

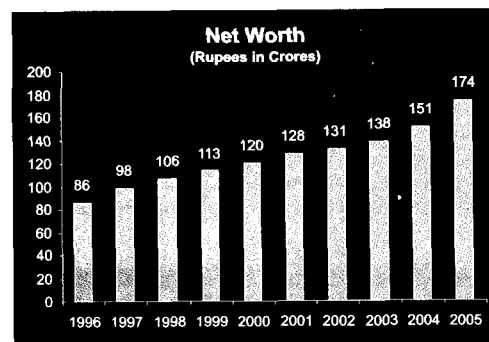
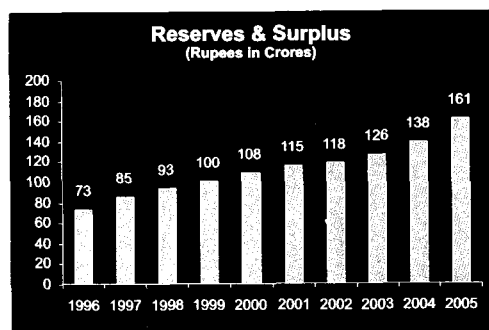
# ANNUAL REPORT 2005

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## BREAKING NEW GROUNDS

## PROGRESS AT A GLANCE

(Ten Years)



## JOINT VENTURE / ASSOCIATE COMPANIES

1. Unitech Amusement Parks Ltd.
2. Uni-Chand Builders Pvt. Ltd.
3. Gurgaon Technology Park Ltd.
4. Millennium Plaza Ltd.
5. S. B. Developers Ltd.
6. Sarvmanglam Builders & Developers Pvt. Ltd.
7. International Recreation Parks Pvt. Ltd.
8. Gurgaon Recreation Park Ltd.
9. Workplace Management & Consultants (NCR) Pvt. Ltd.

## THE UNITECH GROUP

1. Unitech Limited
2. Unitech Builders Ltd.
3. Unitech Holdings Ltd.
4. New India Construction Co. Ltd.
5. Unitech Industries Ltd.
6. Ruhi Construction Co. Ltd.
7. Supernal Corrugation (India) Ltd.
8. A. B. Hotels Ltd. (Radisson Hotel Delhi)
9. Unitech Country Club Ltd.
10. Unitech Realty Pvt. Ltd. (Rhino Holdings Pvt. Ltd.)
11. Unitech Power Transmission Ltd.  
(Hyundai Unitech Electrical Transmission Ltd.)
12. Unitech Business Parks Ltd.
13. Greenline Constructions Ltd.
14. Bengal Unitech Universal Infrastructure Pvt. Ltd.  
(Unitech Shelters Pvt. Ltd.)
15. Global Perspectives Ltd.
16. Aditya Properties Pvt. Ltd.
17. RHW Hotel Management Services Ltd.
18. Unitech (IIMT) Services Ltd.
19. Unitech Investments Ltd.
20. Bhadohi Hotels Ltd.
21. Unitech Hospitality Ltd.
22. Unitech Service Apartments Ltd.
23. Unitech Build-Tech Ltd.
24. Seaview Developers Ltd.
25. Unitech Golf Resorts Ltd. (Unitech Projects Ltd.)
26. Unitech Management Schools Pvt. Ltd.
27. UniSing Projects Pvt. Ltd.
28. Unitech Developers & Hotels Pvt. Ltd.  
(Anant Drishti Builders Pvt. Ltd.)
29. Unitech Hotels Pvt. Ltd.
30. Amarprem Estates Pvt. Ltd.
31. Quadrangle Estates Pvt. Ltd.
32. Masla Compumart Pvt. Ltd.

## FINANCIAL SUMMARY FOR TEN YEARS

(RUPEES IN CRORES)

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
1. Share Capital	12.49	12.49	12.49	12.49	12.49	12.49	12.49	12.49	12.49	12.48
2. Reserves & Surplus	161.42	138.20	125.86	118.04	115.43	107.65	100.37	93.26	85.38	73.42
3. Total Income	527.18	382.05	247.56	232.51	185.12	222.40	192.61	233.22	272.38	257.59
4. Net Profit (before Tax)	43.37	20.52	15.22	7.33	12.37	14.26	16.58	19.37	27.13	25.08
5. Net Profit (after Tax)	29.92	14.07	10.61	5.33	8.62	10.51	12.03	13.37	17.63	16.48
6. Dividend : a) %	40	30	20	20	20	30	40	40	50	40
b) Amount	4.99	3.75	2.50	2.50	2.50	3.75	4.99	4.99	6.24	4.99
c) % of Net Profit	17	27	24	47	29	36	41	37	35	30
7. Fixed Assets	38.66	17.79	15.64	18.87	19.67	19.93	22.35	22.23	21.93	21.35
8. Net Current Assets	295.63	181.40	197.89	213.46	216.22	207.61	191.78	175.14	125.45	114.01
9. Investments	166.57	84.78	58.70	37.28	44.77	44.41	41.69	39.79	32.86	20.26
10. Secured Loans	231.31	60.32	79.46	96.02	101.99	113.46	101.95	93.78	60.20	51.22
11. Unsecured Loans	45.69	71.36	52.76	42.42	50.76	38.36	41.05	37.75	22.41	18.85

### Board of Directors

MANAGING DIRECTOR	:	Mr. Ramesh Chandra
WHOLE-TIME DIRECTORS	:	Mr. A. S. Johar
	:	Mr. Sanjay Chandra
DIRECTORS	:	Dr. Ramesh Kapur
	:	Ms. Minoti Bahri
	:	Mr. Anil Harish
	:	Dr. P. K. Mohanty
	:	Mr. Sanjay Bahadur
	:	Mr. G. R. Ambwani

SR. EXECUTIVE DIRECTOR (Real Estate)	:	Mr. H. D. Sharma
SR. EXECUTIVE DIRECTOR	:	Col. K. Prakash
EXECUTIVE DIRECTOR	:	Mr. Ajay chandra
EXECUTIVE DIRECTOR	:	Mr. Nitin Kapur
EXECUTIVE DIRECTOR (Noida)	:	Mr. S. S. Bhowmick
EXECUTIVE DIRECTOR (Construction)	:	Mr. R. B. Jhalani
EXECUTIVE DIRECTOR (Architect)	:	Dr. Pramod K Magu
COMPANY SECRETARY	:	Mr. Tarun V. Kotak
AUDITORS	:	Goel Garg & Co., Chartered Accountants
PRINCIPAL BANKER	:	Canara Bank

REGISTERED OFFICE	:	6, Community Centre, Saket, New Delhi – 110 017 Website : <a href="http://www.unitechgroup.com">http://www.unitechgroup.com</a>	FD Shares Marketing	Phone No. 26857330 26857331 26965169 51664040	Fax No. 26857338
CORPORATE OFFICE	:	'Unitech House' 'L' Block, SouthCity, Gurgaon – 122001		91-124-5125200	91-124-2383332
MARKETING OFFICE	:	(a) 'Signature Towers' Ground Floor, SouthCity, Gurgaon – 122001 E-mail : <a href="mailto:sales@unitechgroup.com">sales@unitechgroup.com</a>		91-124-5082020 5086677, 2383636 Toll Free No. 160.180.6677	91-124-2580025 5083355
	:	(b) P-7, Sector - 18, Noida (U.P.) - 201 001		91-120-2513609, 2513657, 2513776, 2513780	91-120-2513839
REGIONAL OFFICES	:	Virar		91-22-55744227, 55744230	91-22-28917964
	:	Bangalore		91-80-22867474, 22869451	91-80-22868247
	:	Lucknow		91-522-2209396, 2209397	91-522-2209393
INTERNATIONAL OFFICE	:	Tripoli (Libya)		00218-21-4906818	00218-21-4906819

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<b>Financial Highlights</b>
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	Rupees in Crores	
	2004-2005	2003-2004
<b>Net Profit after Tax</b>		
Total Income	527.18	382.05
<u>Less</u> : Operating Expenses	463.91	350.75
Gross Profit	63.27	31.30
<u>Less</u> : i) Interest	17.76	9.09
ii) Depreciation	2.14	1.69
	19.90	10.78
Net Profit before Tax	43.37	20.52
<u>Less</u> : Taxes		
i) Current	14.00	6.50
ii) Deferred	(0.54)	(0.04)
	13.46	6.46
Net Profit after Tax	29.91	14.06
<b>What the Company Owned</b>		
Fixed Assets		
Gross Block	50.86	41.34
<u>Less</u> : Depreciation	25.51	23.55
Net Block	25.35	17.79
Capital Work in Progress	13.31	—
Investments	166.57	84.78
Current Assets	1683.68	960.69
	1888.91	1063.26
<b>What the Company Owed</b>		
Loan Funds	277.00	131.68
Deferred Tax Liabilities	1.06	1.61
Deferred Liability-Purchase of Land	48.89	—
Current Liabilities & Provisions	1388.05	779.28
	1715.00	912.57
<b>Net Worth</b>		
Equity Share Capital	12.49	12.49
Reserves & Surplus	161.42	138.20
	173.91	150.69



## Notice of Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of the Members of Unitech Limited will be held on **Friday, 30th September, 2005 at 3:30 P. M. at MPCU Shah Auditorium, Shree Gujarati Samaj Marg, Delhi - 110 054**, to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2005 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the year ended 31st March, 2005.
3. To appoint a Director in place of **Mr. Sanjay Bahadur \***, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Mr. G. R. Ambwani \***, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of **Dr. Ramesh Kapur \***, who retires by rotation and, being eligible, offers himself for re-appointment.
6. (a) To appoint Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
- (b) To appoint Auditors for the Company's office in Libya and to authorise the Board of Directors under Section 228 of the Companies Act, 1956 to fix their remuneration and the terms and conditions subject to which they will hold the appointment.

### Special Business

#### 7. Re-appointment of Mr. A. S. Johar as Whole-time Director.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that, pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule-XIII of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, Mr. A. S. Johar, whose period of office of Whole-time Director ends on 31st December, 2005, be and is hereby re-appointed Whole-time Director of the Company for a period of three years with effect from 1st January, 2006 on the following terms, conditions and remuneration of his appointment:

##### (a) Remuneration:

- (i) Salary of Rs. 2,00,000/= per month.
- (ii) Perquisites & Allowances:

In addition to the salary, the Whole-time Director will be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and servants' salaries, medical reimbursement, club fees, leave travel concession for himself and his family, medical/accident insurance, etc. in accordance with the rules of the Company or as may be approved by the Board of Directors **provided** the aggregate monetary value of such perquisites and allowances do not exceed the annual salary.

For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

##### (iii) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites & allowances as specified above.

- (b) The Board of Directors of the Company shall be at liberty, and are hereby authorized, to revise, enhance, alter and vary, from time to time, the aforesaid terms, conditions and remuneration - including awarding of increments, which be based on merits as well as Company's performance - of said appointment in such manner as it may deem fit **provided** such revision, enhancement, alteration, variation, etc. is in accordance with, and within the limits prescribed in, the relevant Sections of the Companies Act, 1956.
- (c) The appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof."

#### 8. Re-appointment of Mr. Sanjay Chandra as Whole-time Director.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that, pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule-XIII of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, Mr. Sanjay Chandra, whose period of office of Whole-time Director ends on 31st December, 2005, be and is hereby re-appointed Whole-time Director of the Company for a period of three years with effect from 1st January, 2006 on the following terms, conditions and remuneration of his appointment:

##### (a) Remuneration:

- (i) Salary of Rs. 2,00,000/= per month.
- (ii) Perquisites & Allowances:

In addition to the salary, the Whole-time Director will be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and servants' salaries, medical reimbursement, club fees, leave travel concession for himself and his family, medical/accident insurance, etc. in accordance with the rules of the Company or as may be approved by the Board of Directors **provided** the aggregate monetary value of such perquisites and allowances do not exceed the annual salary.

For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

##### (iii) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites & allowances as specified above.

- (b) The Board of Directors of the Company shall be at liberty, and are hereby authorized, to revise, enhance, alter and vary, from time to time, the aforesaid terms, conditions and remuneration - including awarding of increments, which be based on merits as well as Company's performance - of said appointment in such manner as it may deem fit **provided** such revision, enhancement, alteration, variation, etc. is in accordance with, and within the limits prescribed in, the relevant Sections of the Companies Act, 1956.

## Notice of Annual General Meeting

- (c) The appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof."

**9. Appointment of Mr. Ajay Chandra as Whole-time Director.**

To consider and if, thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that Mr. Ajay Chandra, who was appointed as Head (Business Development) with effect from 1st November, 2003 at the Annual General Meeting of the Company held on 30th September, 2004 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit, be and is hereby appointed a Director of the Company and that the period of his office be liable to determination by retirement of Directors by rotation.

FURTHER RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule-XIII of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, Mr. Ajay Chandra, be and is hereby appointed Whole-time Director of the Company for a period from 1st October, 2005 to 31st December, 2008 on the following terms, conditions and remuneration of his appointment:

(a) Remuneration:

- (i) Salary of Rs. 2,00,000/= per month

(ii) Perquisites & Allowances:

In addition to the salary, the Whole-time Director will be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and servants' salaries, medical reimbursement, club fees, leave travel concession for himself and his family, medical/accident insurance, etc. in accordance with the rules of the Company or as may be approved by the Board of Directors **provided** the aggregate monetary value of such perquisites and allowances do not exceed the annual salary.

For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Company's contribution to Provident Fund to the extent it is not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(iii) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites & allowances as specified above.

- (b) The Board of Directors of the Company shall be at liberty, and are hereby authorized, to revise, enhance, alter and vary, from time to time, the aforesaid terms, conditions and remuneration - including awarding of increments, which be based on merits as well as Company's performance - of said appointment in such manner as it may deem fit **provided** such revision, enhancement, alteration, variation, etc. is in accordance with, and within the limits prescribed in, the relevant Sections of the Companies Act, 1956.

- (c) The appointment may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof."

**10. Enhancement of borrowing limit from Rs. 500 Crores to Rs. 1000 Crores.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

" RESOLVED that in supersession of the Resolution passed at the Annual General Meeting of the Company held on 30th September, 2004 under Section 293 (1) (d) of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded under Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company to borrow, for the purposes of the Company, any sum or sums of money from time to time at their discretion in accordance with the Articles and Memorandum of Association of the Company notwithstanding that such sum or sums of money together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, **provided** the aggregate of all sums borrowed by the Board of Directors from time to time and remaining outstanding shall not exceed, at any point of time, Rs. 1000 Crores (Rupees one thousand Crores).

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised and empowered to :

- negotiate and finalise all the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, securities, etc. as it may consider fit and in the best interest of the Company.
- create charge, mortgage, etc. in terms of Section 293(1)(a) of the Companies Act, 1956, on the properties of the Company upto the said limit of Rs. 1000 Crores and to execute all such Agreements, Deeds, Undertakings, etc. for the purpose as it may consider fit and in the best interest of the Company.
- do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, necessary, desirable or expedient for giving effect to this resolution."

By Order of the Board of Directors

For Unitech Limited

**Tarun V. Kotak**

Additional General Manager  
& Company Secretary

Dated : 24th August, 2005

Notes :

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote, on a poll, instead of himself and the proxy so appointed need not be a Member of the Company. Proxies, in order to be effective, must be sent so as to reach the Registered Office of the Company latest by 3.30 P.M. on 28th September, 2005 duly completed, stamped and signed. A blank Proxy Form is enclosed.**
- Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.
- The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, 17th September, 2005 to Friday, 30th September, 2005 (both days inclusive).
- Members desirous of asking any question or seeking any information in the Meeting are requested to write a letter to the Company Secretary so as to reach him at least seven days before the date of the Meeting to enable the Management to keep the answers/information ready.**
- Brief resume of Mr. G. R. Ambwani, Mr. Sanjay Bahadur, Dr. Ramesh Kapur, Mr. A. S. Johar, Mr. Sanjay Chandra and Mr. Ajay Chandra are given in the Report on Corporate Governance. Further, please note that the four Directors have filed Form No. 'DD-A' with the Company as required by the Companies (Disqualification of Directors under Section 274 (1) (g) of the Companies Act, 1956) Rules, 2003 and are not disqualified for appointment as Directors of the Company.
- In respect of shares held in physical mode, all shareholders are requested to intimate change, if any, in their registered address immediately to the Registrar and Share Transfer Agents of the Company and correspond with them directly regarding Share Transfer/Transmission/Transposition, Demat/Remat, Change of Address, Issue of Duplicate Share Certificate, ECS and Nomination Facility.

## Notice of Annual General Meeting

In respect of shares held in demat mode, shareholders must correspond directly with their respective Depository Participants (D.Ps) and not with the RTA or the Company.

7. **Please note that as per the rules of the Auditorium briefcases, hand-bags, snacks-boxes, cameras, walkman etc. are not allowed to be carried inside the Auditorium. Further, smoking and consuming of alcohol/alcoholic drink is strictly prohibited in the Auditorium and on the stage.**
8. **Please very carefully read 'General Information for Shareholders' in the Report on Corporate Governance, particularly the information relating to payment of Dividend and transfer of unclaimed/unpaid Dividend to The Investor Education and Protection Fund.**
9. (a) In order to provide protection against fraudulent encashment of Dividend warrants, those shareholders who do not wish to receive dividend through ECS system and hold shares in physical form are requested to intimate to the Company, under the signature of the Sole/First holder, the following information to be printed on the Dividend Warrants:
  - (i) Name of the Sole/First holder and the Folio Number.
  - (ii) Particulars of Bank Account, viz.: name, branch & complete address of the Bank, Bank Account Number and type of Account (Savings, Current etc.)
- (b) Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. **Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.**

### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

As required by Section 173 of the Companies Act, 1956, the following explanatory statements set out all material facts relating to the business mentioned under Item No. 7 to 10 of the accompanying Notice of Annual General Meeting.

#### Item No. 7 & 8

Members may recall that they had approved the re-appointment and remuneration of Mr. A. S. Johar at the Annual General Meeting held on 26.09.2000 as Whole-time Director and the appointment and remuneration of Mr. Sanjay Chandra as Whole-time Director at the Annual General Meeting held on 30.09.2004. These appointments were made upto 31.12.2005 and accordingly, the period of their office will expire on 31.12.2005. It is intended to re-appoint them on terms, conditions and remuneration stated in their respective resolutions under Item No. 7 and 8.

The present salary of Mr. A. S. Johar is Rs. 1,32,000/= p.m. and that of Mr. Sanjay Chandra is Rs. 50,000/= p.m.

Your Directors recommend the two Resolutions under Item No. 7 and 8 for your approval.

Mr. A. S. Johar may be deemed to be interested in the Resolution under Item No. 7 in respect of his appointment. Mr. Ramesh Chandra and Mr. Sanjay Chandra may be deemed to be interested in the Resolution under Item No. 8 in respect of the appointment of Mr. Sanjay Chandra. No other Director has any personal interest/concern in the said Resolutions. Details stated above and in the said resolutions may be regarded as an abstract of the Memorandum of Interest under Section 302 of the Companies Act, 1956.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of appointment specified in the individual resolutions have been placed before you for your approval.

#### Item No. 9

Members may recall that they had accorded their consent to the holding of office/place of profit by Mr. Ajay Chandra, son of Mr. Ramesh Chandra - Managing Director of the Company, as Head (Business Development) with effect from 1st November, 2003 at the Annual General Meeting held on 30th September, 2003.

A notice under Section 257 of the Companies Act, 1956, alongwith requisite deposit, has been received by the Company from a Member intending to propose him to the Office of Director of the Company.

Resume of Mr. Ajay Chandra giving details like age, qualifications, experience has been given in the Report on Corporate Governance.

It is intended to appoint Mr. Ajay Chandra as Whole-time Director of the Company on the terms, conditions and remuneration stated in the Resolution under item No. 9 which has been placed before you for your approval. The present salary of Mr. Ajay Chandra is Rs. 50,000/= p.m. Keeping in view the qualifications, experience and ability of Mr. Ajay Chandra, the Board of Directors is of the view that his appointment as Whole-time Director will be beneficial to the Company and therefore recommends approval of the said Resolution to you.

Mr. Ramesh Chandra (being father of Mr. Ajay Chandra) and Mr. Sanjay Chandra (being brother of Mr. Ajay Chandra) may be deemed to be interested in the Resolution. No other Director has any personal interest/concern in the Resolution. Details stated above and in the said resolution may be regarded as an abstract of the Memorandum of Interest under Section 302 of the Companies Act, 1956.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of appointment specified in the resolution under Item No. 9 has been placed before you for your approval.

#### Item No. 10

Members may recall that they had fixed the borrowing limit of the Company under Section 293 (1) (d) of the Companies Act, 1956 at Rs. 500 Crores at the Annual General Meeting held on 30th September, 2004. In view of phenomenal growth during the year and considering current and future expansion and diversification plans of the Company, your Board of Directors recommend to you to enhance the said limit to Rs. 1000 Crores.

Suitable Resolution in this regard as stated under Item No. 10 of the Notice has therefore been placed before you for your approval.

No Director has any personal interest/concern in the Resolution.

By Order of the Board of Directors

For Unitech Limited

**Tarun V. Kotak**

*Additional General Manager  
& Company Secretary*

New Delhi  
Dated : 24th August, 2005

## Directors' Report

To the Members,

The Board of Directors of your Company is pleased to present hereunder its 34th Annual Report and Audited Accounts for the year ended 31st March, 2005

### Financial Results

		2004-2005	2003-2004
		Rs. in Crores	Rs. in Crores
1.	<b>Total Income</b>	<b>527.18</b>	382.05
	<i>Less</i> : Operating Expenses	<b>463.91</b>	350.75
2.	<b>Gross Profit before interest and Depreciation</b>	<b>63.27</b>	31.30
	<i>Less</i> : i) Interest	<b>17.76</b>	9.09
	ii) Depreciation	<b>2.14</b>	1.69
		<b>19.90</b>	10.78
3.	<b>Profit before Tax</b>	<b>43.37</b>	20.52
	<i>Less</i> : Provision for Tax		
	i) Current	<b>14.00</b>	6.50
	ii) Deferred	<b>(0.54)</b>	(0.04)
		<b>13.46</b>	6.46
4.	<b>Profit after Tax</b>	<b>29.91</b>	14.06
	<i>Add</i> : i) Balance of Profit as per last Balance Sheet	<b>62.45</b>	52.41
	ii) Debenture Redemption Reserve Written Back	<b>3.75</b>	—
	iii) Foreign Project Reserve Written Back	<b>4.00</b>	2.50
	iv) Tax - earlier years : Excess Provision written back (Net of Taxes Paid)	<b>(1.05)</b>	2.50
		<b>69.15</b>	57.41
	<b>Balance available for appropriation</b>	<b>99.06</b>	71.47
5.	<b>Appropriations</b>		
	i) Proposed Dividend	<b>4.99</b>	3.75
	ii) Tax on Dividend	<b>0.65</b>	0.48
	iii) Transfer to Foreign Projects Reserve	—	0.50
	iv) Transfer to Debenture Redemption Reserve	—	1.25
	v) Transfer to General Reserve	<b>4.00</b>	3.04
	vi) Balance carried over to Balance Sheet	<b>89.42</b>	62.45
		<b>99.06</b>	71.47

You will observe from the above-mentioned financial results that the total income of your Company for the year was Rs. 527.18 Crores as against Rs. 382.05 Crores in the previous year. Your Company earned a **Profit after tax of Rs. 29.91 Crores** as against Rs. 14.06 Crores in the previous year registering a **growth of almost 113%**.

### Dividend

The Board of Directors of your Company has recommended a **dividend of 40%** (Rs. 4/- per share) for the year ended 31st March, 2005. If approved, the dividend will be paid to those Members whose names will appear on the Register of Members of the Company as on 30th September, 2005 in respect of shares held in physical form and to those beneficial owners whose names will appear on the list as on the close of business hours on 16th September, 2005 to be provided by the Depositories to the Company.

### Real Estate Projects

#### A. Residential Projects :

##### *Ongoing Projects*

##### **Unitech Heights**

Unitech Heights, the first of the new generation of high-rise homes in Greater Noida, was launched in December 2004. This tall complex with 21 floors has been designed by RMJM Hong Kong and is spread over an area of 8 acres. The average size of a 3- bedroom apartment will be about 1900 sq.ft. The complex offers multi-use landscape area with jogging tracks, kids plays area, lawn, water bodies. The project will be completed by July, 2007.

##### **Unitech Horizons**

Launched in February 2005, Unitech Horizon offers 3 bedroom units in 1700 sq.ft. sizes spread over an area of about 26 acres. This project has also been designed by RMJM Hong Kong and has beautifully landscaped areas with all the modern facilities.

##### **The Close**

This high-rise complex having spacious apartments was launched in September 2004. It is spread over an area of 40 acres. Close North has 660 apartments whereas Close South has 721 apartments. Designed by international architects - Callison Inc., it offers the choice



## Directors' Report

of 3 & 4 bedroom units along with Townhouses and penthouses. The complex is enriched with facilities like Spa Club, Meditation Gardens, Yoga Atriums Club with Pool, Gym, Jacuzzi, Steam room etc.

### **Espace, Nirvana Country**

Espace is the property for those looking for independent, family homes set in magnificent landscape environment. The plot sizes on offer vary from 200 sq.mt. to 420 sq.mt. The complex boasts facilities like Spa Club, Meditation Gardens, Yoga Atriums Club with Pool, Gym, Jacuzzi, Steam room etc.

### **Uniworld City - Kolkata**

This large township spread over 100 acres of land will be the new face of Kolkata residential. The project will be launched in phases, the first being **Gardens** which is sold out and the second being **Horizons** at Uniworld City.

### **The World Spa**

Launched in December 2003, this is the most prestigious residential project so far. Spread over an area of 21 acres of land, the project is divided into **Spa East**, which is of 10 acres, and **Spa West** which is of about 11 acres. Two distinct but compatible architectural vocabularies differentiate the designs of both these parts. The project comprises of townhouses, 4/5 bedroom apartments and penthouses spread across 11 towers.

Both Spa East and Spa West have their independent clubs with facilities like swimming pool, indoor lap pool, kids splash pool, Spa facilities, Jacuzzi etc. Handing over of possessions for the same will start from Dec. 2006 onwards.

*Possessions have started for:*

### **Uniworld City - Towers A1, A2 & B1**

This 15.8 acres beautifully landscaped residential complex is ready for possession. The project which changed the residential complexes and the facilities provided has stood its ground in the market and is still the most sought after project.

### **Nirvana Country - Aspen Greens, Birch Court & Cedar Crest**

The handing over of **Aspen Greens, Birch Court & Cedar Crest** will start by end of August this year. These complexes have been the best choices of people when it comes to owning an individual house.

## **B. Commercial Projects :**

### *Ongoing Projects*

#### **Global Perspectives Ltd.**

It is built to suit building for office of a Multinational Company at Sector-32, Gurgaon. Having a superstructure area of 0.32 lac sq.ft on a plot area of 2 acres, the building is to be surrounded by gardens and it has glass wall all along its periphery on both the faces. With central courtyard having lotus pond and nice landscaping, the concept of building is "From Green to Green".

*Possessions Offered*

#### **Unitech World**

This is the largest of IT Parks in Gurgaon, having the largest floor plates which are the requirement of most of the Call Centres and BPOs. This IT Park is in 14 acres with 4 towers - each of 0.3 to 0.45 million sq.ft. Unitech World's infrastructure and facilities surpass those one may have experienced so far: Broadband connectivity, telephone exchange and last mile optic fibre. Designed by Oru Bose and with state of the art systems and world class facilities and amenities, Unitech World boasts of best of the organizations occupying it.

#### **Office Complex, Sector-32, Gurgaon**

Possession has been offered to the Client.

#### **Unitech Crest - Greenwood City**

Possession has been offered to SriRam Fibres

## **C. Upcoming Projects:**

### **Commercial**

- Infospace - Gurgaon - 13 acres
- Commercial Complex at M.G.Road, Gurgaon - 1.5 acres
- Infospace Kolkata - 50 acres

### **Residential**

- Fresco - Nirvana Country - 16 acres - Group Housing
- Uniworld Gardens-II - Gurgaon

## Construction Projects

## **A. Highway Projects :**

Your company has successfully completed two World Bank funded State Highway Projects in Uttar Pradesh within the scheduled time. The three highway projects - one in Madhya Pradesh, one in Bangalore (peripheral expressway around Bangalore city a part of the Bangalore Mysore Infrastructure Corridor Project), and one in Uttar Pradesh (World Bank funded) are proceeding well and are scheduled to be completed by June 2006, November 2005 and February 2006, respectively. The two Flyover Projects at Punjabi Bagh Club intersection and Motinager intersection on Ring Road are progressing as per schedule and are expected to be completed by December 2005. Your Company has been awarded a World Bank Road Project in the state of Uttar Pradesh.

## Directors' Report

### B. Industrial Projects :

Your company has successfully completed and handed over the Chimney Project and the Water Treatment Plant Project at Panipat Thermal Power Station and the Housing Project for DDA at Dwarka, New Delhi.

Progress of work on Employees Provident Fund Organization (EPFO) building and National Board of Examination (NBE) building, Chimneys at Prichha and Birsingpur Thermal Power Station is progressing satisfactorily and these projects are expected to be completed by June 2006, October 2005, December 2005 and May 2006, respectively.

Your Company has secured during the year orders for Construction of 3 nos. 220 M high Chimneys from BHEL-one at Bhatinda for Punjab State Electricity Board (PSEB), second at Bhilai for Bhilai Electric Supply Company Private Limited, Chattisgarh and the third at Mejia for Mejia Thermal Power Station, West Bengal. Your Company has also secured civil and structural work for Jindal Stainless Limited at Hisar and Cardiology & Neurology Tower (C.N. Tower) at AIIMS, New Delhi.

### C. Overseas Projects :

Your Company has successfully completed the construction of Relocation of Turbo Generator Work at Zueitina, Projects for Swiss Embassy at Tripoli and Arab Gulf Oil Company at Nafoora, all in Libya have been handed over. The 220 KV and 66 KV Transmission Line Project at Sirte, Libya for General Electric Company is progressing as per schedule. Material handling, Infrastructure and Management services Project for BHEL is also progressing as per schedule.

Your company has secured a new project from Waha Oil Company for construction of Mess Hall & Clinic at Samah and Control Building at Waha. The company is also expecting some new projects within very short time from Zueitina Oil Company, Waha Oil Company, Azzwiya Oil Refinery and the Libyan Government.

## Joint Ventures

### A. B. Hotels Ltd. (Radisson Hotel)

The Indian Hotel and Tourism Industry in trend with the Indian Economy witnessed a phenomenal growth during the year. In spite of immense problems faced due to work on the expressway in front of the hotel and renovation of the Hotel (Lobby opened in April 2005), the Radisson Hotel Delhi has improved the ARR at same occupancy level of 80% as last year. For the year 2004-2005, the Hotel has been positioned at number four on the occupancy front and at position number seven on the Average Room Rate (ARR) and RevPAR comparisons. This is in spite of additional supply in Gurgaon area created by Hilton Trident and to some extent Park Plaza.

Radisson Hotel achieved a record revenue of Rs. 62.5 crores compared to the previous best of Rs. 60.31 crores in the year 2000-2001. In spite of the lower revenue of Rs. 8.34 crores from Commercial Plaza, a gross revenue of Rs. 71.11 crores was achieved. Your hotel earned a profit before tax of Rs. 15.54 crores. An interim dividend of Rs. 2.50 per share paid in the previous year, was declared. Continuing improved trend in the Indian economy the Hotel and Tourism Industry is also expected to do well and performance of Radisson Hotel in the current year is expected to be better than the previous year.

### Hyundai Unitech Electrical Transmission Ltd.

There is a revolution in the Industry and big projects are coming-up and various private as well as foreign Companies have also entered into this business because the demand of transmission towers is more than the supply capacity available in India. The Focus of the Company has been re-oriented towards increasing the system efficiency, improving the quality of supply chain management and better customer responsiveness in terms of Contracts Management. The Company has also entered into export market by securing orders for supply of 4700 M Ton towers worth Rs. 27 Crores through Mohan Energy Corporation, New Delhi and supply of 870 M. Ton Solar Panel Structures to Spain.

The Company secured total orders, including from State Electricity Boards and private clients, for about 12558 M. Tons worth Rs. 71.19 Crores. In addition to above, the Company has entered into an agreement with Abengoa Group, Spain for providing manufacturing facilities for three years upto 5000 M. Tons per Annum and recently an order for supply of towers to Power Grid Corporation about 4750 M. Tons has been placed under this agreement.

Hyundai Engineering & Construction Co. Ltd. and M/s. Hyundai Corporation, the Foreign Promoters, have transferred their stake in the Company to Unitech Limited. The Company has now become 100% subsidiary of Unitech Limited.

### RHW Hotel Management Services Ltd.

RHW Hotel Management Services Ltd. is a joint venture between your Company and Radisson Hotels International Inc. (a group Company of Carlson Hospitality Worldwide). The Company provides specialized services in the field of hospitality which include management and technical consultancy for both pre-opening and post-opening of hotels and restaurants.

The Company franchises and manages 'The Great Kabab Factory' and 'Super Stars' restaurant brands and also develops food & beverage concepts as a part of the portfolio of services it offers.

At present, the Company is providing services to Radisson Hotels in Jalandhar, Varanasi, Noida and restaurant brands in Noida, Delhi, Jalandhar and Chennai. The following hotels/restaurants have been commissioned :

- Radisson Hotel, Shimla
- Park Plaza, Gurgaon
- The Great Kabab Factory - Gurgaon (in Park Plaza, Gurgaon)

The Company intends to commission following Radisson Hotel in 2005-2006:

- Radisson Hotel, Khajuraho
- Radisson Hotel, Hyderabad

The Company has earned a Profit (after tax) of Rs. 18.63 Lacs during the year ended 31st March, 2005.