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Unitech International Ltd.

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14th

ANNUAL REPORT

2008 - 2009

[REDACTED]

Unitech International Ltd.

Annual Report 2008 - 2009

DIRECTORS	<p>DHRUV RAJESH DESAI PANKAJ HARIBHAI VALIA JOSEPH KURIAKOSE MATHOOR KIRTI KANTILAL MEHTA</p> <p><i>(Executive Director & CFO)</i> <i>(Non Executive Director)</i> <i>(Independent Director)</i> <i>(Independent Director)</i></p>
BANKERS	<p>DENA BANK CO-OP BANK OF AHMEDABAD LTD. HDFC BANK</p>
AUDITORS	<p>M/s. Dedhia Talak Devji 78/80, V.V Chandan Street, 1st Floor, Mumbai – 400003.</p>
REGISTERED OFFICE	<p>1/A, 3rd Floor, Bombay Mutual Building, Sir P. M. Road, Fort, Mumbai – 400003.</p>
ADMINISTRATIVE / CORPORATE OFFICE	<p>102, Unque House, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai – 400093.</p>
REGISTRAR AND TRANSFER AGENT	<p>M/S. SYSTEM SUPPORT SERVICES 209 SHIVAI INDUSTRIAL ESTATE, ANDHERI KURLA ROAD, SAKI NAKA, ANDHERI EAST, MUMBAI 400 072.</p>

Contents	Page No.
Notice	01
Directors' Report	04
Report of Corporate Governance	08
Management Discussion and Analysis	19
Auditors' Report	22
Balance-Sheet	27
Profit & Loss A/c	28
Schedule attached Balance Sheet	29
Schedule attached Profit & Loss A/c	32
Notes forming part of Accounts annexed to Balance-Sheet	33
Cash Flow Statement	37
Attendance Slip & Proxy Form	39

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of **Unitech International Ltd.** will be held at 1/A, 3rd Floor, Bombay Mutual Building, Sir P. M. Road, Fort, Mumbai - 400001 on Tuesday, 30th September, 2009, at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2009 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2009 and Report of the Directors and Auditors thereon.
- 2) To consider not to appoint Shri Kirti G. Desai who retires by rotation but has not offered himself for re-appointment.
- 3) To appoint M/s. Bhuta Shah & Co, Chartered Accountants as Statutory Auditors in place of M/s. Dedhia Talak Devji, Chartered Accountants who were re-appointed as Statutory Auditors at the last Annual General Meeting and held their office till conclusion of this Annual general Meeting and who have expressed their unwillingness to be re-appointed as Statutory Auditors and to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Bhuta Shah & Co., Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors in connection with the Audit of the Accounts of the Company."

SPECIAL BUSINESS

- 4) To consider and if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Shri Pankaj H. Valia, who was appointed as an Additional Director on 01st April, 2009 and who in terms of Section 260 of the Companies Act, 1956 holds Office as such upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under section 257 of the Companies Act, 1956, from a Shareholder of the Company signifying his intention to propose Shri Pankaj H. Valia as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

- 5) To consider and if though fit, to pass with or without modification the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Shri Kirti Kantilal Mehta, who was appointed as an Additional Director on 01st April, 2009 and who in terms of Section 260 of the Companies Act, 1956 holds Office as such upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing along with the requisite deposit under section 257 of the Companies Act, 1956, from a Shareholder of the

Unitech International Ltd.**Annual Report 2008 - 2009**

Company signifying his intention to propose Shri Kirti Kantilal Mehta as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not later 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th September, 2009 to 30th September, 2009 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registrars, M/s System Support Services having its office at 209, Shivai Industrial Estate, Next to Parke Davis Ltd, Saki Naka, Mumbai-400072
4. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
5. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company or at the office of R & T Agent prior to closure of the Register of Members as stated above.
6. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto and the papers/documents referred to therein are open for inspection at the Registered Office of the Company between 11:00 am and 2:00 pm on any working day prior to the date of Meeting.

For and on behalf of the Board

Sd/-

DHRUV R. DESAI
EXECUTIVE DIRECTOR & CFO

PLACE : Mumbai
DATE : 3rd September, 2009

Explanatory Statement under section 173(2) of the Companies Act, 1956**ITEM NO. 5**

The Board of directors appointed Shri Pankaj H. Valia as Additional Director with effect from 1st April, 2009 by passing the resolution in the Board Meeting, pursuant to Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said section, Shri Pankaj H. Valia will hold office upto the date of this Annual General Meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of the Director.

None of the directors of the company other than Shri. Pankaj H. Valia are concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

ITEM NO 6

The Board of directors appointed Shri Kirti Kantilal Mehta as Additional Director with effect from 1st April, 2009 by passing the resolution in the Board Meeting, pursuant to Articles of Association of the company and section 260 of the Companies Act, 1956. As per the said section, Shri Kirti Kantilal Mehta will hold office upto the date of this Annual General Meeting. A notice pursuant to section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of the Director.

None of the directors of the company other than Shri. Kirti Kantilal Mehta are concerned or interested in the resolution. Your Directors, therefore, recommend the resolution for your approval.

For and on behalf of the Board

Sd/-

DHRUV R. DESAI
EXECUTIVE DIRECTOR & CFO

PLACE : Mumbai
DATE : 3rd September, 2009

DIRECTORS' REPORT

The Directors have pleasure in presenting their 14th Annual Report on the business and operations of the Company for the year ended 31st March, 2009.

1. FINANCIAL RESULTS :

	31st March, 2009	31st March, 2008
Sales	61,66,667	39,44,212
Profit (Loss) before Depreciation, Interest & Tax	3,83,567	3,33,651
Interest	97,298	-
Profit before Depreciation & Tax	2,86,269	3,33,651
Depreciation	2,73,762	3,18,464
Profit after Depreciation & Interest	12,507	15,187
Provision for tax	(3,783)	-
Provision for deferred tax	29,24,231	-
Profit after tax	(29,15,507)	15,187
Surplus/ Deficit of earlier year	8,78,552	8,63,365
Balance carried to Balance Sheet (Profit/ (Loss) Account)	(20,36,955)	8,78,552

2. DIVIDEND :

In view of loss, the Directors have decided not to recommend any dividend for the year under review.

3. DIRECTORS :

Shri Kirti G. Desai, Director of the Company who retires by rotation under Article 104 of Articles of Association of the Company and is eligible for re-appointment but has not offered himself for re-appointment.

Shri. Pankaj H. Valia and Shri. Kirti Kantilal Mehta who were appointed as Additional Directors of the Company under Section 260 of the Companies Act, 1956 hold their office upto this Annual General Meeting. The Company has received notices from Shareholders of the Company with requisite deposit of Rs. 500/- for each of them for their appointment as Directors of the Company. The Resolutions for their appointment as Directors are proposed in the Notice of this Annual General Meeting for consideration of the Members of the Company.

Shri. Gajendra Desai, who was Director of the Company has ceased to hold his Office as Director of the Company under Section 283(1)(g) of the Companies Act, 1956.

4. OPERATIONS:

During the year under Report your Company achieved a Turnover of Rs. 6,166,667/- as against Turnover of Rs.3,944,212/- in the previous year reflecting an increase of 56.34 %. The profit after Depreciation and Tax was Rs. (2,915,507) as against profit of Rs. 15,187/- in the year ended 31st March, 2008.

5. AUDITORS:

M/s. Dedhia Talak Devji, Chartered Accountants who were re-appointed as the Statutory Auditors of the Company at the last Annual General Meeting have expressed their inability to be re-appointed for the year ended 2009-10. The Directors propose to appoint M/s. Bhoota Shah & Co, Chartered Accountants as the Statutory Auditors of the Company in place of M/s. Dedhia Talak Devji, Chartered Accountants and have also confirmed

that their appointment shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Necessary Resolutions for their appointment has been proposed for the consideration of the Members of the Company.

6. AUDITOR'S REPORT:

There are no adverse observations made by the Auditors in their Report.

4. AUDIT COMMITTEE

Audit Committee was reconstituted on 01st April, 2009. The Board appointed Shri. Kirti Kantilal Mehta and Shri Pankaj Harilal Valia as Members of the Audit Committee in place of Shri. Gajendra N. Desai and Shri. Dhruv Rajesh Desai

5. SHAREHOLDERS AND INVESTOR GRIEVANCE COMMITTEE

Shareholder and investor Grievance Committee was reconstituted on 01st April, 2009. The Board appointed Shri. Kirti Kantilal Mehta and Shri Pankaj Harilal Valia as Members of the Shareholders and Investors Grievance Committee in place of Shri. Gajendra N. Desai and Shri Dhruv Rajesh Desai

9. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) in the presentation of the Annual Accounts, the applicable Accounting Standards except revised AS 15 applicable for Accounting Treatment for Gratuity, Leave Encashment and other Retirement Benefits have been followed and that no material departures except to the extent disclosed have been made from the same;
- b) the Directors had selected such Accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) the Directors had prepared the Annual Accounts on a going concern basis.

10. STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is not applicable in case of your Company.

11. STOCK EXCHANGES:

The Company is listed on the following Stock Exchanges:

- a) Bombay Stock Exchange Limited.
- b) Ahmedabad Stock Exchange.

Unitech International Ltd.**Annual Report 2008 - 2009**

The Shares of the Company are presently suspended from trading in both the Stock Exchanges.

12. PUBLIC DEPOSITS

Your Company has not accepted any Public Deposits during the year under report.

13. PARTICULARS OF EMPLOYEES :

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

14. FOREIGN EXCHANGE:

There were no foreign exchange Earnings or outgo during the year under review.

15. CORPORATE GOVERNANCE:

The Corporate Governance Report forms an integral part of this Report and are set out as separately in this Report. The Certificate of the Auditors of the Company certifying compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed with the Report on Corporate Governance.

16. HUMAN RESOURCES:

Progressive policies to encourage excellence both in individual and team spirit. The Industrial relations during the year have been cordial and harmonious at all levels of the organization and the Directors wish to place on record their appreciation of the contribution made by the Company's entire work force for the success and progress of the Company.

17. ACKNOWLEDGMENTS:

Your Directors wish to place on record their appreciation for the assistance and co-operation received from the Company's Bankers, Government Agencies, Financial Institutions, Customers, Investors and Business constituents and look forward to maintain the same in future.

For and on behalf of the Board

Sd/-

DHRUV R. DESAI

EXECUTIVE DIRECTOR & CFO

PLACE : Mumbai

DATE : 3rd September, 2009

ANNEXURE 'A' TO DIRECTORS' REPORT**RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

1. Future plan of action
Nil

B. Technology absorption :

1. Efforts in brief made towards technology absorption, adoption and innovation.
No new technology was introduced during the Year ended 2008 -09

1. Benefits derived as a result of the above efforts.
Nil

2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):
Nil

A. Foreign Exchange Earnings and Outgo
Nil

1. Earning- FOB value of Exports
Nil

2. Outgo- CIF Value of Imports
Nil

For and on behalf of the Board

Sd/-

DHRUV R. DESAI
EXECUTIVE DIRECTOR & CFO

PLACE : Mumbai

DATE : 3rd September, 2009

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance:**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review, strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2008-09 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2009.

2. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields. and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement. The Chairman of the Board is Executive Promoter Director and 1/2 of the Directors are Independent Directors.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2009 have been made by the Directors.

During the financial year ended 31st March, 2009, 7 Meetings of the Board of Directors were held as on 30/04/2008, 10/06/2008, 31/07/2008, 25/09/2008, 26/09/2008, 30/10/2008 and 30/01/2009

Name of Directors	Category of Directors	No. of Board Meetings attended during 2008-09	Whether attended last AGM	Number of other Directorship	Number of membership of audit committee and Share Holders & Investors Grievance Committee in other Companies	Chairmanship of audit committee and Share Holders & Investors Grievance Committee in other Companies
Mr. Dhruv R. Desai	Promoter Executive Director	7	Yes	Nil	Nil	Nil
Mr. Gajendra Desai	Non-Executive Director	Nil	No	Nil	Nil	Nil
Mr. Kirti G. Desai	Non-Executive Director	Nil	No	Nil	Nil	Nil
Mr. Joseph Kuriakose Mathoor	Independent Director	7	Yes	Nil	Nil	Nil

(details are as on 31st March, 2009)