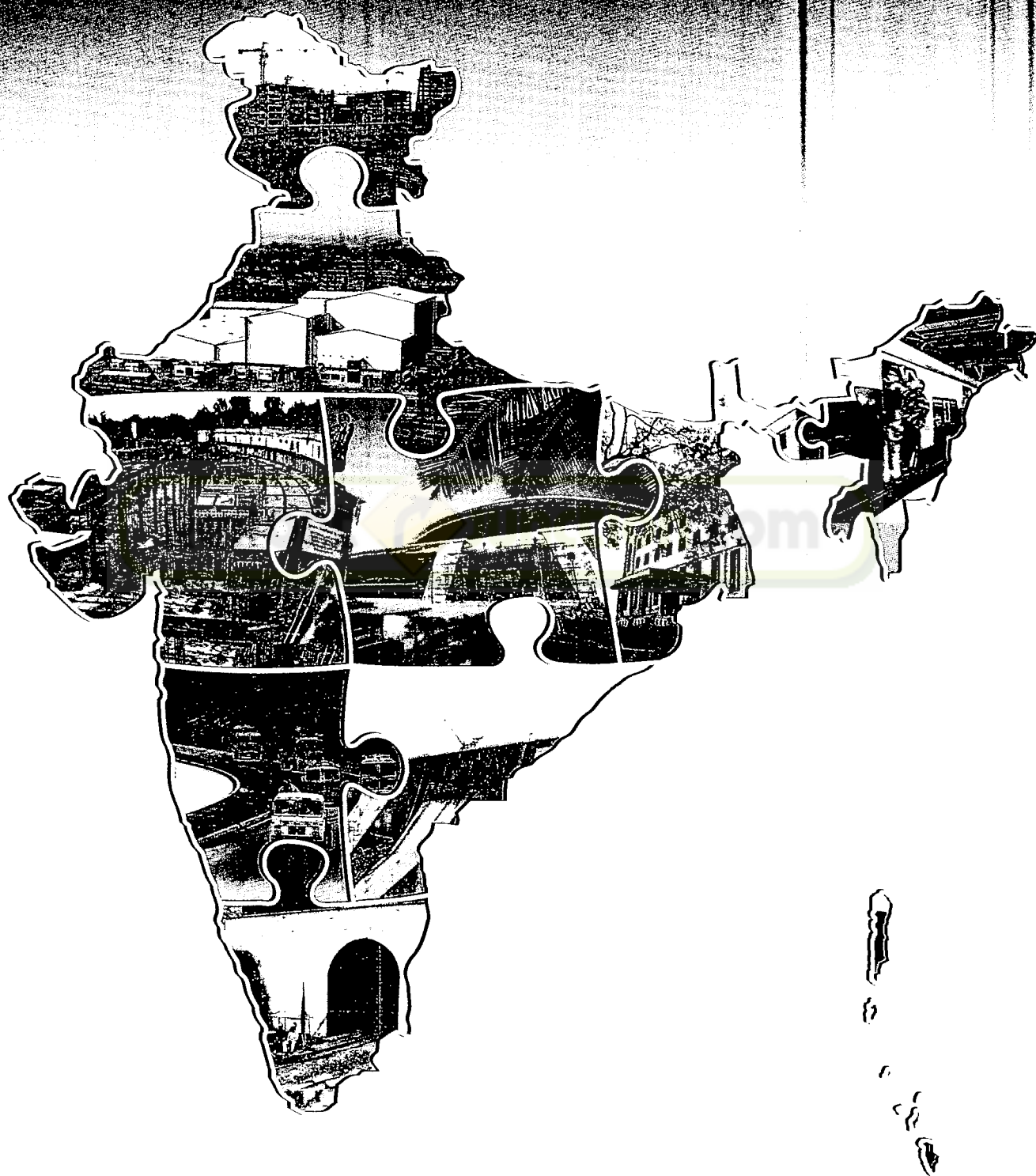


Shaping Infrastructure, Building the Nation



Corporate Information



Board of Directors

Chairman & Managing Director

Kishore Avarsekar

Vice Chairman & Managing Director

Abhijit Avarsekar

Executive Directors

Pushpa K. Avarsekar

Ashish K. Avarsekar

Director

Anil G. Joshi

Chaitanya Joshi

Suresh Iyer*

Girish Gokhale (w.e.f. 27/10/2007)

Vijaykumar J. Rane (upto 27/10/2007)

Registered Office

1252, Pushpanjali

Old Prabhadevi Road,

Prabhadevi, Mumbai - 400 025.

Telephone: +91-22-6666 5500

Fax: +91-22-6666 5599

Website: www.unityinfra.com

Corporate Management

Chief Operating Officer

Yogen Lal

Chief Financial Officer

Madhav Nadkarni

Chief Procurement Officer

Rajiv Shah

Company Secretary

Manoj Thakar

Senior Vice-President

Iftexhar Ahmed

Registrar & Share Transfer Agents

Intime Spectrum Registry Ltd.

C/13, Pannalal Silk Mills,

L B S Marg, Bhandup (West),

Mumbai - 400 078

Telephone: +91-22-2596 3838

Fax: +91-22-2594 6969

Email: isrl@intimespectrum.com

Bankers

1. State Bank of India
2. State Bank of Indore
3. State Bank of Patiala
4. Bank of India
5. ICICI Bank Limited
6. IDBI Bank Limited
7. DBS Bank
8. Standard Chartered Bank
9. ABN Amro Bank
10. IndusInd Bank Ltd.
11. Yes Bank Ltd.
12. Union Bank of India
13. Abhyudaya Co-op. Bank Limited
14. Citibank

Auditors

C. B. Chhajed & Co.

Solicitors

Amarchand Mangaldas & Suresh A. Shroff & Co.

Mulla & Mulla & Craigie Blunt & Caroe

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* Resigned in May 2008

- India's leading construction and engineering company with nearly three decades of experience in diverse areas of civil construction and infrastructure development
- Expertise in civil construction, transportation engineering and irrigation/ water supply projects
- Landmark projects completed include
 - Expansion & Modification of Terminal I B at Chhatrapati Shivaji International Airport, Mumbai
 - Port Connectivity Project for the NHAI at JN Port, Navi Mumbai
 - Strengthening of the Tansa Dam at Thane
 - Design and Build of Clear Water Transmission Mains in South Delhi
 - New Transformer Factory for Siemens Limited at Kalwa, Navi Mumbai
 - Rabale Railway Station, Navi Mumbai
 - Design and Construction of Mass Housing Projects for the Delhi Development Authority in New Delhi
 - New Secretariat Complex in Dispur, Assam
 - Tunnel for the North Frontier Railway in Tripura
- ISO 9001-2000 and ISO 14001-2004 certified with accreditation from the ANSI-ASQ National Accreditation board
- Strong first generation entrepreneurial management team, with excellent blend of experienced professional management
- 1098 on roll employees as on 31st March 2008
- Established credentials in executing complex turnkey projects in challenging environment
- Revenue growth of more than 70% (Compounded Annual Growth Rate) over the last 5 years
- Net Profit growth of more than 100% (Compounded Annual Growth Rate) over the last 5 years
- Revenues for FY2008 at Rs. 862 crores and Net Profit at Rs. 60 crores
- Order Book as on 31st March 2008 at Rs. 2410 crores, translating into 2.8 times FY 2008 sales

Vision:

**To be among the first few globally recognized Indian enterprises
in infrastructure development and construction.**

Dear Shareholder,

We had a successful fiscal 2007-08, with robust growth in financial parameters, order book and increasing size and diversity of projects under execution. Our key focus remains on building our capabilities and size to harvest the growth opportunities, while developing financial strength and adhering to highest standards of corporate governance.

Some of the highlights of Financial Year 2008 are:

- Order book of Rs. 2410 crores as compared to Rs. 1996 crores, an increase of 21% over FY07. (The order book has subsequently increased to Rs. 3091 crores as on June end, 2008)
- Total income increased by 56% to Rs. 862 crores as compared to Rs. 554 crores in FY07
- PAT stood at Rs. 60 crores as against Rs. 42 crores in FY07, a growth of 42%
- Our Net worth increased to Rs. 356 crores from Rs. 302 crores, a growth of 18%
- Our Return on Net Worth improved to 17% in FY08 from 14% in FY07

We truly believe that as India marches ahead and continues to attract huge investments, the construction sector will continue to offer immense growth opportunities. These opportunities will be across the real estate and infrastructure spectrum. Though the macro economy is becoming challenging, which may slow down the pace of growth of Indian economy, I believe that there exist significant growth drivers, given the huge infrastructure deficit that the country is facing. Thus, at Unity, we are committed to explore these opportunities, while further developing our financial strength.

Our strategic intent therefore remains to transform to a multi faceted entity with expertise across EPC (Engineering, Procurement and Construction), real estate and infrastructure development. This will ensure long term sustainable and profitable growth, resulting in shareholder value creation.

The company's realty projects - the hotel project in Pune is near completion and would be operational as per the timelines, making it one of the fastest hotel project commissioning in the country; and the Nagpur and Goa projects are also well on track. Your company continues to look for growth opportunities in various parts of the country in real estate space. With regards to the Infrastructure subsidiary, as your company is bidding for big tickets projects in roads and urban infrastructure space, I expect that the company will make significant strides in the infrastructure space in the coming years.

I am grateful to the shareholders and customers for the continued confidence that they have shown in Unity Infraprojects. I would also like to thank the entire Unity team and all our business associates for their continued commitment to take the company to higher growth trajectory. I would also like to thank our banks and financial institution for their continued confidence in our company.

Kishore K. Avarsekar,
Chairman & Managing Director

Q: Were you pleased with performance of the company in 2007-08? How has been the journey over the last few years?

I was very much pleased with the overall performance of the company. Notwithstanding the emerging macro economy issues and obvious operational challenges for a company galloping at 50% year on year, the company has recorded strong performance for FY2008. We had outlined an ambitious business target for FY2008, and I am happy to note that we have comprehensively achieved our targets.

Some of the significant orders we bagged during FY 2008 include:

- Re-modelling and up-gradation of the Major Dhyan Chand National Stadium at Delhi for the Commonwealth Games 2010
- Construction of Super Speciality Hospital and Accident and Emergency Hospital for the Nizam Institute of Medical Sciences, Hyderabad
- Civil Construction of Retail Malls in Pune for Magarpatta City and Annutam Developers respectively
- Civil Construction of Malls for Market City Resources in Mumbai and Pune
- Design and Construction of 3 Storm Water Pumping Stations at various locations in Mumbai for the Municipal Corporation of Greater Mumbai
- We also ventured into the niche area of trenchless technology by bagging an order for a Micro tunnelling Project from the Municipal Corporation of Greater Mumbai.

FY 2008 also saw the completion of our Tunnel Project for the North Frontier Railway in the North Eastern State of Tripura. This tunnel deemed to be a "Project of National Importance" by the Government of India, was successfully completed by us overcoming hostile terrain and challenging site circumstances. Further, we significantly expanded our presence in Pune and established our presence in Hyderabad.

Our success and contribution to the field of infrastructure manifested itself by us winning the following awards:-

- "The Lalit Doshi Memorial Award" instituted by the Lalit Doshi Memorial Foundation and SICOM for our outstanding performance.
- The "Artists in Concrete Awards" instituted by the Express Group of Newspapers along with the Maharashtra Chamber of Housing Industry for the Mumbai Airport Project.

Our business strategy and execution over the last 5 years has been exceptional and consistent. Our aim was multi fold Client satisfaction, Scale, Diversification, Financial Strength. Our strong and growing order book position, and repeat client orders is a testimony to the quality and timeliness of our work quality and total client satisfaction. This is also reflected in the above industry average margins that we enjoy. In terms of scale, our sales have increased by more than 8 times in the last 5 years, and today we have reached a scale of Rs. 860 crores of annual revenues. As on 31st March 2008, our order book stood at Rs. 2410 crores, which is at a very healthy 2.8 times FY 2008 sales. We have diversified across geographies, segments and expertise levels. Our sales and order book is distributed across India, we have our presence across the contracting value chain, from civil construction to transportation and water supply. In terms of financial strength, our net worth has jumped by 10 times in the last 5 years, and is at Rs. 356 crores in March 2008. Our net debt to equity ratio remains less than 1, with cash of more than Rs. 100 crores on the books.

Q: Given the challenging economic environment, how will you be able to maintain the growth momentum? Will it not impact the profitability in fact the company's EBITDA margins have slightly reduced in FY2008 over FY2007, and the working capital as percentage of sales has also increased?

There is no doubt that the business environment has become challenging on the account of rising interest rates and spiralling raw material prices. But it is equally true that the growth in infrastructure development and construction remains strong. The fact remains that India continues to be an infrastructure deficit country. Our infrastructural facilities like highways, roads, power, ports, railways, airports and urban infrastructure are stretched out and remain severe obstacle to economic growth.

This demand is adequately reflected in our growth both in terms of sales and order book which represents likely future sales. In fact, we have added nearly Rs. 700 crores of orders in the first quarter of FY 2009 itself.

In terms of profitability, EBITDA margins as percentage of total income contracted marginally to 13.8% in FY2008 v/s. 14.3% in FY2007. This was mainly because of increase in raw material prices. The company is adequately hedged against spiralling raw material prices with variable price clause in most of the contracts. Almost 90% of our projects which we are currently executing have in-built price mechanism. Hence, we expect that going forward, the margins will stabilize at similar levels. Even at these levels, we are better than the industry average.

Q: What is the company's outlook? What are the new growth opportunities that you envisage?

The outlook remains buoyant; with continuing demand growth momentum and our capabilities to deliver quality & as per timelines.

We remain positive about the future as:

- We have reached a certain scale because of which our ability to withstand economic pressures, as well as source new business and execute the business is far more resilient than most players in this industry. This is not only reflected in our overall order book, but also in the fact that our average order size has increased to Rs. 82 crores in FY2008 from just about Rs. 20 crores in FY2003. We are currently focusing only on projects of size of more than Rs. 100 crores. In fact, we recently secured an order worth Rs. 250 crores.
- We are diversified across geographies, segments and types of contracts.
- We are highly selective about choosing projects depending upon client reputation and their financial abilities. Moreover, we have developed long-term relationships with number of leading real estate developers, which further reassures our revenue visibility and profitability.

Our bouquet of projects in realty space is also progressing steadily and we are in bidding stage in number of BOT projects across country. We are well on track to have robust revenue streams from all our business divisions by FY 2012.

In terms of new growth opportunities, we are exploring a lot of adjacent business verticals, where we can use our existing capabilities and initiate new revenue streams. These are areas like telecom infrastructure, power sector etc.

Q: How the company plans to enhance shareholder value?

We believe that sustainable shareholder value creation will happen on three strong foundations

- building a robust, high growth, profitable and customer centric business model
- building a culture of financial prudence and conservatism
- adhering to high standards of corporate governance and minority shareholder orientation

We, at Unity Infraprojects, are committed to and focused on building these three strong foundations. We believe that this will result in sustainable and long term value creation for all the shareholders and stakeholders.

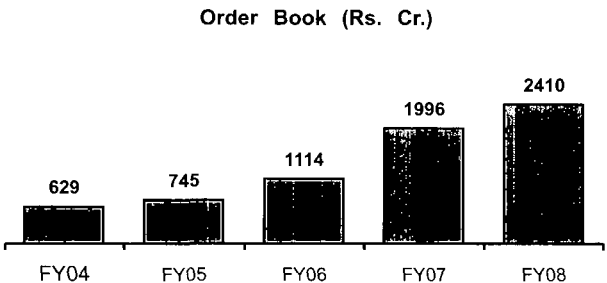
Key Financial Statements for 5 Years

Rs. in Crores, except per share figures

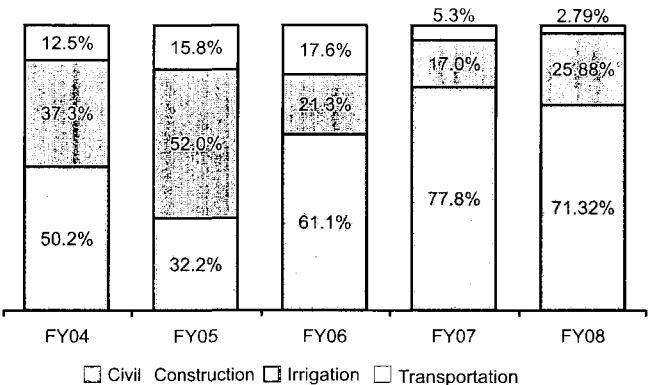
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
P&L					
Net Sales	200.9	265.3	328.7	542.9	849.5
Total Income	204.6	270.6	333.2	553.6	862.4
EBITDA	20.9	26.2	47.3	79.4	119.0
EBITDA %	10.2%	9.7%	14.2%	14.3%	13.8%
PBT	12.2	17.6	30.6	61.9	91.1
PBT%	6.0%	6.5%	9.2%	11.2%	10.6%
PAT	7.1	12.1	24.6	42.3	60.0
PAT%	3.5%	4.5%	7.4%	7.6%	7.0%
Balance Sheet					
Share Capital Equity	10.0	10.0	10.6	13.4	13.4
Reserves & Surplus	24.0	34.4	84.7	288.5	342.3
Net Worth	34.0	44.4	95.3	301.9	355.6
Total Loans	53.2	59.5	74.6	90.2	279.4
Gross Fixed Assets	10.1	14.6	31.8	49.1	78.1
Net Fixed Assets	7.6	10.4	23.8	35.6	57.3
Investments	3.6	6.2	7.6	59.9	44.3
Current Assets	161.6	193.8	294.5	523.4	884.2
Current Liabilities & Provisions	85.2	106.0	155.6	226.5	349.7
Net Current Assets	76.4	87.8	138.9	296.9	534.4
Total Assets	86.6	104.5	170.3	392.5	636.1
Per Share					
EPS	7.06	11.87	23.2	32.9	44.9
Book Value	33.98	44.41	89.93	225.8	266.0
Ratios					
Net Debt Equity Ratio	1.57	1.34	0.78	0.30	0.79
Sales/ Average of Net Fixed Assets	26.4	25.5	13.8	15.2	14.8
Sales/ Average of Net Working Capital	2.9	3.6	4.3	1.8	1.8
ROE	20.0%	27.3%	25.8%	14.0%	16.9%
Order Book					
Order Book	628.8	744.5	1114.2	1996.5	2410.5
Order Book/ Sales	3.1	2.8	3.4	3.7	2.8

*ROE in FY 2007 and FY 2008 is on higher equity base after the IPO

5 Years at a Glance - Gaining Strength to Strength



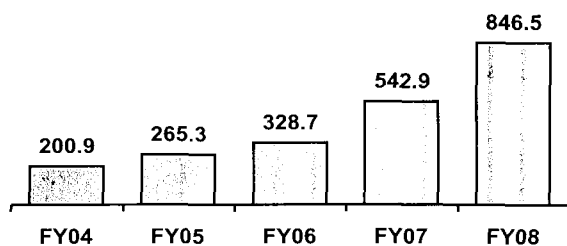
Diversifying Across Vertical



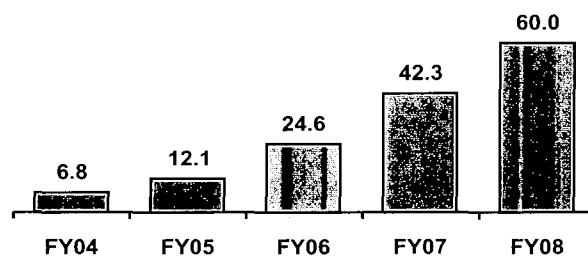
Geographic Spread

Selected Historical Financial Parameters

Net Sales (Rs. Cr.)

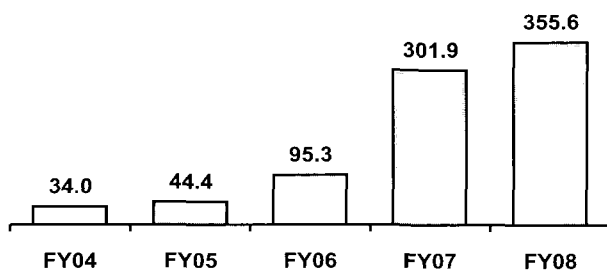


PAT (Rs. Cr.)

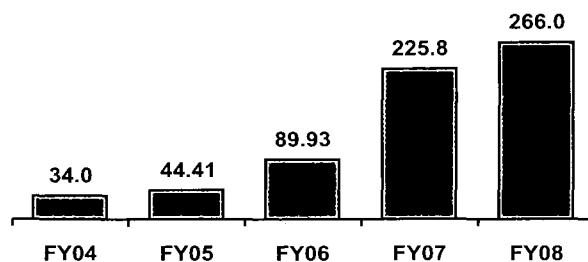


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Net Worth (Rs. Cr.)



Book Value per Share (Rs.)



* ROE in FY 2007 and FY 2008 is on higher equity base after the IPO