947,055	-	-	-	-	-	-	-	-
G1	Nov-14	Jun-20	3,260,000	-	-	-	-	-	-	-	-
Total			**21,410,456**	**2,048,110**	**2,291,011**	**9.6**	**10.7**	**1,049,071**	**1,372,884**	**4.9**	**6.4**

Committed Leases

UCP Assets	Estimated Completion Date as on 31-Mar-10	Estimated Completion Date as on 31-Jul-10	Estimated Lettable Area (LA)	Committed Leases							
				ATL* Actual		ATL* %		LOI* Actual		LOI* %	
				Sep-09	Mar-10	Sep-09	Mar-10	Sep-09	Mar-10	Sep-09	Mar-10
G2	May-13	Mar-15	3,618,883	799,453	1,074,082	22.1	29.7	-	-	-	-
K1	Mar-15	Dec-23	4,350,979	957,788	1,209,336	22.0	27.8	251,548	-	5.8	-
N1	Dec-13	Jul-16	2,064,000	-	-	-	-	-	-	-	-
N2	Jun-14	Dec-20	3,169,539	120,258	150,462	3.8	4.7	-	-	-	-
N3	Jun-16	Mar-23	4,947,055	-	-	-	-	-	-	-	-
G1	Nov-14	Jun-20	3,260,000	-	-	-	-	-	-	-	-
Total			**21,410,456**	**1,877,499**	**2,433,880**	**8.8**	**11.4**	**251,548**	**-**	**1.2**	**-**

*LOI=Letter of Intent

ATL=Agreement to Lease

Development progress - Completed LA and LA to be completed as at 31 March 2010

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	Mar-06	Completed	875	13	464,641	464,057	464,057
Batch 2	Sep-06	Jun-10	1,400	21	664,105	63,500	58,528
Batch 3	Feb-07	Completed	1,102	16	585,137	546,525	446,916
Batch 4	Jan-10	Jun-12	1,729	25	800,000	-	-
Batch 5	Jun-10	Mar-12	1,401	21	650,000	-	-
Batch 6	Jul-11	May-13	1,028	15	455,000	-	-
Total			**7,535**	**111**	**3,618,883**	**1,074,082**	**969,501**

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	Dec-05	Completed	1,628	24	797,650	504,469	252,921
Batch 2.1	Dec-06	Dec-10	565	9	267,500	-	-
Batch 2.2	Dec-06	Jun-11	335	5	157,871	-	-
Batch 2.3	Dec-06	Dec-11	386	6	181,448	-	-
Batch 3.1	Jun-07	Completed	495	7	242,901	237,154	-
Batch 3.2	Oct-09	Sep-12	524	8	240,835	235,088	-
Batch 3.3	Jul-11	Jun-14	555	8	237,223	232,625	-
Batch 4	Oct-10	Sep-13	2,600	38	1,150,000	-	-
Batch 5	Apr-12	Mar-15	2,597	38	1,075,551	-	-
Total			**9,685**	**143**	**4,350,979**	**1,209,336**	**252,921**

Notes:

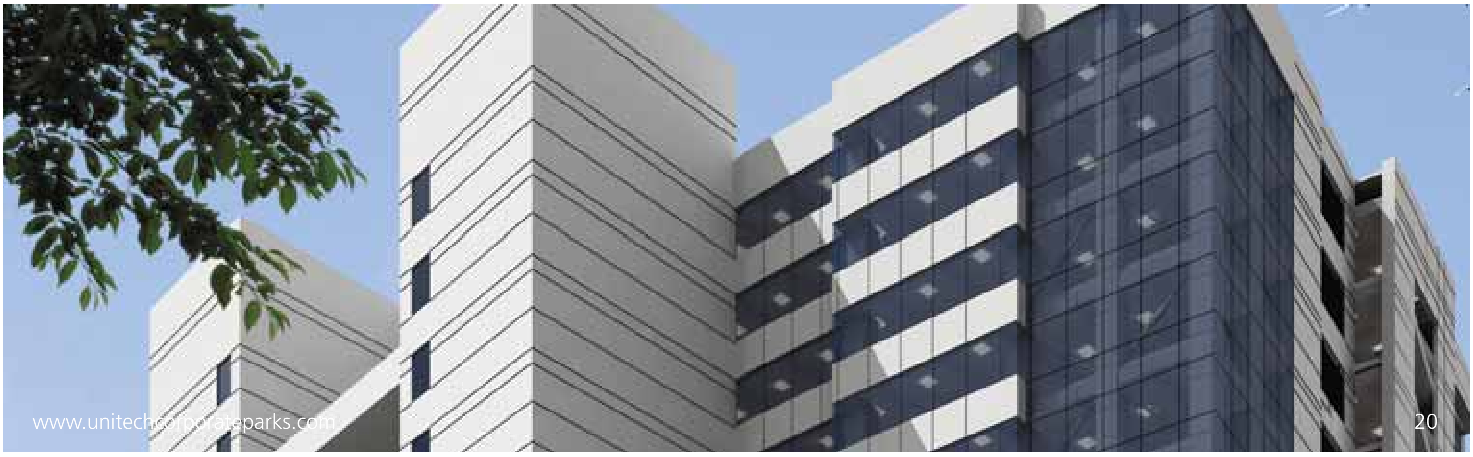
1 Includes fit-outs of £13 million and excludes interest during construction.

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	Nov-06	Jul-10	595	9	270,000	-	-
Batch 2	Dec-06	Feb-11	837	12	380,000	-	-
Batch 3	Jan-07	Nov-11	792	12	357,000	-	-
Batch 4	Dec-07	Aug-12	615	9	274,000	-	-
Batch 5	Jan-08	May-13	990	14	436,000	-	-
Batch 6	Feb-08	Dec-13	796	12	347,000	-	-
Total			**4,625**	**68**	**2,064,000**	**-**	**-**

Notes:
1 Includes fit-outs of £7 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	Feb-12	Feb-14	789	12	340,000	-	-
Batch 2	Jun-10	Jun-12	934	14	430,000	-	-
Batch 3	Apr-11	Apr-13	730	11	325,000	-	-
Batch 4	Jun-10	Jun-12	764	11	340,000	-	-
Batch 5	Apr-11	Apr-13	998	15	430,000	-	-
Batch 6	Feb-12	Feb-14	719	10	300,000	-	-
Batch 7	Nov-12	Nov-14	901	13	365,000	-	-
Batch 8	Aug-13	Aug-15	1,063	16	430,000	-	-
Batch 9	Nov-12	Nov-14	718	10	300,000	-	-
Total			**7,616**	**112**	**3,260,000**	**-**	**-**

Notes:
1 Includes fit-outs of £20 million and excludes interest during construction.



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	Sep-07	Completed	388	6	200,682	150,462	150,462
Batch 1.2	Sep-07	Jul-10	503	7	250,839	-	-
Batch 1.3	Sep-07	Oct-10	403	6	200,682	-	-
Batch 1.4	Sep-07	Feb-11	503	8	250,839	-	-
Batch 2	Jul-10	Jun-12	1,792	26	863,607	-	-
Batch 3	Jul-11	Jun-13	1,871	28	863,607	-	-
Batch 4	Jul-12	Jun-14	1,221	18	539,283	-	-
Total			**6,681**	**99**	**3,169,539**	**150,462**	**150,462**

Notes:

1 Includes fit-outs of £10 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	Apr-08	Sep-12	1,551	23	824,509	-	-
Batch 1.2	Jul-11	Jun-13	1,641	24	824,509	-	-
Batch 2.1	Apr-12	Mar-14	1,695	25	824,509	-	-
Batch 2.2	Jan-13	Dec-14	1,752	26	824,509	-	-
Batch 3.1	Oct-13	Sep-15	1,810	27	824,509	-	-
Batch 3.2	Jul-14	Jun-16	1,870	27	824,509	-	-
Total			**10,319**	**152**	**4,947,055**	**-**	**-**

Notes:

1 Includes fit-outs of £16 million and excludes interest during construction.

Nectrus Limited
Investment Manager **15 September 2010**

Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2010.

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 27 to 52. The Group reported net assets at the date of the statement of financial position of £258,216,859 (2009: £374,662,796) and for the year ended 31 March 2010 total comprehensive loss attributable to the shareholders of £(116,445,937) (year ended 31 March 2009: loss £(120,645,181)).

The Directors do not propose a dividend in respect of the year ended 31 March 2010 (year ended 31 March 2009: £nil).

Directors

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

Atul Kapur
Aubrey John Adams
Ajay Chandra
Mohammad Yousuf Khan
Donald Lake

As at 31 March 2010 and 31 March 2009 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 **15 September 2010**

Statement of Directors' Responsibilities in respect of the Annual 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 Group and Parent Company financial statements for each financial year, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards.

The Group and Parent Company 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 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 **15 September 2010**

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 Combined Code and although the Company is not obliged by the listing rules of the Alternative Investment Market of the London Stock Exchange to do so, the Board intends to take appropriate measures to ensure that the Company complies with the 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. Aubrey Adams 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.

Aubrey Adams
Chairman,
Audit Committee **15 September 2010**

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

We have audited the Group and Parent Company financial statements (the "financial statements") of Unitech Corporate Parks plc for the year ended 31 March 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

The Directors' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and International Financial Reporting Standards are set out in the Statement of Directors' Responsibilities on page 23.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Companies Acts 1931 to 2004. We also report to you if, in our opinion, the Company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Directors' Report and any other information accompanying the financial statements and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the audited financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Group and Parent Company’s affairs as at 31 March 2010 and of the Group’s loss for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1931 to 2004.

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

15 September 2010

unitech CORPORATE PARKS PLC

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2010

	Note	Year Ended 31 March 2010 £	Year Ended 31 March 2009 £
Income			
Investment property revenue		7,501,923	4,358,330
Interest income on cash balances		1,190,405	1,413,100
Interest income on corporate deposits	20	2,234,436	5,279,970
Net loss from fair value adjustment on investment property	8	(137,815,658)	(15,826,534)
Net realised losses on financial assets at fair value through profit or loss		-	(133,768)
Movement in net unrealised (losses)/gains on financial assets at fair value through profit or loss		-	31,646
		(126,888,894)	(4,877,256)
Expenditure			
Goodwill impairment	10	44,176,857	-
Management fee	4	4,333,545	6,295,500
Performance fee	4	-	(722,713)
Repair and maintenance costs		-	767,764
Administration and accounting fees		58,508	58,333
Directors' fees	19	190,000	198,725
Audit fees		55,649	76,823
Other operating expenses	11	3,035,281	1,676,973
		51,849,840	8,351,405
Operating loss for the year		(178,738,734)	(13,228,661)
Finance lease costs		(329,590)	(385,667)
Loss for the year before tax		(179,068,324)	(13,614,328)
Current tax expense	12	(700,985)	(1,805,661)
Deferred tax credit	12	47,289,645	1,326,348
Loss for the year		(132,479,664)	(14,093,641)
Other comprehensive income/(loss)			
Foreign currency translation differences for foreign operations		15,217,886	33,078,117
Loss on revaluation of investment property under construction		-	(239,822,031)
Deferred tax arising from revaluation of investment property under construction		-	77,874,454
Movement in performance fee provision		815,841	22,075,254
Brokerage costs		-	242,666
Other comprehensive income/(loss) for the year net of income tax		16,033,727	(106,551,540)
Total comprehensive loss for the year		(116,445,937)	(120,645,181)
Basic and diluted loss per share	14	(36.80)p	(3.91)p

The Directors consider that all results derive from continuing activities.

The notes on pages 31 to 52 form an integral part of these financial statements.

Consolidated and Company Statements of Financial Position

as at 31 March 2010

		Group		Company	
	Note	2010 £	2009 £	2010 £	2009 £
Assets					
Non-current assets					
Investment in subsidiary		-	-	229,438,253	317,000,000
Investment property	8	274,412,440	46,603,071	-	-
Property, plant and equipment	9	1,263,293	336,968,289	-	-
Intangible assets - goodwill	10	-	41,379,773	-	-
Deferred tax asset	12	-	43,863	-	-
		276,675,733	424,994,996	229,438,253	317,000,000
Current assets					
Financial assets at fair value through profit or loss	7	-	5,475,761	-	5,475,761
Loan to subsidiary		-	-	16,229,979	10,343,199
Trade and other receivables	18	10,950,637	62,241,076	5,003,334	155,764
Cash at bank and brokers		38,385,317	21,493,904	7,681,889	13,485,161
		49,335,954	89,210,741	28,915,202	29,459,885
Total assets		325,011,687	514,205,737	258,353,455	346,459,885
Financed by:					
Equity and liabilities					
Capital and reserves	13				
Share capital		3,600,000	3,600,000	3,600,000	3,600,000
Share premium		342,918,991	342,918,991	342,918,991	342,918,991
Translation reserve		80,079,180	64,861,294	-	-
Revaluation reserve		(23,468,045)	(23,283,886)	-	-
Retained loss		(145,913,267)	(13,433,603)	(88,302,132)	(198,067)
		258,216,859	374,662,796	258,216,859	346,320,924
Non-current liabilities					
Finance lease liabilities	15	2,580,763	3,287,894	-	-
Bank loans	16	-	16,145,445	-	-
Performance fee provision	4	-	815,841	-	-
Deferred tax liabilities	12	53,942,962	99,573,201	-	-
		56,523,725	119,822,381	-	-
Current liabilities					
Finance lease liabilities	15	1,047,876	1,335,830	-	-
Bank loans	16	-	980,078	-	-
Trade and other payables	17	9,218,313	17,009,383	136,596	138,961
Income tax liabilities	12	4,914	395,269	-	-
		10,271,103	19,720,560	136,596	138,961
Total liabilities		66,794,828	139,542,941	136,596	138,961
Total equity and liabilities		325,011,687	514,205,737	258,353,455	346,459,885

These financial statements were approved and authorised for issue by the Board of Directors on 15 September 2010 and signed on their behalf by:

Aubrey Adams
Director

Donald Lake
Director

The notes on pages 31 to 52 form an integral part of these financial statements.

Consolidated and Company Statements of Changes in Equity

for the year ended 31 March 2010

	Share capital £	Share premium £	Translation reserve £	Revaluation reserve £	Retained (loss)/ earnings £	Total £
Group						
Balance at 1 April 2008	3,600,000	342,918,991	31,783,177	116,588,437	417,372	495,307,977
Total comprehensive loss for the year:						
Loss for the year	-	-	-	-	(14,093,641)	(14,093,641)
Other comprehensive income/(loss)	-	-	33,078,117	(139,872,323)	242,666	(106,551,540)
Total comprehensive income/(loss) for the year	-	-	33,078,117	(139,872,323)	(13,850,975)	(120,645,181)
Balance at 31 March 2009	3,600,000	342,918,991	64,861,294	(23,283,886)	(13,433,603)	374,662,796
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	-	-	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

	Share capital £	Share premium £	Retained (loss)/ earnings £	Total £
Company	3,600,000	342,918,991	563,146	347,082,137
Balance at 1 April 2008				
Total comprehensive loss for the year:				
Loss for the year	-	-	(761,213)	(761,213)
Balance at 31 March 2009	3,600,000	342,918,991	(198,067)	346,320,924
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

The notes on pages 31 to 52 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 31 March 2010

	Year Ended 31 March 2010 £	Year Ended 31 March 2009 £
Operating activities		
Loss for the year before tax	(179,068,324)	(13,614,328)
Adjustment for:		
Interest income on cash balances	(1,190,405)	(1,413,100)
Interest income on corporate deposits	(2,234,436)	(5,279,970)
Net loss from fair value adjustment on investment property	137,815,658	15,826,534
Net realised losses on financial assets at fair value through profit or loss	-	133,768
Movement in net unrealised (gains)/losses on financial assets at fair value through profit or loss	-	(31,646)
Goodwill impairment	44,176,857	-
Performance fee	-	(722,713)
Finance lease costs	329,590	385,667
Depreciation	79,151	44,724
Operating loss before changes in working capital	(91,909)	(4,671,064)
Increase in trade and other receivables	(1,201,221)	(1,164,031)
(Decrease)/increase in trade and other payables	(7,558,034)	3,813,549
	(8,851,164)	(2,021,546)
Tax paid	(1,285,826)	(1,346,054)
Net cash used in operating activities	(10,136,990)	(3,367,600)
Investing activities		
Acquisition of investment property including advances	(17,743,721)	-
Acquisition of property, plant and equipment	(20,301)	(21,197,233)
Acquisition of financial assets	-	(5,475,761)
Proceeds from sale of financial assets (including realised gains)	556,337	4,946,524
Payment of advances to related party	-	(69,922,330)
Repayment of advances by related party	52,999,564	19,117,005
Interest received	3,020,575	3,210,841
Net cash generated from/(used in) investing activities	38,812,454	(69,320,954)
Financing activities		
Receipt of borrowings from banks	-	15,828,731
Repayment of borrowings from banks	(16,512,361)	-
Payment of finance lease liability	(1,510,570)	(1,113,601)
Net cash (used in)/generated from financing activities	(18,022,931)	14,715,130
Increase/(decrease) in cash and cash equivalents	10,652,533	(57,973,424)
Cash and cash equivalents at beginning of year	21,493,904	78,180,626
Exchange difference on cash and cash equivalents	6,238,880	1,286,702
Cash and cash equivalents at end of the year	38,385,317	21,493,904

The notes on pages 31 to 52 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2010

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 Value, Note 4: Management Fees and Note 10: Goodwill.

2.5 Changes in Accounting Policies

Presentation of financial statements

The Group applied revised IAS 1 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

Investment property under construction

A revision of IAS 40 amended the definition of investment property to include investment property under construction with fair value gains on investment property under construction being recognised in profit or loss. This amendment has been applied prospectively for the year ended 31 March 2010.

2.6 Future changes in accounting policies

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

New/Revised International Financial Reporting Standards (IAS/IFRS)	Effective date (accounting periods commencing after)
IAS 1 Presentation of Financial Statements (Revised April 2009)*	1 January 2010
IAS 7 Statement of Cash Flows (Revised April 2009)*	1 January 2010
IAS 17 Leases (Revised April 2009)	1 January 2010
IAS 24 Related Party Disclosures - Revised definition of related parties	1 January 2011
IAS 32 Financial Instruments: Presentation - Amendments relating to classification of rights issues	1 February 2010
IAS 36 Impairment of Assets (Revised 2009)*	1 January 2010
IAS 38 Intangible Assets (Revised April 2009)*	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments	30 June 2009
IAS 39 Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items	1 July 2009
IAS 39 Financial Instruments: Recognition and Measurement (Revised April 2009)*	1 January 2010
IFRS 3 Business Combinations - Comprehensive revision on applying acquisition method	1 July 2009
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Revised April 2009)*	1 January 2010
IFRS 8 Operating Segments (Revised April 2009)*	1 January 2010
IFRS 9 Financial Instruments - Classification and Measurement	1 January 2013
IFRIC Interpretation IFRIC 17 Distributions of Non-Cash Assets to Owners	1 July 2009
IFRIC 18 Transfers of Assets from Customers	1 July 2009
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

* Amendments resulting from April 2009 Annual Improvements to IFRSs

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.

3. Significant Accounting Policies

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

3.1 Basis of Consolidation

Subsidiaries

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

Joint Ventures

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

Transactions Eliminated on Consolidation

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

3.2 Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on translation are recognised in the 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 2010.

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.

Changes in fair values are recorded in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

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

Investment Property under Construction

A revision of IAS 40 amended the definition of investment property to include investment property under construction with fair value gains and losses on investment property under construction being recognised in profit or loss. Accordingly investment property under construction as at 31 March 2009 has been reclassified as investment property in these financial statements.

As at 31 March 2009 investment property under construction was measured initially at its cost, including related transaction costs. After initial recognition, investment property under construction was carried at fair value 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 investment properties under construction as of 31 March 2009 was carried out by Knight Frank (India) Private Limited (independent professionally qualified valuers).

Plant and Equipment

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

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

Depreciation

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

The estimated useful lives are as follows:

Plant and machinery	14 years
Fixtures and fittings	16 years

3.5 Intangible Assets - Goodwill

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

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

3.6 Finance Leases

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

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

3.7 Investment Property Revenue

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

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

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

Revenue is presented, net of goods and services 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.

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12 Earnings Per Share

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

3.13 Cash and Cash Equivalents

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

3.14 Segment Reporting

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

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

4. Management Fee

Nectrus Limited, the Investment Manager, and an affiliate of the Unitech Group, receives a management fee equivalent to 2 per cent per annum of the Company's average invested equity capital paid quarterly in arrears. With effect from 19 February 2009 25% of the management fee will be 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 managment fee will be invested in UCP shares acquired in the open market.

At 31 March 2010 the total deferred management fee amounted to £1,961,955 (2009: £nil). No provision for deferred management fee has been made in the financial statements at 31 March 2010, 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 2010 based on the Project IRRs (2009: £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.

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:

	2010 £	2009 £
British Pounds	13,881,159	18,612,678
Indian Rupees	243,686,360	356,050,118
US Dollar	649,340	-
Net assets	258,216,859	374,662,796

If the Indian rupee appreciated/depreciated by 5% against the British pound the effect would be to increase/decrease net assets by £11,635,034 (2009: £16,954,768).

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.

(iv) Interest rate risk

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 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)		

31 March 2009

	Less than 3 months £	3 months to 1 year £	1-5 years £	Over 5 years £	Non-interest bearing £	Total £
Financial assets						
Financial assets at fair value through through profit or loss	5,475,761	-	-	-	-	5,475,761
Debtors and other receivables	58,675,842	-	-	-	3,565,234	62,241,076
Cash and cash equivalents	21,493,904	-	-	-	-	21,493,904
Total financial assets	85,645,507	-	-	-	3,565,234	89,210,741
Financial liabilities						
Financial lease liabilities	-	1,335,830	2,271,394	1,016,500	-	4,623,724
Performance fee provision	-	-	-	-	815,841	815,841
Bank loans	245,061	735,017	6,606,236	9,539,209	-	17,125,523
Trade and other payables	-	-	-	-	17,009,383	17,009,383
Total financial liabilities	245,061	2,070,847	8,877,630	10,555,709	17,825,224	39,574,471
Net financial assets/(liabilities)	85,400,446	(2,070,847)	(8,877,630)	(10,555,709)		

The effective rate of interest on the Group’s finance lease liabilities is 10% per annum.
The effective rate of interest on the Group’s bank loans was 13.5% per annum.

5.3 Credit Risk

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

	2010 £	2009 £
Financial assets at fair value through profit or loss	-	5,475,761
Trade and other receivables	10,950,637	62,241,076
Cash and cash equivalents	38,385,317	21,493,904
	49,335,954	89,210,741

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 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	-	-	-	-
	9,218,313	1,047,876	1,581,518	999,245	-

31 March 2009	Less than 3 months £	3 months to 1 year £	1-5 years £	Over 5 years £	No stated maturity £
Financial liabilities					
Finance lease liabilities	-	1,335,830	2,271,394	1,016,500	-
Bank loans	245,061	735,017	6,606,236	9,539,209	-
Performance fee provision	-	-	-	-	815,841
Trade and other payables	17,009,383	-	-	-	-
	17,254,444	2,070,847	8,877,630	10,555,709	815,841

6. Determination of Fair Values

Investment Property and Investment Property Under Construction

The Group's investment property and investment property under construction were valued by independent professional valuers at market value in accordance with the RICS Appraisal and Valuation Standards at the reporting date. The valuer used the 'Income Approach' to valuation, ascertaining the present value of future benefits net of costs incurred. The terminal value of each of the properties was estimated by capitalising the lease rentals at the end of the tenth year at a capitalisation rate ranging from 11.5% to 12%. The estimated future cashflows were discounted at the weighted average cost of capital ("WACC") ranging from 16% to 17.5%for each of the properties. In calculating the WACC the cost of equity assumed for the projects ranged from 22% to 25% and the cost of debt ranged from 14% to 15%. Debt to equity ratio was assumed at 3:1.

Financial Assets

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

7. Financial Assets at Fair Value Through Profit or Loss

	2010 £	2009 £
Designated at fair value through profit or loss		
Structured notes (see Note 20)	-	5,475,761
Total financial assets at fair value through profit or loss	-	5,475,761

During the year the Company invested some of its surplus cash reserves in structured note products with the aim of enhancing the return on its cash reserves. As at the year end the Company had no cash reserves invested in structured note products.

Nectrus Limited, the Investment Manager, agreed to compensate the Company for the loss of £4,919,424 incurred on the structured note investment of £5,475,761 made in accordance with the investment management agreement. The investment matured in May 2009 with a return of £556,337 of capital.

8. Investment Property

	2010 £	2009 £
Value		
Balance at start of year	46,603,071	51,246,482
Reclassification from investment property under construction	335,723,948	7,029,121
Additions	17,012,325	-
Revaluation of investment property	(137,815,658)	(15,826,534)
Effect of movements in exchange rates	12,888,754	4,154,002
Balance at end of year	274,412,440	46,603,071

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 2010 and 31 March 2009.

9. Property, Plant and Equipment

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

31 March 2009

	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 2008	-	530,016,762	431,739	50,082	530,498,583
Additions	13,640	20,534,360	614,557	247,224	21,409,781
Transfer to investment property	-	(6,892,067)	(137,054)	-	(7,029,121)
Revaluation of investment					-
properties under construction	-	(239,822,031)	-	-	(239,822,031)
Effect of movements in exchange rates	1,117	31,886,924	80,189	25,018	31,993,248
Balance at 31 March 2009	14,757	335,723,948	989,431	322,324	337,050,460
Depreciation					
Balance at 1 April 2008	-	-	26,644	4,203	30,847
Depreciation for the year	439	-	30,312	13,973	44,724
Effect of movements in exchange rates	36	-	5,019	1,545	6,600
Balance at 31 March 2009	475	-	61,975	19,721	82,171
Carrying amounts					
At 1 April 2008	-	530,016,762	405,095	45,879	530,467,736
At 31 March 2009	14,282	335,723,948	927,456	302,603	336,968,289

The net book value, at cost, of investment property under construction at 31 March 2009 was £304,750,129.

Investment property under construction was valued at market value in accordance with the RICS Appraisal and Valuation Standards by Knight Frank (India) Private Limited at 31 March 2009.

10. Intangible Assets - Goodwill

	2010 £	2009 £
Cost		
Balance at start of year	41,379,773	37,785,487
Effect of movements in exchange rates	2,797,084	3,594,286
Goodwill impairment	(44,176,857)	-
Balance at end of year	-	41,379,773

The Board reviewed the potential impairment of goodwill at 31 March 2010 and have written 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.

11. Other Operating Expenses

Other operating expenses comprise:

	2010 £	2009 £
Legal and professional fees	133,949	1,107,858
Shareholder servicing fees	103,327	112,949
NOMAD fee	89,931	98,039
Property valuation fees	49,019	61,427
Depreciation	79,151	44,725
Directors' expenses	71,532	142,584
Share of joint venture other expenses	2,581,671	486,781
Sundry expenses	25,964	30,260
Foreign exchange	(99,263)	(407,650)
	3,035,281	1,676,973

12. Taxation

A standard zero per cent rate of income tax applies for Isle of Man companies (except in relation to profits arising from banking, or from land and property in the Isle of Man). The Company is required to pay an annual corporate charge, currently £250.

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

The joint venture companies are subject to corporate taxation in India at the rate of 33.99 per cent on their net income and short term gains.

	2010 £	2009 £
Tax credit in the statement of comprehensive income:		
Current tax expense in joint ventures	(700,985)	(1,805,661)
Deferred tax credit/(charge) arising on revaluation of investment property	47,289,645	1,326,348
	46,588,660	(479,313)

	2010 £	2009 £
Income tax liabilities at end of year		
Current tax liabilities		
Arising on net operating income in joint ventures	(4,914)	(395,269)

	2010 £	2009 £
Deferred tax assets and liabilities at end of year		
Deferred tax assets		
Arising on net operating losses in subsidiary companies	-	43,863
Deferred tax liabilities		
Arising on revaluation of investment property	(53,942,962)	(99,573,201)

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

13. Share Capital and Reserves

13.1 Capital Management

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

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

13.2 Share Capital

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

13.3 Translation Reserve

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

13.4 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.

14. Basic and Diluted Loss per Share

The calculation of loss per share at 31 March 2010 of 36.80p (2009: loss per share of 3.91p) is based on the loss attributable to ordinary shareholders of £132,479,664 (2009: loss £14,093,641) and a weighted average number of ordinary shares outstanding of 360,000,000 (2009: 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.

15. Finance Lease Liabilities

Finance lease liabilities are payable as follows:

	2010 £	2009 £
Less than one year	1,047,876	1,335,830
Between one and five years	1,581,518	2,271,394
More than five years	999,245	1,016,500
	3,628,639	4,623,724

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

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

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

16. Bank Loans

The Group's bank borrowings as at 31 March 2009, which were secured by hypothecation of lease rentals and a charge on the property for a value of the loan were repaid during the year.

The Group's bank loans are analysed as follows:

	2010 £	2009 £
Less than one year	-	980,078
Between one and two years	-	1,261,633
Between two and five years	-	5,344,603
More than five years	-	9,539,209
	-	17,125,523

17. Trade and Other Payables

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

	2010 £	2009 £
Trade payables	8,076,547	10,415,455
Amounts due to related parties (see Note 20)	622,379	1,168,428
Social security and other taxes	302,987	272,268
Provisions	-	559,673
Other payables	216,400	4,593,559
	9,218,313	17,009,383

18. Trade and Other Receivables

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

	2010 £	2009 £
Deposits with related party (see Note 20)	-	58,675,842
Amount due from related party (see Note 7)	4,919,424	-
Trade and other receivables	6,031,213	3,565,234
	10,950,637	62,241,076

19. Directors' Fees

	Annual fees £	Sitting fees £	Total £
Atul Kapur	60,000	4,000	64,000
Aubrey Adams	35,000	4,000	39,000
Ajay Chandra	25,000	4,000	29,000
Mohamed Khan	25,000	4,000	29,000
Donald Lake *	25,000	4,000	29,000
	170,000	20,000	190,000

** excluding VAT*

During the year, Mr Adams received an additional £9,750 as consultancy fee.

20. Related-party Transactions

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

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.

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

As at 31 March 2010 and 31 March 2009 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. As explained in Note 7, Nectrus Limited agreed to compensate the Company for the loss of £4,919,424 incurred on the structured note investment of £5,475,761.

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 2010 totalled £1,696,803 (year ended 31 March 2009: £1,865,573) and the amount outstanding as at 31 March 2010 was £622,379 (31 March 2009: £1,168,428).

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 2010 totalled £448,768 (year ended 31 March 2009: £nil) and the amount outstanding as at 31 March 2010 was £128,517 (31 March 2009: £nil).

20. Group Entities

21.1 Subsidiaries

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

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

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

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

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

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

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

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

21.2 Joint Ventures

The following companies have been proportionately consolidated as joint ventures.

	Country of incorporation	Class of shares	Percentage holding
Shantinikitan Properties Limited	India	Ordinary	60%
Shantinikitan 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%

21.2 Joint Ventures

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 income statement.

	2010 £	2009 £
Income		
Investment property revenue	7,501,923	4,358,330
Interest income on cash balances	1,053,372	585,935
Interest income on corporate deposits	2,234,436	5,279,970
Net loss from fair value adjustment on investment property	(137,815,658)	(15,826,533)
	(127,025,927)	(5,602,298)
Expenses		
Repair and maintenance costs	-	767,765
Other operating expenses	2,596,225	452,399
	2,596,225	1,220,164
Operating loss for the year	(129,622,152)	(6,822,462)
Finance lease costs	(329,590)	(385,667)
Taxation	46,632,523	(1,805,660)
Loss for the year	(83,319,219)	(9,013,789)

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.

	2010 £	2009 £
Assets		
Non-current assets		
Investment property	274,412,440	46,603,071
Property, plant and equipment	1,263,293	336,968,289
	275,675,733	383,571,360
Current assets		
Trade and other receivables	4,587,105	60,819,278
Cash at bank	30,052,705	7,283,952
	34,639,810	68,103,230
Total assets	310,315,543	451,674,590
Liabilities		
Non-current liabilities		
Finance lease liabilities	2,580,763	3,287,894
Bank loans	-	16,145,445
Deferred tax	53,942,962	99,573,201
	56,523,725	119,006,540
Current liabilities		
Finance lease liabilities	1,047,876	1,335,830
Trade and other payables	9,052,670	15,969,027
Bank loans	-	980,078
Income tax liabilities	4,914	395,269
	10,105,460	18,680,204
Total liabilities	66,629,185	137,686,744
Net assets	243,686,358	313,987,846

22. Commitments

The Group's share of capital commitments in respect of capital expenditure contracted for by the joint ventures as at 31 March 2010 was £57,493,068 (2009: £67,988,858).

23. Subsequent Events

(i) Valuation of investment property and investment property under construction

Subsequent to 31 March 2010, market conditions changed in India. The government issued a draft of the proposed guidelines of the Direct Tax Code which stipulates that any non-developed SEZ sites which had not commenced development by April 2011 would lose their SEZ status.

As a consequence of the above, the Directors commissioned another open market valuation report from Knight Frank as at 31 July 2010. The open market value as at 31 July 2010 was £281.3 million, representing a 38.5% decline since the 31 March 2010 valuation.

	31 July 2010 £ million	31 March 2010 £ million
InfoSpace, Kolkata (K1)	68.1	126.4
InfoSpace, Gurgaon ITC (G1-ITC)	33.2	69.4
InfoSpace, Gurgaon IST (G2-IST)	106.9	129.9
InfoSpace, Noida (N1)	26.0	45.8
InfoSpace, Noida (N2)	44.4	79.9
InfoSpace, Greater Noida (N3)	2.7	6.0
	281.3	457.4

(ii) Financial assets at fair value through profit or loss

Nectrus Limited, the Investment Manager, agreed to compensate the Company for the loss of £4,919,424 incurred on a structured note investment of £5,475,761 made in accordance with the investment management agreement. The investment matured in May 2009 with a return of capital of £556,337. Subsequent to the year end an amount of £1,177,172, representing the management fee due for the June 2010 quarter has been offset against the balance outstanding at the year end.

Notes

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unitech CORPORATE PARKS PLC

Infospace, Gurgaon (G1-ITC)

Infospace, Dundahera, Gurgaon (G2-IST)

Infospace, Sector 62, Noida (N1)

Infospace, Sector 135, Noida (N2)

Infospace, Greater Noida (N3)

Infospace, Kolkata (K1)

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