



WORK BETTER.
LIVE BETTER.



HOW UNIPLY IS HELPING TRANSFORM
INDIA'S INTERIORS FOR THE BETTER



CONTENTS

002 >	004 >	006 >	008 >
Corporate snapshot	Our integrated report	Enhancing value over the years	How we have transitioned over the years
012 >	013 >	014 >	024 >
Synergies between Uniply Industries and Uniply Decor	Synergies between Uniply Industries and Vector	Chairman's overview	Performance review
028 >	043 >	044 >	060 >
Business segment review:	Corporate information	AGM Notice	Director's report & Management discussion and analysis
093 >	102 >	149 >	207 >
Corporate governance report	Standalone accounts	Consolidated accounts	Letter to Shareholder

Pictures

All the images used in the report are actual images of fit-out projects implemented by Uniply Industries Limited

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

WORK BETTER. LIVE BETTER.

How Uniply is helping transform India's interiors for the better

At Uniply Industries, we have grown from one business in the last three years to three.

A number of people have questioned our urgency.
'Wouldn't consolidation have worked better? Wouldn't stability have been safer?'

We have grown our reinvented company around a culture of urgency for a simple reason.
We are engaged in the business to empower people to work and live better.

Not a moment to be lost. Not a day to be wasted. Not an opportunity to be missed.
Carpe Diem.



7 THINGS TO KNOW ABOUT US

Rich experience

Over the past three years, a reinvented Company (following acquisition) has transformed itself into a one-stop solution provider for customers seeking to construct affordable homes, create world-class offices and move to superior interior products

Management

The Company is led by Mr. Keshav Kantamneni (Chairman). The senior management comprises professionals managing the three different businesses of affordable home construction, interior products and interior solutions.

Widespread presence

The Company is head-quartered in Chennai with a manufacturing plant in Maharashtra. The Company's interior products are marketed pan-India; the home construction business is present in Telangana and Karnataka; the Company provides interior fit-out solutions across the country. The plywood segment of the business (part of Uniply Decor Limited) has manufacturing facilities in Gujarat and Tamil Nadu.

Distribution

The Company's B2B business markets directly, leveraging existing customer relationships on the one hand and referrals on the other. The Company derives its success from a vast distribution network marketed across the country.

Compliances and certifications

The Company has emphasised quality products and processes, translating into business stability and dependability. The Company was certified for ISO 9001:2008 for the plywood and interior fit-outs business. The Company has been accredited with the ISO 14001 and CVI certification for green building projects. The OHSAS 18001 certification validates the Company's compliance with international health and safety standards.

Acquisitions and divestments

The management showcased its growth ambition through a string of acquisitions. It acquired management control of Uniply in 2015, followed by Vector Projects in 2016. The Company currently owns a 37.41% stake in Uniply Decor following divestment of its plywood business for an economic value of ₹300 crore.

Our manufacturing facilities

The Company's (Vector) state-of-the-art manufacturing facility of over 80,000 sq ft at Pen, Maharashtra, reported a capacity utilisation of 60% in 2017-18. The Gujarat plant of Group company Uniply Decor Limited (UDL) is a 45 acre fully integrated facility while the Chennai facility of UDL is a fully integrated facility of 13 acre.

OUR OVERALL INTEGRATED REPORT ON VALUE- CREATION

OUR STRATEGY

▣ **Objective:** At Uniply, our principal focus is to help people work and live better. We believe we are helping make this a reality through better products and solutions – a one-stop turnkey offering as well as standalone product sales.

▣ **Identities:** We are a B2C business through our stake in Uniply Decor; we are a B2B business through our ownership of Vector; we are a B2B company through our affordable home construction business.

▣ **Focused acquisition:** We engaged in focused acquisition with the objective to synergistically extend our business furthest from a log to furniture.

▣ **Cost leadership:** We focused on leveraging synergies between Uniply Decor and Vector on the one hand and between Vector and the affordable home construction business on the other, strengthening our competitiveness.

▣ **Liquidity:** We pared debt by divesting our plywood business to Uniply Decor Limited.

▣ **Solutions:** We are a solutions provider, extending from the basic sale of plywood to home construction to the value-added delivery of complete interior infrastructure solutions, addressing the apex of the value chain.



HOW WE ENHANCE VALUE FOR OUR STAKEHOLDERS

Our resources

▣ **Financial capital:** Our financial capital comprises funds mobilised from investors, promoters and lenders in the form of debt (moderate), net worth and accruals.

▣ **Manufactured capital:** Our manufacturing assets, technologies and equipment constitute our manufactured capital. An efficient logistical network is integral to our manufacturing expertise.

▣ **Human capital:** Our management, employees and contractual workers strengthen our business sustainability.

▣ **Intellectual capital:** Our sizeable proprietary knowledge repository comprises our intellectual capital, our most potential competitive advantage

▣ **Natural capital:** We source our natural raw materials in a manner than enhances the sustainability of natural finite resources.

▣ **Social capital:** Our enduring relationships with communities and partners (vendors, suppliers and customers) translate into responsible corporate citizenship.

Value created

Financial capital

▣ **Turnover:** ₹404.03 crore

▣ **Earnings per share:** ₹13.72

▣ **ROCE:** 21.59%

Manufacturing capital

▣ **Number of interior fit-out projects delivered:** 1500 covering 15 million sq feet since inception.

▣ **Fit-out projects completed:** 34 in 2017-18 and 84 ongoing since April 2017.

▣ **Number of affordable housing projects:** 3 (8860 homes)

Human capital

▣ **Skilled workers:** 550

▣ **Unskilled workers:** 800

▣ **Remuneration, 2017-18:** ₹33.88 cr

Intellectual capital

▣ **Cumulative senior managerial experience:** >200 person years

Natural capital

The Company uses PPC cement in the affordable home construction business comprising 75% clinker, 20% fly ash and 5% gypsum.

Our beneficiaries

▣ **Investors:** We have enriched investors through superior market capitalisation since assuming management control (market capitalisation of ₹904 crore as on 31 March 2018)

▣ **Employees:** We provided remuneration worth ₹33.88 crore in 2017-18.

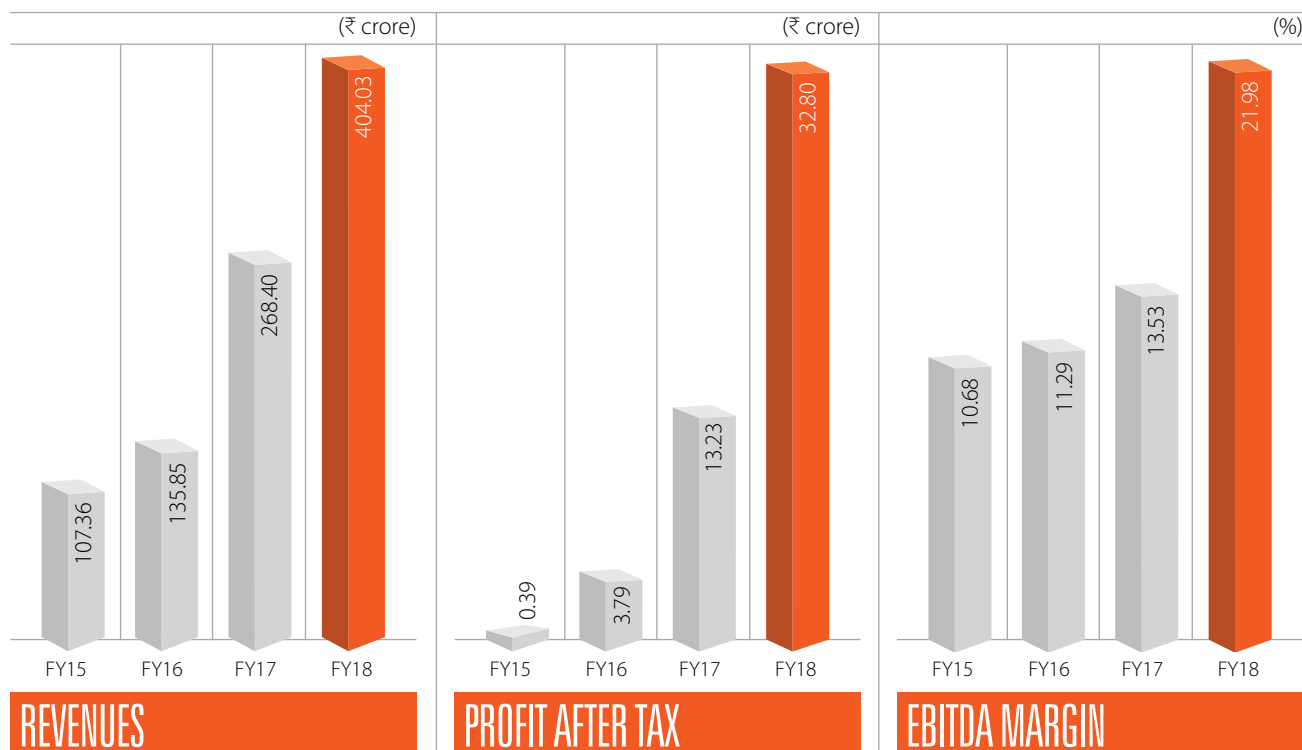
▣ **Customers:** We completed 34 interior fit-out projects in 2017-18 and have 84 in progress; we were engaged in the construction of 8860 affordable homes.

▣ **Governmental bodies:** We paid ~₹72.00 crore to the exchequer in 2017-18.

▣ **Communities:** We enriched local communities of our presence through downstream economic benefits.

▣ **Distributors and suppliers:** We enhanced value for distributors and retailers through sustained resource offtake.

ENHANCING VALUE OVER THE YEARS



REVENUES

Definition

Sales net of taxes and excise duties

Why is this measured?

It highlights the service acceptance and reach of the Company in the market

Performance

Aggregate sales increased by 50.6 % to reach ₹404.03 crore in FY2017-18 due to increasing demand and widening footprint

Value impact

Creates a robust growth engine on which to build profits

PROFIT AFTER TAX

Definition

Profit earned during the year after deducting all expenses and provisions

Why is this measured?

It highlights the strength in the business model in generating value for shareholders.

Performance

The Company reported a whopping 147.92% increase in its profit after tax in FY18 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries

Value impact

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain

EBITDA MARGIN

Definition

EBITDA margin is a profitability measure used to measure a company's competitiveness and generation of core profitability on a rupee's income

Why is this measured?

The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sale

Performance

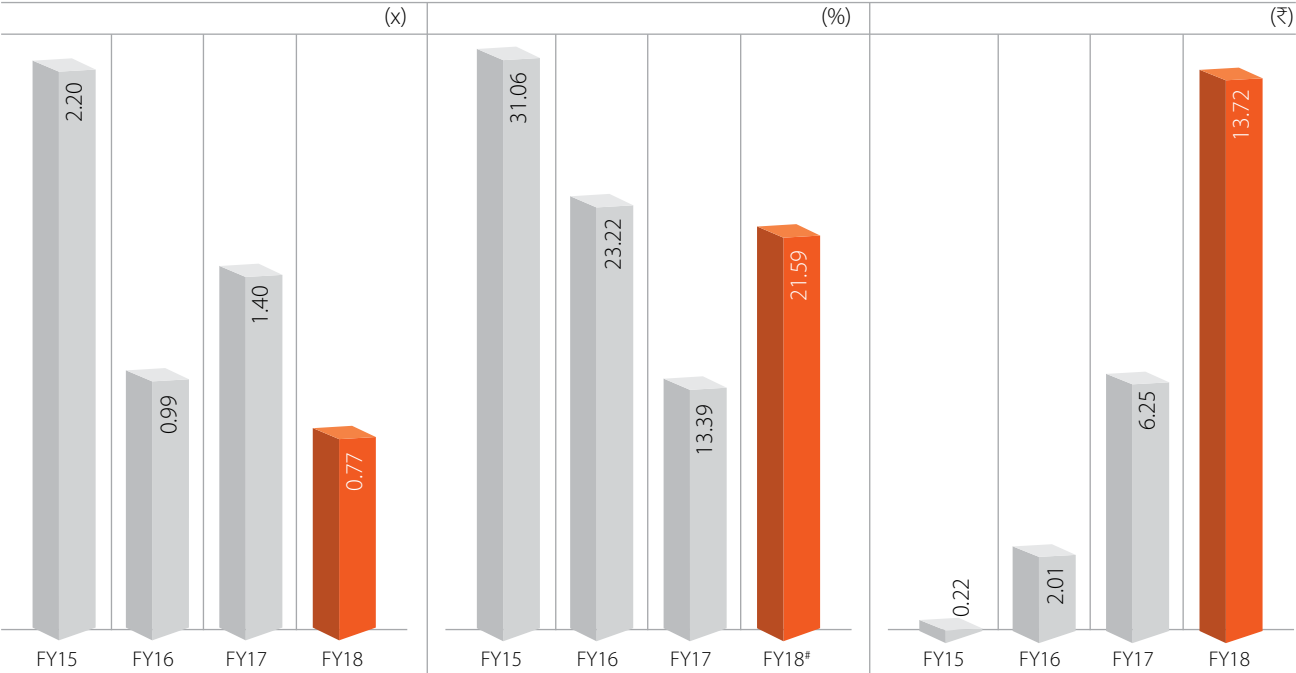
The Company reported a 845bps increase in EBITDA margin in FY 18 from FY17, while enriching its product basket with superior products and improved operating efficiency

Value impact

Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses

*Disclaimer: The FY15 and FY16 figures reflect performance derived from the plywood business (standalone). The FY17 figures comprise the plywood and interior fit-out business for one half of the financial year (consolidated) while the FY18 figures comprise the plywood business for one half of the year, the interior fit-outs business and the affordable housing business (consolidated).

This is based on average capital employed.



TOTAL DEBT-EQUITY RATIO

Definition

This is derived through the ratio of debt to net worth.

Why is this measured?

A measure of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers.

Performance

The Company's gearing was significantly moderated from 2.20 in FY15 to 0.77 in FY18.

Value impact

Enhanced shareholder value by moderating debt, reducing the Company's indebtedness on the one hand and increasing flexibility to access debt (when needed).

ROCE

Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

Why is this measured?

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors

Performance

A showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders

Value impact

Enhanced ROCE can potentially drive valuations and perception (on listing)

EARNINGS PER SHARE

Definition

It is the portion of a company's profit allocated to each outstanding share of common stock.

Why is this measured?

This figure depicts the actual value the Company has created for its shareholders.

Performance

The Company's EPS has progressively increased from a ₹0.22 in FY15 to ₹13.72 in FY18

Value impact

Adds value in the hands of the shareholders through enhanced earnings per share



WHERE WE HAVE
COME FROM
268.40
REVENUES (₹ CR),
2016-17