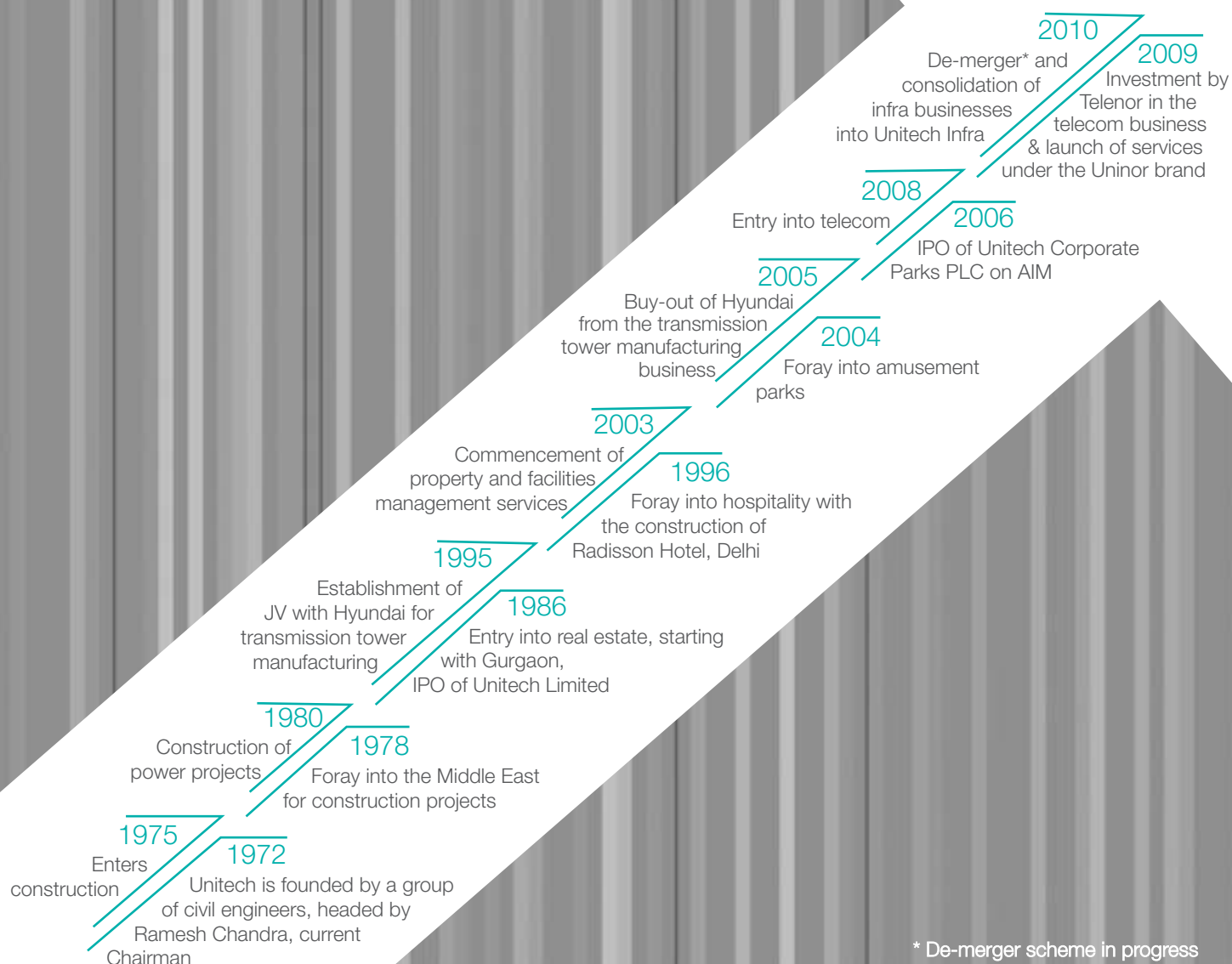




Emerging
stronger.
Thinking
bigger.

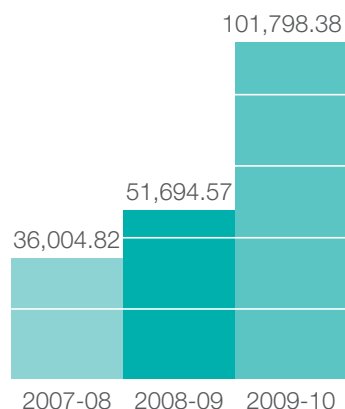
UNITECH LIMITED
annual report | 2009-10



UNITECH GROUP

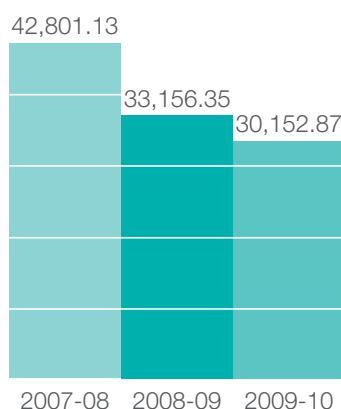
SHAREHOLDERS' FUNDS

(RUPEES IN MILLION)



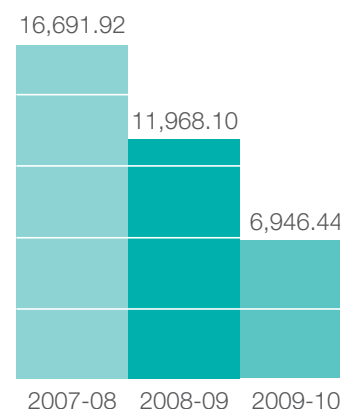
TOTAL INCOME

(RUPEES IN MILLION)



PROFIT AFTER TAX

(RUPEES IN MILLION)



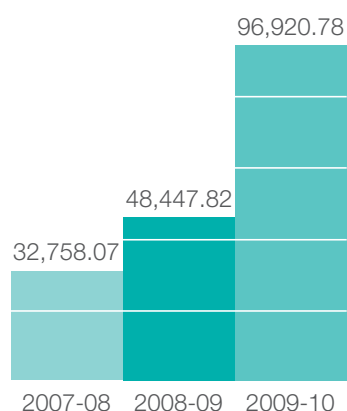
UNITECH IS AMONGST INDIA'S LEADING BUSINESS GROUPS, WITH AN OUTSTANDING TRACK RECORD IN LARGE-SCALE, INTEGRATED, REAL-ESTATE DEVELOPMENT.



UNITECH GROUP

RESERVES & SURPLUS

(RUPEES IN MILLION)



FINANCIAL SUMMARY

(RUPEES IN MILLION)

Particulars	Financial Year		
	2009-10	2008-09	2007-08
Share Capital	4,877.60	3,246.75	3,246.75
Reserves & Surplus	96,920.78	48,447.82	32,758.07
Shareholders' Funds	101,798.38	51,694.57	36,004.82
Total Income	30,152.87	33,156.35	42,801.13
Net Profit (before tax)	9,210.24	14,392.03	20,677.82
Net Profit (after tax)	6,946.44	11,968.10	16,691.92
Fixed Assets	33,580.60	33,257.46	31,441.53
Net Current Assets	121,183.83	100,064.78	95,150.10
Investments	12,426.95	15,808.24	14,164.91
Secured Loans	47,832.62	77,015.98	62,311.38
Unsecured Loans	12,245.47	13,542.42	23,212.37

COMPANY PROFILE



A STRONG LEGACY

Unitech is amongst India's leading business groups, with an outstanding track record in large-scale, integrated, real-estate development. Unitech's strong engineering heritage allows it to successfully address the enormous potential of the infrastructure sector.

REAL ESTATE DEVELOPMENT - Leading the industry transformation

In the real estate space, Unitech offers construction, property development, management and consultancy services. The focus is on large, mixed-use developments and the Company's diverse portfolio includes residential, commercial, special economic zones (SEZs), IT Parks, hospitality, retail and entertainment. Unitech's land reserves are spread across all major hubs of economic activity in the country.

FACILITIES MANAGEMENT - A natural extension

Unitech offers a complete spectrum of property maintenance and management services. This includes power distribution, backup power generation, central air conditioning, water supply, drainage pumping, janitorial services, security services, parking management, pest control, fire detection and solid waste disposal and management. Unitech has a large portfolio of properties under management.

INFRASTRUCTURE DEVELOPMENT - Gearing up for growth

The infrastructure sector in rapidly growing economies offers enormous business potential, as well as an opportunity to contribute to the nation's progress. With over three decades of experience in India and overseas, Unitech is well poised to leverage its EPC capabilities to address the opportunities in the infrastructure sector.

Unitech is demerging all its infrastructure businesses into a new entity called Unitech Infra Ltd. to sharpen focus and accelerate the progress in this sector.

Unitech's portfolio of infrastructure businesses includes general construction; design, manufacturing, erection and commissioning of transmission towers, mainly for the power sector; and development of industrial and logistic parks. The Company will also pursue Build Operate Transfer (BOT) opportunities in the highways, housing and power transmission sectors.





DIVERSIFIED PRODUCT MIX

With a philosophy centered around its customers, Unitech has a highly diversified product mix comprising:

- Residential ■ Commercial ■ Retail ■ Hotels ■ Townships
- Entertainment ■ SEZs ■ IT Parks

TELECOM SERVICES

The Company has a 32.75% economic interest in a telecom joint venture with Telenor, a leading global telecom player with operations in fourteen countries. This venture started offering mobile telephony services under the 'Uninor' brand in December 2009. In a short period, Uninor has acquired over 5 million subscribers



and it was recognized as the 'Most Promising New Operator' in the Telecom Awards 2010 organized by tele.net, a leading Indian telecom sector publication. Uninor has built a strong management team and currently has over 2500 employees.

STRONG PARTNERSHIPS & GLOBAL CLIENTELE

Be it firms like Som, Callison and HOK in real estate or Telenor in telecom – Unitech has a history of successful partnerships with leading global organizations.

SOM



Its blue-chip customer portfolio in real estate includes clients like

■ Fidelity ■ HSBC ■ Sun Life ■ Marriott ■ Reebok ■ IBM ■ RBS ■ Ernst & Young ■ Bank of America ■ LG



AWARDS & CERTIFICATIONS

- First real estate developer to have been certified ISO 9001:2000 in North India
- Declared a Superbrand by Superbrands India, October 2007
- Recipient of CW Architect and Builders Award, 2008 for being One of India's top 10 builders
- First real estate company to be part of the National Stock Exchange's NIFTY 50 Index.

CORPORATE CITIZENSHIP

Unitech is committed to being a good corporate citizen and is conscious of its larger responsibility towards society and environment.

CONTENTS

Chairman's Message	7
Directors' Report	9
Report on Corporate Governance	13
Management Discussion and Analysis	25
Auditors' Report on Consolidated Financial Statements	35
Consolidated Balance Sheet	36
Consolidated Profit & Loss Account	37
Schedules to Consolidated Accounts	38
Consolidated Cash Flow Statement	58
Auditors' Report on Financial Statements	59
Balance Sheet	62
Profit & Loss Account	63
Schedules to Accounts	64
Balance Sheet Abstract	108
Cash Flow Statement	109
Statement pursuant to Section 212(3) and other details of Subsidiary Companies under Section 212(8) of the Companies Act, 1956	110

CORPORATE INFORMATION

Executive Chairman	Mr. Ramesh Chandra
Managing Directors	Mr. Sanjay Chandra Mr. Ajay Chandra
Non Executive Directors	Mr. G. R. Ambwani Mr. Sanjay Bahadur Ms. Minoti Bahri Mr. Anil Harish Dr. P.K. Mohanty Mr. Ravinder Singhanian
Chief Financial Officer	Mr. Manoj Popli
Company Secretary	Mr. Deepak Jain
Auditors	Goel Garg & Co. Chartered Accountants

Registered Office

6, Community Centre, Saket, New Delhi-110017
Tel.: +91-11-26857331. Fax: +91-11-26857338

Corporate Office

Unitech House, 'L' Block, South City-I, Gurgaon-122001
Tel.: +91-124-4125200. Fax: +91-124-2383332

Marketing Office

Signature Towers, Ground Floor, South City-I, Gurgaon-122001
Tel.: +91-124-4082020. Fax: +91-124-4083355

www.unitechgroup.com

CHAIRMAN'S MESSAGE

Dear Shareholder,

The year 2009-10 was the beginning of a new phase in Unitech's long term journey. During the preceding few years, your Company acquired a large diversified low cost land reserve. In 2009-10, the focus clearly shifted to faster monetisation of this large land reserve by rapid launch of projects. The year was also marked by a shift in the Company's product strategy with 'affordable housing' becoming the mainstay of its product portfolio. Today, Unitech offers probably the widest range of products in the real estate sector in India.

I am pleased to report that this shift in your Company's strategy has yielded positive results. During the year, Unitech recorded its highest ever-sales bookings of 16.6 million square feet with a total booking value of about Rs. 7,000 Crores. Over 30 projects were launched in 2009-10 alone. These included projects in some new cities such as Chennai and Bhopal. I am glad to share with you that the customer response to your Company's projects in these new cities has been very encouraging.

With growing sales volume, your company has also laid special emphasis on enhancing its project execution capabilities. Various measures, based on internal brainstorming as well as learning from visits to developers in countries such as China, are being taken to reduce the construction time as well as cost. These initiatives have borne fruit in pilot projects and are now being extended to other projects. By the end of 2009-10, Unitech had close to 70 projects being executed simultaneously. During the year, workforce employed at construction sites increased six-fold to about 21,000 workers. Nearly 7 million square feet of product was completed and delivered by your Company to its customers.

Clearly, operationally, 2009-10 has been a step in the right direction. With the revised business strategy delivering credible results, the Company remains steadfast on its commitment to this strategy.

The progress achieved by your Company on the operational front has resulted in a significant improvement in its cash flows. During the year, Company's total debt was reduced by Rs. 3,130 Crores to Rs. 6,007 Crores. The net debt to equity ratio, as of 31st Mar'10, was at a healthy 0.51.

While the performance during the last financial year is satisfying, there is a lot more to do to make Unitech a truly global scale developer. The Indian market certainly offers enough opportunity.

With 8.6% growth in Q4, 2009-10, the Indian economy registered a GDP growth of 7.4% in 2009-10. And, India is back on its over 8% long term growth path. In line with the economic development, the real estate market in India has clearly come out from the crisis of 2008-09 and is back on track. The froth in the market has been cleared out and there is significant real demand for both affordable and high-end housing given the right value proposition. And, Unitech has a large enough diversified land bank, which can be developed over the next 8-10 years. The Company will have to focus on creating and launching new projects with appropriate value propositions and then excel in execution and delivery.

Having said so, there will be several challenges before the Company in continuing to successfully implement its real estate business strategy. The clear focus going forward is to address the need for speed across different business functions. Broadly speaking, there are three areas where speed is essential:

- + First, there is the need to build organisational speed to quickly adapt to a fast changing business environment. This includes the ability to seize opportunities in a manner that doesn't expose the Company to excessive risk.
- + Second, there is the need to shorten cash cycles. The focus should be on maximizing Internal Rates of Return (IRR) of projects. Such focus on reducing the cash cycle from utilisation to collection plays a major role in creating businesses with strong balance sheets
- + Third, there is the need to increase the speed of project execution. In India, we continue to lag well behind countries like China in terms of time taken for regulatory approvals, project management and availability of skilled manpower. Faster execution enhances capacity, improves IRRs and more importantly, results in much greater customer satisfaction.

Unitech is focussed on each one of these aspects and is continuously gearing itself up to meet various challenges it might face in implementing its plans.

Next, I would like to draw your attention to your Company's infrastructure businesses. Unitech has several infrastructure businesses within its portfolio. In fact, in the early years, Unitech was a general contracting company that operated not only in India but also

CHAIRMAN'S MESSAGE

abroad, especially in the Middle East. Since then, it has continued to develop many of the infrastructure related businesses. And, some of these businesses also developed as an offshoot of the real estate business.

Clearly, for India to maintain a growth level of over 8%, there has to be a commensurate development in the physical infrastructure, be it roads, power, ports, airports, telecommunication, industrial townships or any other development that supports further economic activity. While the Government plays an active role in this development, increasingly one is seeing the involvement of the private sector, especially through public private partnerships. Consequently, the private sector infrastructure development industry in India has great potential.

We, at Unitech, believe in the value proposition of developing the existing portfolio of infrastructure businesses in a focused manner by leveraging the Company's over 30 years of rich experience in executing infrastructure projects. Consequently, recently the Board of Directors proposed to demerge the Company's infrastructure portfolio into a separate entity called Unitech Infra Limited. Also, since infrastructure businesses will require significant growth capital, the Board thought it prudent to pursue them in a new entity. The demerger will happen with effect from 2nd April, 2010 subject to legal and other clearances. Post demerger, the two entities will be:

- + Unitech Limited: This Company will focus on the real estate business, which will include residential, commercial and retail space development, integrated township development, in-house project management, and fund and asset management
- + Unitech Infra Limited: The Company will have a portfolio of infrastructure related businesses, which includes:
 - General Construction, Transmission Towers Manufacturing
 - Development of Hotels, Amusement Parks, Industrial Parks, Logistics Parks and IT SEZs/Parks.
 - Facilities and Property Management Services

In addition to these existing businesses, Unitech Infra will also pursue BOT opportunities in the highways, housing and power transmission sectors.

Unitech Infra will also hold the 32.75% interest in the Telecom JV with Telenor.

Post demerger, Unitech Limited will be the largest shareholder of Unitech Infra and will hold 35% stake and the existing shareholders of Unitech will hold the balance 65%. Unitech Infra would be listed on both NSE and BSE.

We expect this demerger to be highly value accretive to all the stakeholders of Unitech Limited. The demerger will bring greater focus onto each of the Company's businesses and provide a strong platform to leverage the infrastructure opportunity in India. It also provides the infrastructure entity greater flexibility in raising finances for its projects due to availability of both a wider range of instruments and multiple pools of capital for infrastructure financing in India. For you the shareholder, apart from unlocking value in the infrastructure businesses, it provides the flexibility to choose between the real estate and infrastructure businesses.

In the telecom business, Telenor completed its investment of Rs.6,135 Crores into the business and increased its stake to 67.25%. The telecom venture started offering mobile telephony services under the 'Uninor' brand in December 2009. Uninor has introduced innovations both in product pricing and distribution in the Indian telecom market. The initial customer response has been positive and within a short period of launch of services, the Company has acquired a subscriber base of over 5 million customers. Today, Uninor offers services in 13 out of 22 circles covering over 70% of the population. It will expand its services to the remaining circles in due course with a well calibrated growth strategy.

I would like to take this opportunity to thank all those who work for or are associated with Unitech for their efforts in 2009-10. Unitech's growth strategy will throw up many challenges. But I am confident that everyone involved will be up to it. They have been instrumental in taking Unitech to where it is today and they will define its future path.

I would like to thank you - the Shareholder - for continuing to repose faith in the Company. Your continued support, especially in times of adversity is very much appreciated.

Ramesh Chandra
Chairman