

2006
35th ANNUAL REPORT

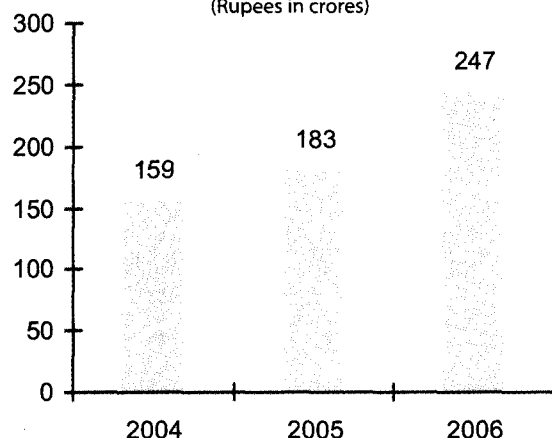
unitech[®]

time think ahead >>

<< PROGRESS AT A GLANCE >> (UNITECH GROUP)

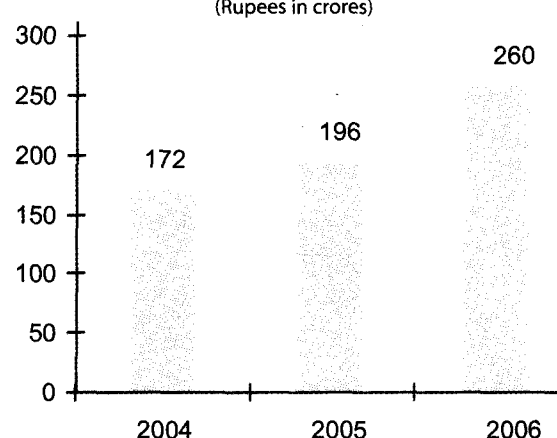
Reserves & Surplus

(Rupees in crores)



Net Worth

(Rupees in crores)



<< THE UNITECH GROUP >>

UNITECH LIMITED

UNITECH'S SUBSIDIARIES

1. Aditya Properties Pvt. Ltd.
2. Amerprem Estate Pvt. Ltd.
3. Arcadia Build-Tech Ltd.
4. Ardent Build-Tech Ltd.
5. Bengal Unitech Universal Infrastructure Pvt. Ltd.
6. Deoria Properties Ltd.
7. Dhruva Realty Projects Ltd.
8. Global Perspectives Ltd.
9. Kolkata International Convention Centre Ltd.
10. Kolkata International Logistics City Ltd.
11. Landscape Builders Ltd.
12. Masla Builders Pvt. Ltd.
13. MHW Hospitality Ltd.
14. Neil Builders Ltd.
15. New India Construction Co. Ltd.
16. Nirvana Real Estate Projects Ltd.
17. Guardranga Estates Pvt. Ltd.
18. Ruhi Construction Co. Ltd.
19. Sarnath Realtors Ltd.
20. Somerville Developers Ltd.
21. Supernal Corrugation India Ltd.
22. Unitech Agra Hi-Tech Township Ltd.
23. Unitech Builders & Developers Ltd.
24. Unitech Builders & Projects Ltd.
25. Unitech Builders Ltd.
26. Unitech Build-Tech Ltd.
27. Unitech Business Parks Ltd.
28. Unitech Country Club Ltd.
29. Unitech Developers & Hotels Pvt. Ltd.
30. Unitech Estates Ltd.
31. Unitech Golf Resorts Ltd.
32. Unitech Haryana SEZ Ltd.
33. Unitech Hi-Tech Structure Ltd.
34. Unitech Hi-Tech Developers Ltd.
35. Unitech Holdings Ltd.
36. Unitech Hospitality Ltd.
37. Unitech Hotels Pvt. Ltd.
38. Unitech Industries Ltd.
39. Unitech Info-Park Ltd.
40. Unitech Infra-Developers Ltd.
41. Unitech Infra-Properties Ltd.

42. Unitech Landbase Ltd.
43. Unitech Landmark Developers Ltd.
44. Unitech Malls Ltd.
45. Unitech Power Transmission Ltd.
46. Unitech Real Estate Developers Ltd.
47. Unitech Real Estate Projects Ltd.
48. Unitech Real Estate Builders Ltd.
49. Unitech Realty Developers Ltd.
50. Unitech Realty Private Ltd.
51. Unitech Realty Projects Ltd.
52. Unitech Residential Resorts Ltd.
53. Unitech Services Apartments Ltd.
54. Unitech Varanasi Hi-Tech Township Ltd.
55. Zanskar Properties Ltd.

SUBSIDIARIES'S SUBSIDIARIES

1. Allen Projects Ltd.
2. Bengal Unitech Universal Siliguri Projects Ltd.
3. Bengal Unitech Universal Townscape Ltd.
4. Mahoba Builders Ltd.
5. Panchganga Projects Ltd.
6. Sarnath Builders Ltd.
7. Seaview Developers Ltd.
8. Shantiniketan Buildwell Ltd.
9. Shantiniketan Properties Ltd.
10. Unising Projects Pvt. Ltd.
11. Unitech Infra-Con Ltd.
12. Unitech Pioneer Recreation Ltd.
13. Unitech Real-Tech Ltd.
14. Unitech Realty Conglomerate Ltd.

15. Tulip Schools Ltd.
16. Allen Schools Ltd.
17. Havelock Schools Ltd.
18. High Vision Schools Ltd.
19. Mahoba Schools Ltd.
20. Havelock Realtors Ltd.
21. Unitech Premises Developers Ltd.

JOINT VENTURES/ASSOCIATES

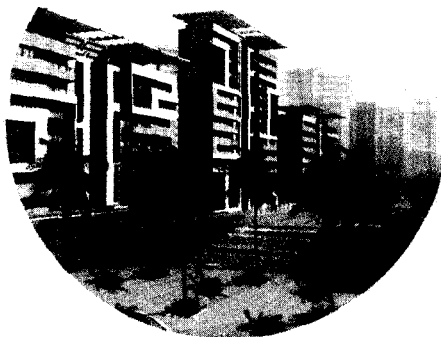
1. Arihant Unitech Realty Projects Ltd.
2. Gurgaon Technology Park Ltd.
3. Millennium Plaza Ltd.
4. Sarv Manglam Builders & Developers Pvt. Ltd.
5. S. B. Developers Ltd.
6. Uni-Chand Builders Pvt. Ltd.
7. Unitech Amusement Parks Ltd.
8. International Recreation Parks Pvt. Ltd.
9. Workplace Management & Consultants (NCR) Pvt. Ltd.
10. Gurgaon Recreation Park Ltd.
11. Nirvana Properties Ltd.
12. Greenline Builders Ltd.
13. High Vision Healthcare Pvt. Ltd.
14. Drass Projects Pvt. Ltd.
15. Elbrus Projects Pvt. Ltd.
16. Mount Everest Projects Pvt. Ltd.
17. Mayurdhweji Projects Pvt. Ltd.
18. Sabarmati Projects Pvt. Ltd.
19. Zanskar Projects Pvt. Ltd.
20. Landscape Projects Pvt. Ltd.

Financial Summary (Unitech Group) (Rupees in Crores)

	2006	2005	2004
1. Share Capital	12.49	12.49	12.49
2. Reserves & Surplus	247.23	183.16	159.45
3. Total Income	954.50	664.90	516.60
4. Net Profit (before Tax)	138.95	56.43	37.56
5. Net Profit (after Tax)	87.65	34.80	24.80
6. Fixed Assets	488.71	148.11	129.69
7. Net Current Assets	863.05	526.86	194.35
8. Investments	14.45	50.22	35.15
9. Secured Loans	955.69	325.77	112.82
10. Unsecured Loans	89.25	50.58	56.92

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Buildings are not just made with bricks and mortar. They are built with a vision.

A vision that has transformed many a barren land, into a landmark. A vision that has driven

Unitech for over 30 years. To dream, believe, to create like no one ever has.

One of the leading Real Estate Developers in India, Unitech was the first to achieve
ISO 9002 certification for design, planning, construction and marketing of Real Estate in North India.

<< **BOARD OF DIRECTORS** >>

Chairman	Mr. Ramesh Chandra
Managing Directors	Mr. Ajay Chandra Mr. Sanjay Chandra
Whole Time Director	Mr. A. S. Johar
Directors	Ms. Minoti Bahri Mr. Anil Harish Dr. P. K. Mohanty Mr. Sanjay Bahadur Mr. G. R. Ambwani Mr. Ravinder Singhania

Presidents	Mr. H.D. Sharma Col. K. Prakash
Executive Vice Presidents	Mr. S. S. Bhowmick Mr. V. K. Chadha Mr. R. B. Jhalani Dr. P. K. Magu Mr. M. K. Agrawal Mr. R. S. Sharda
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
 Phone No. : FD 26857330, Shares 26857331,
 Marketing 26965169, 41664040 Fax : 26857338

Corporate Office

Unitech House, 'L' Block, South City, Gurgaon - 122 001
 Phone : 91-124-4125200 Fax : 91-124-2383332

www.unitechgroup.com



B R E A K I N G N E W G R O U N D S

Started in 1972, Unitech has turned many a barren land into a landmark.

First to receive the prestigious ISO: 9002 Certification for design, planning, construction and marketing of Real Estate in the National Capital Region of Delhi,

it is this consistent passion for quality that has put Unitech on the world map. Today it is one of the leading Real Estate Developers in India.

With the title of Superbrand, Unitech ranks among the leading Real Estate companies of the world.

D R I V I N G A H E A D

Our residential, commercial, retail and construction projects have set the industry benchmark for many years now. Unitech Business Park, Unitech Trade Center,

Unitech Cyber Park, Uniworld City, The Close at Nirvana Country, Fresco at Nirvana Country, The World Spa in Gurgaon, and Unitech Heights, Unitech Horizon and Unitech Cascades in Greater Noida, have become a byword for quality and design.

F O O T S T E P S

This year many new projects came up to be sold out/leased in record time.

Unitech Cascades - a 9 acre premium residential project in Greater Noida,
Fresco at Nirvana Country - a highend 17 acre residential project, Unitech Cyberpark -
1.5 million sq. ft. of office space spread over 14 acres of land in Gurgaon,
and Uniworld City - a premium residential project spread over 100 acres in Kolkata.

W A Y F O R W A R D

The quest continues and to scale new heights, Unitech has set new standards with projects like Unitech Habitat - a premium residential township in Greater Noida spread over 23 acres, Escape at Nirvana Country - apartments and penthouses spread over 10 acres in Gurgaon.

Coming up are projects like, Unitech Karma Lakelands - a super-premium project with golf villas near Manesar, a 9 acres residential project in Greater Noida, a 10.5 acres project in Nirvana Country, Gurgaon and a couple of residential projects in Chennai, Hyderabad, Bangalore and Cochin. Among commercial/I.T. projects coming up are Unitech Infospace - 1.3 million sq. ft. of office space in Noida spread over 20 acres; Unitech Infospace, Gurgaon - 2.5 million sq. ft. of office space spread accross 28 acres and Unitech Infospace, Kolkata among many others.

Chairman's Letter to the Shareholders

Dear Member,

The real estate industry in India has experienced major growth in the last year, with residential sector seeing the maximum rise. The reasons are many, including growing number of nuclear families, increase in income, and easy availability of loans. India, at present, is the most attractive IT-BPO and retail destination thus increasing demand for office and retail space. Also, our country is slowly moving to being among the top tourist destinations, and along with increase in business travel, demand for hotel rooms are at the peak.

Amidst this background, the year just ended has seen rapid growth in your company as well, with total income rising by over 43%*. Today we are one of the fastest growing real estate developers in India and as we continue to enter and capture new markets, we periodically assess our positioning among real estate companies in India, and we observe that our competitive significance rises sharply when we are in businesses which are design enabled and require relationship based skills. Thus we are market leaders in the sales of residential properties across the states we are present in, though our properties demand a premium of about 15-20% over neighbouring developments. We are also one of the top players in leasing and sale of commercial/IT parks and retail space in our state of the art commercial and retail developments. Our IT parks have provided direct employment to over 50,000 people. We are coming up with India's largest amusement park cum shopping mall in Noida, Rohini, and many other markets we are entering in the coming year. In order to provide best design and excellence across all our developments, we have been working with and partnering the best international design consultants, and customers perceive our projects to be superior in design and quality.

As we ended the year with profits increasing by over 150%* as compared to the last year, we realize that the market significance in our industry is correlated with design excellence and quality of construction provided within the developments, strategically located land banks, customer care and relationship management, and the skills of the company's employees. We continue to empower the company's personnel and this has been advantageous to our acquiring competitive strength in several segments within the industry.

In the year gone by, we have entered new markets like Kolkata, Chennai, Kochi, Hyderabad, Mohali, Agra, and Varanasi and have plans to start operations in many other as well. Your company has recently won some of India's largest land deals across India, and with the large land bank which we have built over the years to pride ourselves with; we will utilize our experience to develop and grow our business.

* On consolidated basis

Ramesh Chandra

Chairman

Financial Highlights (Unitech Group)

	Rupees in Crores	
	2005-2006	2004-2005
Net Profit after Tax		
Total Income	954.50	664.90
<u>Less</u> : Operating Expenses	757.84	572.56
Gross Profit	196.66	92.34
<u>Less</u> : i) Interest	46.49	26.65
ii) Depreciation	11.22	11.26
	57.71	35.91
Net Profit before Tax	138.95	56.43
<u>Less</u> : Taxes		
i) Current	48.98	22.00
ii) Deferred	(0.54)	(0.37)
iii) Fringe Benefit	3.15	—
	51.30	21.63
Net Profit after Tax	87.65	34.80
What the Company Owned		
Fixed Assets		
Gross Block	453.02	217.97
<u>Less</u> : Depreciation	91.07	83.17
Net Block	361.95	134.80
Add : Capital Work in Progress	126.76	13.31
	488.71	14.11
Intangible Assets		
i. Goodwill on Consolidation	82.37	84.54
ii. Miscellaneous Expenditure	0.55	0.24
	82.92	84.78
Investments	14.46	50.22
Current Assets	3866.13	2153.67
	4452.22	2436.78
What the Company Owed		
Loan Funds	1044.94	376.35
Deferred Liability-Against Land	105.60	204.88
Current Liabilities & Provisions	3003.08	1626.82
Minority Interest	23.68	21.00
Sinking Fund	0.13	—
Deferred Tax Liabilities	15.08	12.08
	4192.51	2241.13
Net Worth		
Equity Share Capital	12.49	12.49
Reserves & Surplus	247.22	183.16
	259.71	195.65

Consolidated Financial Statements

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF UNITECH LIMITED.

1. We have examined the attached Consolidated Balance Sheet of Unitech Limited and its subsidiaries, Associates and Joint Ventures as at 31st March 2006 and the Consolidated Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Unitech Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information's regarding the subsidiaries. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements includes the unaudited figures of investment in other subsidiary namely A.B. Hotels Limited. Besides above the statement also includes unaudited figures of other joint venture/associates namely (i) Unitech Amusement Parks Limited (ii) International Recreation Parks (P) Limited (Audited by another Auditor), (iii) Gurgaon Technology Park Limited (iv) Sarvmangalam Builders & Developers Pvt. Limited (v) S.B. Developers Limited (vi) Millennium Plaza Limited (vii) Gurgaon Recreation Parks Limited (viii) Unichand Builders Private Limited.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard issued by Institute of Chartered Accountants of India viz. Accounting Standard AS-21- "Consolidated Financial Statements", AS-23- "Accounting for Investments in Associates in Consolidated Financial Statements" and AS-27- "Financial Reporting of Interests in Joint Ventures".
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Unitech Limited and its aforesaid subsidiaries and joint ventures entities, in our opinion, the attached consolidated financial statements, read with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of Consolidated Balance Sheet read together with notes thereon, gives true and fair view of the Consolidated state of affairs of Unitech Limited and its subsidiaries, associates and Joint Venture as at 31 March 2006; and
 - b) In the case of Consolidated Profit and Loss account read together with notes thereon, gives a true and fair view of the consolidated state results of operations of Unitech Limited and its subsidiaries, associates and Joint ventures for the year then ended.
 - c) In the case of the Consolidated Cash Flow Statement of the consolidated cash flows of Unitech Limited Group for the year ended on that date.

For Goel Garg & Co.
Chartered Accountants

J. L. Garg
Partner
Membership No.: 5406

Place : New Delhi
Dated : 30th June, 2006

CONSOLIDATED BALANCE SHEET

As at 31st March, 2006

	Schedule No.	As at 31.03.2006		As at 31.03.2005	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
(a) Share Capital	1	124,875,000		124,875,000	
(b) Reserves And Surplus	2	2,472,265,399	2,597,140,399	1,831,596,350	1,956,471,350
MINORITY INTEREST					
(a) Equity		88,650,000		95,998,980	
(b) Reserves And Surplus					
Opening		115,352,515		100,250,611	
For the year		32,799,087	236,801,602	13,750,956	210,000,547
LOAN FUNDS					
(a) Secured Loans	3	9,556,866,004		3,257,720,301	
(b) Unsecured Loans	4	892,537,665	10,449,403,669	505,795,518	3,763,515,819
DEFERRED LIABILITY - Against Land			1,055,989,950		2,048,861,950
SINKING FUND			1,264,568		
DEFERRED TAX LIABILITY (Net)			150,771,561		120,796,022
TOTAL			<u>14,491,371,749</u>		<u>8,099,645,688</u>
APPLICATION OF FUNDS					
FIXED ASSETS	5				
Gross Block (At cost)		4,530,226,188		2,179,675,996	
Less: Depreciation		910,685,165		831,722,265	
Net Block		3,619,541,023		1,347,953,731	
Add: Capital Work in Progress		1,267,576,244	4,887,117,267	133,128,263	1,481,081,994
INVESTMENTS	6		144,542,365		502,226,662
GOODWILL ON CONSOLIDATION			823,719,690		845,370,128
CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	7				
i) Materials, Stores & Spares and Work-in-Progress		617,989,756		498,668,125	
ii) Stock of Completed Real Estate Projects		77,597,726		102,664,553	
iii) Projects in Progress of Subsidiaries/Associates		5,135,127,776		4,049,573,893	
(b) Projects in Progress	8	25,038,867,265		11,911,493,574	
(c) Sundry Debtors		1,032,484,392		852,857,895	
(d) Cash And Bank Balances	9	3,899,408,796		2,717,620,594	
(e) Loans And Advances	10	2,859,847,279		1,403,871,016	
		38,661,322,990		21,536,749,650	
Less: Current Liabilities & Provisions	11	30,030,824,761		16,268,168,065	
NET CURRENT ASSETS			8,630,498,229		5,268,581,585
MISCELLANEOUS EXPENDITURE	12		5,494,198		2,385,319
(To the extent not written off or adjusted)					
TOTAL			<u>14,491,371,749</u>		<u>8,099,645,688</u>
Significant Accounting Policies And Notes to the Accounts	18				

As per our report of even date

For Goel Garg & Co.
Chartered Accountants

J. L. Garg
Partner
Membership No. 5406

Place : New Delhi
Dated : 30th June, 2006

For and on behalf of the Board

Ramesh Chandra
Chairman

Ajay Chandra
Managing Director

A. S. Johar
Whole-time Director

Sanjay Chandra
Managing Director

G. R. Ambwani
Director

Tarun V. Kotak
Company Secretary