

2013 - 2014

ANNUAL REPORT

Matters that Matter



INFRAPROJECTS LIMITED

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Prabhadevi, Mumbai - 400025, INDIA.

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INFRAPROJECTS LIMITED

Matters that Matter

It's not what happens to you,
but how you react to it
that matters.
~ Epictetus

Disclaimer

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 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

NAME OF COMPANY

Unity Infraprojects Limited

LEGAL FORM

Listed Public Limited Company
Incorporated under the Companies Act 1956

DATE OF INCORPORATION

9th April 1997

CORPORATE IDENTITY NO. (CIN)

L99999MH1997PLC107153

ADDRESS

1252, Pushpanjali Old Prabhadevi Road,
Prabhadevi, Mumbai - 400 025,
Maharashtra State,
INDIA.

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CHAIRMAN & MANAGING DIRECTOR

Kishore Avarsekar

VICE CHAIRMAN MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Abhijit Avarsekar

EXECUTIVE DIRECTOR

Ashish Avarsekar

INDEPENDENT DIRECTOR

Anil Joshi

Chaitanya Joshi

Girish Gokhale

Dinesh Joshi

STATUTORY AUDITORS

C. B. Chhajed & Company

CHIEF FINANCIAL OFFICER

Madhav Nadkarni

GROUP COMPANY SECRETARY, HEAD - LEGAL & COMPLIANCE OFFICER

Prakash Chavan

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C/13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup West, Mumbai - 400 078, INDIA.

Telephone : +91 22 25963838

Fax : +91 22 25946969

Email : isrl@linkintime.co.in

LAWYERS

An in-house team of Lawyers

BANKERS

State Bank of India

State Bank of Patiala

State Bank of Mysore

AXIS Bank

ICICI Bank

IDBI Bank Limited

DBS Bank Limited

RBS Bank N.V.

Standard Chartered Bank

ING Vysya Bank Limited

Indusind Bank Limited

Yes Bank Limited

UCO Bank

Indian Bank

Corporation bank

Catholic Syrian Bank

Abhyudaya Cooperative Bank Limited

Central Bank of India

Union Bank of India

Allahabad Bank

Bank of Maharashtra

SHAREHOLDING as at March 31st, 2014

62.7% - Promoters

21.7% - General Public

6.1% - Private Corporate Bodies

6.1% - Financial Institutes and Insurance

3.4% - FII / NRI / OCB / Foreign Others / Others

SEVEN YEARS FINANCIAL SNAPSHOT

Annual Results

Rs. in Cr.

Particulars	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10	FY2008-09	FY2007-08
Net Sales	1851.9	2039.8	1972.8	1701.5	1476.8	1130.7	849.5
% YOY Growth	(10.15%)	3.40%	15.94%	15.22%	30.61%	33.10%	56.47%
Expenditure	1681.7	1788.1	1721.1	1492.3	1285.5	988	743.3
EBIDTA	249.2	279.2	291.8	244.5	205.7	159.9	119
% Margin	13.46%	13.69%	14.79%	14.37%	13.80%	13.90%	13.80%
Other Income	15.7	17.9	2.8	15	12.2	15.6	12.2
Interest	227.6	152.7	121.3	83.3	58.4	40	20.6
Depreciation	19.7	21.9	20	18	17.5	15.9	7.3
PBT	1.9	122.5	150.5	143.2	129.9	103.9	91.1
Tax	4.5	29.9	46.9	48.9	44.8	34.2	31.1
PAT	6.3	92.5	103.5	94.3	85.1	69.7	60
% Margin	0.30%	4.50%	5.25%	5.50%	5.70%	6.10%	7%

Asset and Liability Statement

Rs. in Cr.

Particulars	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10	FY2008-09	FY2007-08
Share Capital	14.8	14.8	14.8	14.8	14.8	13.4	13.4
Reserves	828.2	821.8	636.1	636.1	550.4	404.9	342.3
Net Worth	843	836.6	745.8	651	565.2	418.3	355.7
Non-Current Liabilities	451.8	90.6	168.5	848.1	686.3	472.1	279.4
Current Liabilities	2038.1	1569.2	1229.5				
Total Liabilities	3332.9	2496.5	2143.8	1956.6	1253	892	636.1
Fixed Asset	116.9	133.1	131.9	115.9	100.3	107.3	57.3
Non-Current Asset	1409.7	244.5	474.5	1540.4	1464.9	1246.8	884.2
Current Asset	1923.2	2118.9	1669.3				
Total Assets	3332.9	2496.5	2143.8	1956.6	1253	892	636.1

Ratios

Ratios	FY 2013 - 14	FY 2012 - 13	FY 2011 - 12	FY 2010 - 11	FY 2009 - 10	FY 2008 - 09	FY 2007 - 08
D/E	0.94	1.35	1.35	1.21	1.1	0.8	0.3
RONW	0.75%	11.10%	13.90%	14.50%	15%	16.70%	16.90%

Per Share Data

Per Share	FY 2013 - 14	FY 2012 - 13	FY 2011 - 12	FY 2010 - 11	FY 2009 - 10	FY 2008 - 09	FY 2007 - 08
Earnings Per Share	0	* 12.5	* 13.9	* 12.7	* 11.6	52.1	44.9
Book Value	* 113.9	* 113	* 100.7	* 87.8	* 76.3	314	266
Dividend	0	* 0.2	* 1	* 1	* 1	4.5	4

OPERATIONS



Location	Building	Water	Transport	Ongoing Projects
Maharashtra	21	10	2	33
Andhra Pradesh	2	-	-	2
Delhi	8	-	-	8
Uttar Pradesh	2	-	-	2
Bihar	2	-	-	2
Madhya Pradesh	-	2	-	2
Karnataka	5	-	-	5
Odisha	1	-	-	1
Rajasthan	-	-	3	3
Assam	2	-	-	2
Jharkhand	2	-	1	3
Goa	-	1	-	1
Gujarat	1	1	-	2
Meghalaya	1	-	-	1
Manipur	-	-	1	1
Bangladesh	1	-	-	1
Total	48	14	7	69

Dear Shareholders,

Bad debt held by Indian banks is growing, as the economy slows down and infrastructure projects stall. From Rs 1.3 lakh crore at the end of March 2012, these have jumped to Rs2.4 lakh crore at the end of December 2013. India's infrastructure companies grew at a rapid pace through most of the 2000s, embarking on spectacular projects fuelled by debt. As they have slowed down, critics say that they should not have taken on as much debt as they did. This criticism is largely unfair.

For companies to emerge from being relatively puny contracting entities to publicly-listed infrastructure developers, funding was necessary and loans the only viable option. Equity alone could not keep up with the rate at which projects were growing. The biggest flaw in India's infrastructure funding model is that it was largely financed by banks, which hold mostly short-term cash, but lend for longer-term projects like building highways and power plants.

Today, this has resulted in a large and growing asset-liability mismatch for the banks. They, in turn, are forcing borrowers to liquidate assets, often at throwaway prices.

If this continues, no businessman will have any appetite to embark on infrastructure projects. How can we get out of this hole?

Some rating agencies have maintained an overall negative outlook for India's Economic growth in 2014-15, because they believe infrastructure sector would be a key driver in economic growth. Considering that, most companies' projects continued to have weak credit profiles. The rating firm cited key issues for infrastructure as prolonged construction schedules, poor traffic estimates, high interest rates, slowing economy, policy issues and unavailability of capital including sluggish equity markets.

The construction sector, India's second largest employer, is projected to grow at a meagre 1.4% average in 2012-13 and 2013-14, data released by the statistics department showed. The construction sector, which includes real estate development and the building of roads and highways, is estimated to have grown at a paltry 0.6% in the fiscal third quarter ended 31 December, data released by the statistics department showed. Toll road industry is still grappling with completion-related risks. Delays are predominately due to the issues revolved around handing over of encumbrance-free land and right of way by concession grantors and authorities to projects and late receipt of approvals from railway authorities for planned rail over-bridges.

Clients are facing trouble in raising funds and it is having repercussions in paying contractors and then

caught in to material procurement. This has resulted prolonged delays in project completion result in cost overrun and also reduce the already low moratorium period available for the principal repayment.

India needs to develop a market for long-term debt, ring-fenced according to maturity. In other words, funds raised for 20 years, say, should fund projects for 20 years. The world over, the longest-term investors are insurers and pension funds. In India, insurers find it difficult to invest in long-term project debt. Rules must change and special vehicles meant to develop infrastructure, such as IDFC and IIFCL, must develop the expertise to vet projects and guarantee their debt servicing.

Infrastructure projects need long-term finance for cyclical slowdowns that are guaranteed to reverse themselves from killing them off prematurely. Banks, clearly, are not up to the task. Nor were they expected to play a role in the long-term market. That job will now have to be done by creating a market for long-term bonds, with insurers and pension funds playing a major role.

Tight monetary policy is always a challenge to businesses. The RBI governor is clear that you need to take care of inflationary expectations. With (poor) monsoon, it will not be easy to lower rates. Structural, supply-side adjustments are what will help create scope for an easy monetary policy. Sooner or later, you will start seeing interest rates climb across the world. It will be even more difficult for India to drop interest rates if there is a general rise in rates.

The good news is that the Indian sentiment is upbeat as the new government is likely to push for infrastructure growth. The recovery may take time, but companies can build a growth strategy around domestic demand.

As a Chairman, I appeal shareholders to support in the tough times of the industry by having faith on the Board and Management. Your Company has a larger vision of addressing opportunities in infrastructure space and has all necessary ingredients to emerge as a global company and to create the infrastructure sinews for nation and its people. The only thing we can do now for sustenance is zip our pockets cut down overheads and focus on streamlined execution to sail through the storm.

The coming decade will not only be important for the country but also a very definite decade for your company 'Unity Infraprojects Limited'.

Kishore Avarsekar
CMD - Unity Infraprojects Limited



Dear Shareholders,

2013-14 was a disappointing year for Unity Infraprojects Limited. Your Company recorded its operating income to Rs. 1851 cr and profit after tax were lowest in the history of the company's business. This is primarily due to high finance cost, increasing raw material prices, liquidity crunch, dried-up project rollouts and political unwillingness. Despite the moderate acquisition of new significant projects, your Company registered losses though order book continued to remain strong at Rs. 3354 cr.

RECENT DEVELOPMENTS

The Indian economy has been sluggish in general, and the Infrastructure industry continues to grow at negative pace. Given this scenario, the lack of growth of the Company might be a matter of disappointment for all stakeholders of Unity Infraprojects Limited. Despite changes in the senior management and excellent talent management of the Company, we have lacked somewhere to outperform.

To restore confidence in our shareholders, employees and customers, the Board has entrusted me with the role of Vice Chairman and Managing Director and I am committed to provide stable and well-directed leadership for the Company. Gone is the history, and we have to move ahead by leaving the past to achieve growth. Everything in the world has ups and downs. Few years back, your Company was up in the growth and last fiscal gone through bad weather. For the next coming years, My primary aim is to reignite growth and to rebuild the high-performance culture of the Company, as well as a value system all stakeholders can be proud of.

As the new Managing Director, I have made it my first order of business to stabilise the organisation financially by interacting with our stakeholders, encouraging them to share their suggestions and views that can promote the betterment of the Company. I also intend to travel and meet our valued clients, both existing and prospective, at home and overseas. By reaching out, I hope to grasp the current ground realities and opportunities facing our business quickly, to enable me to advance your Company energetically towards its earlier growth performance.

In the meantime, we have already taken some immediate and appropriate steps in the right direction. Firstly, the Execution and business development have been augmented and restructured. A unified Business Development, Estimation and Project Execution team is now headed by our most experienced and senior professional. I expect our newly motivated business development, Estimation and project management teams to collaborate closely to achieve better customer satisfaction, productivity, resource

utilisation and profit margins. To realise better results from a performance-oriented approach, your Company has introduced mentoring programmes for our employees.

Secondly, beyond operational force augmentation and motivation, your Company is gradually moving toward becoming more focussed. By concentrating on certain vertical markets, we aim to infuse our service offerings with visible differentiation, warranting higher margins. We remain committed to our strategy of focusing on our core business of providing project management services to the infrastructure sector.

While we re-invent ourselves, our vision for satisfying our customers, employees and shareholders remains unchanged. I believe in our 'building a better world' philosophy, using our strong offshore delivery model in conjunction with a high-performance, we will definitely regain momentum. We will continue to deliver value to our clients and stimulating, challenging work to our people, while we create a better working environment, in which our existing and new employees can thrive.

As in any rejuvenation process, there is always a time lag between efforts and results. Through these conscious efforts and other ongoing improvement measures, I hope to revive our earlier growth performance in the medium term.

We are concentrating on five major areas to strengthen our business performance:

A more focussed business strategy,
Fortifying the high-performance culture and value system of our Company,
Expanding our operational reach,
Restructuring the delivery of the Company,
And finally, reinforcing our "building a better world" philosophy.

I strongly believe that we enjoy a robust foundation that will support growth across all our lines of businesses. We have demonstrated our capabilities across Infrastructure segments. I intend to continue to leverage this solid platform to achieve our aspirations and deliver value to our stakeholders. During the journey of rejuvenation, I look forward to the continuing support of our shareholders, who have reposed their faith in the Board and in the management. The confidence of you, the shareholders, has been a considerable source of strength for us at Unity Infraprojects Limited. As we step into a new phase of vitality, we continue to rely on this support and confidence.

Abhijit Avarsekar
VCMD & CEO - Unity Infraprojects Limited



NAVIGATORS

Abhijit Avarsekar

Vice Chairman Managing Director and Chief Executive Officer

A civil engineer with 19 years of experience in the construction industry is responsible for heading the infrastructure initiatives undertaken by the Company. He is actively involved in the Company's day-to-day management and its various departments including project execution, business development and human resource and administration. He is responsible for the overall working of the Company and is instrumental in making strategic decisions for the Company.

Anil Joshi

Independent Director

A postgraduate in Physics (electronics) and a member of the Indian Institute of Bankers has over 34 years of experience. He has worked for Bank of Maharashtra, Indian Bank as an Executive Director and retired as the Chairman and Managing Director of Dena Bank. He has an extensive background and experience in Finance, Banking, Mergers & Acquisitions and Strategic Planning.

Chaitanya Joshi

Independent Director

A science graduate, holds degree in engineering from the University Department of Chemical Technology, Mumbai. He has also received an honour of gold medal from the University of Mumbai. He is well known and respected in the professional community and well experienced in Restructuring Operations, International Business Relations, Collaborations and Joint Ventures.

Madhav Nadkarni

Chief Financial Officer

A Chartered Accountant and has over 25 years of experience in accounts and corporate finance. He is responsible for the group finance and account and is instrumental in making strategic decisions and maintaining banking relations for the Company. His areas of responsibilities include Corporate Finance, Taxation, Risk Management, Mergers & Acquisitions and Managing the capital request and budgeting processes for the whole group.

Kishore Avarsekar

Chairman and Managing Director

He is an engineer; has experience more than 42 years. He has served initial 15 years of his career for Public Works Department, Government of Maharashtra and the Municipal Corporation of Greater Mumbai. He is a Chartered Engineer and is also a Fellow of the Institute of Engineers. He is a first generation entrepreneur par excellence & leading force behind the Company's current position of prominence. His strategies have provided operational excellence to the Company.

Ashish Avarsekar

Executive Director

He holds an engineering degree and involved in the procurement of fixed assets and equipment for the Company's various projects.

Girish Gokhale

Independent Director

He holds a Science degree from the Marathwada University. In 1971, he was selected for the Indian Administrative Services (IAS). As an IAS officer he held various important positions such as Collector of Ratnagiri, Divisional Commissioner, Nashik, before taking voluntary retirement he has worked for three years as Municipal Commissioner, of The Municipal Corporation of Greater Mumbai.

Dinesh Joshi

Independent Director

Mr Joshi is a graduate from Mumbai and has done MBA from London. Co-Promoter of SatyaGiri Shipping Co. Ltd., An organization that is focused on the development of Mass Rapid Water Transportation Services in India. He was the Co-chairman of the Infrastructure & Housing Committee of Indian Merchant's Chamber. He has been a delegate for a number of High level Government meetings in India and Abroad

Prakash Chavan

Group Company Secretary, Head - Legal & Compliance Officer

A fellow member of Institute of Company Secretaries of India, New Delhi, holds a Masters Degree in Commerce (M.Com.), Bachelor of Legislative Laws (LL.B.), Diploma in Operation Research for Management (D.O.R.M.), Diploma in Financial Management (D.F.M.), Government Diploma in Co-operation and Accountancy (G.D.C.&A.) & a certificate in Supervision from the National Productivity Council (N.C.S.) has over 19 years of experience.

Portfolio

Building

- Commercial Buildings
- Residential Buildings
- Mass Housing & Townships
- Industrial Structures
- Airports
- Infotech Parks
- Hotels
- Hospitals
- Education Institutes
- Stadiums
- Malls & Multiplexes
- Indoor Multipurpose Halls
- Modern Railway Stations

Water

- Dams
- Tunnels
- Lift irrigation
- Water supply
- Sewerage
- Micro-tunnelling
- Water Meter
- Leak Detection

Transport

- Roads & Highways
- Bridges
- Flyovers
- Subways
- Tunnels
- Metro/Light/Mono Rails
- Railway & Allied Infra
- Airport Runways
- Aprons

Clients

Government

- CPW Department (CPWD)
- HSCC India Limited
- MCGM
- MMRDA
- Ministry of Defense
- DDA, Delhi
- Airports Authority of India
- HSRDC, Haryana State
- Ministry of External Affairs
- Dept. of Atomic Energy
- PWD

Private

- Indiabulls Group
- Peninsula Land
- Magarpatta City
- High Street Phoenix
- Paranjape Schemes
- Citylight Corporation
- Siemens

IMS

- ISO 9001:2008
- ISO 14001:2004
- OHSAS 18001:2007

Listing

- Bombay Stock Exchange
- National Stock Exchange

Order Book

Rs. In Cr

Sector	Value	% of Total
Buildings	1818.44	54.20%
Water	695.66	20.74%
Transport	840.73	25.06%
TOTAL	3354.43	100.00%

Type	Value	% of Total
North	1747.44	52.09%
East	34.54	1.03%
West	1213.18	36.17%
South	357.58	10.66%
Overseas	1.69	0.05%
TOTAL	3354.43	100.00%

Client	Value	% of Total
Central Govt.	1343.62	40.65%
State Govt.	1213.49	36.18%
Municipality	462.00	13.77%
Private (Others)	106.10	13.16%
Private (Group)	209.22	6.24%
TOTAL	3354.43	100.00%

Type	Value	% of Total
Item rate	1755.90	52.35%
Design & Build	536.61	16.00%
DBFOT	951.20	28.35%
PR (% rate)	51.49	1.54%
Lumpsum	59.22	1.77%
TOTAL	3354.43	100.00%

Qualifications

The Company has Strengthened its pre-qualification standards and tried for larger-ticket projects in Building, Water and Transport vertical in the fiscal 2013-14.

Equipment

Our state-of-the-art and technically advanced fleet of equipment; timely delivers perfect greatness to the project and protects project bottom-line. We possess Rs. 114 cr worth of owned equipment.

Site Safety

A keen understanding of project specific safety implementation, Unity Infraprojects Limited has achieved accumulative 2700 million safe man hours. Most of the project sites are zero accident places.

Credibility

Incorporated in 1982 by Shri. Kishore K. Avarsekar; possessing over 3 decades worth of rich nation-building experience with expertise in building construction, water and transport projects.

Intellectual

A talent pool of 995 members (over 56% engineers) as on March 31, 2014. We manage our human resource through a spirit of continuous learning, trust, relationships, opportunities and empowerment.

Price Escalation

The Company has a robust order book of Rs. 3354.4 cr. as at 31st March 2014, (1.8 x FY14 sales), enhancing revenue visibility up to 30 months and over 90% of orders are protected under escalation clause against fluctuating raw material prices.

SUBSIDIARIES



100% Wholly owned subsidiary of Unity Infraprojects Limited

Unity Infraprojects Limited has forayed into real estate development through its wholly-owned subsidiary: Unity Realty & Developers Ltd. (URDL) and currently undertaking real estate development at 4 locations, viz: Bengaluru, Kolkata, Goa and Nagpur. The company has invested to the tune of Rs. 202 cr. in 5 real estate projects, including Pune. However, the development plans are in the initial stages.

Bagalur Real estate project - The Company has acquired 46 acres of land at Bengaluru and is planning to develop 2.5 mn. sq ft budget housing project. The company has invested Rs. 0.5 bn for land acquisition. The plans are submitted to the concerned authorities for approval in FY12 and the project is scheduled to be launched by Q2FY13.

Kolkata Real estate Project - The Company has acquired 25 acres of land in Kolkata. The investment done by the company till date is Rs. 70 cr. The project is in the planning stage.

Goa IT Park Project - The Company has bagged the project for developing "Rajiv Gandhi IT Habitat Park" at Donna Paula, Goa with total construction area of 0.75 mn. sq ft. It has a concession period of 90 years. The company has till date invested Rs. 10 cr. The work on this project has got delayed due to certain procedural policy matters adopted by the Government. The management is expecting the issue to get resolved at the earliest.

Nagpur Real estate project - URDL had bagged the project to develop six malls in Nagpur on BOT basis from Nagpur Municipal Corporation. The company is planning to develop 2.6 mn. sq ft. on this project. However, Nagpur Municipal Corporation has allotted land for only two malls and for remaining malls is yet to be allotted. The Company is following up with NMC to hand over the remaining 4 parcels of land as development in segregate manner would delay the project.



100% Wholly owned subsidiary of Unity Infraprojects Limited

Unity Infrastructure Assets Limited (UIAL) is a holding company of Unity Infraprojects Limited which includes all the SPVs of BOT and Telecom projects. Currently Unity Infrastructure Asset Limited has portfolio of 5 BOT projects, out of which one project has achieved its financial closure. Recently UIAL has received a BOT order for development of mega food park at Baggaon, Kalyan, Dist. Thane. UIAL desires to participate in a big way in the Asset Creation sector covering power, transport, environment and mining projects. UIAL is also studying the overseas markets and keenly watching the developments with a view to make an entry into the world markets at an appropriate time.

Chomu Mahila Toll Road Private Limited - Unity Infraprojects Limited through UIAL has secured its first BOT project worth Rs 290 cr in the state of Rajasthan. The Public Works Department, Jaipur awarded the project for two-laning of section from Chomu to Mahal via Renwal, Jobner on Design, Build, Finance, Operate, and Transfer (DBFOT) basis. The concession period of the said project is 25 years and the completion period is 18 months.

Jind - Haryana Border Toll Road Private Limited - Construction of 4 laning of Punjab/ Haryana Border - Jind Section of NH- 71 to be executed as BOT (Toll) basis on BDFOT Pattern under NHDP Phase -III for a pre-agreed concession period of 27 years from by National Highways Authority of India and the said project is to be completed within a period of 910 days. The Project value is Rs.510.00 crores

Suratgarh - Sriganganagar Toll Road Private Limited - Development & operation of Suratgarh- Sriganganagar Section of NH-15 in the State of Rajasthan through Public Private Partnership (the "PPP") on Design, Build, Operate and Transfer (the "DBFOT") basis for a pre-agreed concession period of 11 years from the Chief Engineer, (NH) Public Works Department, Rajasthan.

BUSINESS REVIEW

Rs. In Cr

Segment	Building	Water	Transport
Revenue	1166.70	277.79	407.42
Order Book	1811.39	704.43	838.61
Number of Orders Received	4	1	0
Amount of Orders Received	1056.76	115.84	0
Projects Operational	48	14	7
Revenue Contribution	63%	15%	22%
Revenue Growth	-24.54%	9.41%	22.46%

Rs. In Cr

Orders Announced	Segment	Amount
Development of New Police Headquarter at Jai Singh Road, Pt Street, New Delhi from Office of the Commissioner of Police, Delhi.	Building	315.00
Construction of Directorate of works & Plants, Director of Extension, Directorate of seeds & Farm, Lecture hall, Library, Computer centre, Examination hall, Canteen, Auditorium, Hostel, Guest House, Residences, Shopping centre, Club, Hospital. School and Indoor Games at Sabour Bhagalpur Phase - 2, awarded by Directorate of Works & Plant, Bihar Agricultural University Sabour and the said project is to be completed within a period of 24 months.	Building	206.40
Construction of 4020 Units Miners Quarters under Master Plan (In Triple Storeyed Block of 12 Units each) at Eastern Jharlia Area, Govindpur Area, Lodna Area, Chanch Victoria Area & Karmatand Township under Bastacolla Area on Non-coal Bearing Land at BCCL, awarded by Bharat Coking Coal Limited and the said project is to be completed within 36 months.	Building	286.80
Brittania Pumping Station, Mumbai	Water	115.84
Township for Kudgi Super Thermal Power Project, Karnataka	Building	248.58
Total		1172.62

Directors' Report

To,

The Members,

The Directors take pleasure in presenting the Seventeenth Annual Report together with the audited financial statements for the financial year ended 31st March, 2014.

FINANCIAL RESULTS :

Rs. in Cr.

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Revenue from operations(Net) and other Income	2318.09	2430.76	1911.25	2063.34
Profit/ (Loss) Before Tax	3.04	136.99	188.10	122.50
Profit/ (Loss) After Tax	6.23	103.58	6.34	92.55
Balance brought forward from previous year	491.99	400.44	476.93	396.09
Short provision of current tax relating to earlier year	-	0.44	-	0.44
Profit available for Appropriation	6.22	-	6.34	92.55
Proposed Equity Dividend	-	1.48	-	1.48
Tax on Equity Dividend	-	0.24	-	0.24
General Reserve	-	10.00	-	10.00
Balance carried to balance Sheet	833.52	836.99	828.19	821.84

OPERATIONS:

Admst the sluggish environment in the infrastructure industry all over India, your Company's total revenue from operations during the year was Rs. 1911.25 cr (Previous year Rs. 2063.34 cr).The net profit of the Company has reduced drastically. Tight liquidity and higher interest rates affected the working capital cycle and the finance costs while the weakening of the Indian rupee and high inflation, led to higher costs of materials used in construction, resulting in overall pressure on margin.

There has been increase in profit before tax (PBT) from Rs.122.50 cr to Rs. 188.10 cr but profit after tax (PAT) decline from Rs.92.55 cr to Rs. 6.34 cr on account of the above factors. Your Company is confident of capturing growth opportunities during the current year and enhancing profitability.

DIVIDEND:

No dividend on equity shares has been recommended for the year in order to conserve resources for future requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance, is set out in Annexure forming part of this Report.

CONSOLIDATED FINANCIAL STATEMENTS :

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

SUBSIDIARIES:

As at 31st March, 2014, your Company had 17 subsidiary/step-down subsidiaries. Pursuant to general exemption granted by the Ministry of Corporate Affairs, Government of India, this Annual Report is presented without attaching annual accounts of subsidiaries. The statement in respect of the said subsidiaries pursuant to Section 212 of the Companies Act, 1956 is enclosed herewith as required. The Annual Reports and accounts of the subsidiary companies will be made available for inspection during working hours at the Registered Office of the Company and also of

the subsidiary companies concerned. The same, along with related detailed information will also be made available to the investors of the Company as well as of subsidiaries, on request. The brief financial details of the subsidiaries as prescribed under the said notification have been disclosed in the consolidated financial statements of the Company.

PUBLIC DEPOSITS:

The Company has accepted Fixed Deposits covered under Section 58A of the Companies Act, 1956 and as on 31st March, 2014 there was no overdue interest payment or Fixed Deposit matured and not paid.

DIRECTORS:

As per the provisions of the Companies Act, 2013, Independent Directors are required to give a declaration that they meet criteria of Independent in the First Board Meeting in which they participated as Director and thereafter at the first meeting of the Board in each year. Accordingly, existing Directors of the Mr Anil Joshi, Mr. Girish Gokhale, Mr. Chaitanya Joshi, and Mr. Dinesh Joshi have declared their status of independence as per the criteria laid down under section 149(6) of the Companies Act, 2013. The Board of Directors on recommendation of Nomination and Remuneration Committee has pursued their declarations and has found them to be meeting the criteria of independence. Further, in view of their experience and expertise relevant to the Company's operations, your Directors has deemed it prudent to recommend to the shareholders at the ensuing Annual General Meeting their appointment as Independent Directors, not liable to retirement by rotation pursuant to the provisions of section 149,152 read with schedule IV and other applicable provisions of the Companies Act, 2013.

Smt .Pushpa Avarsekar, Executive Director has resigned from the Board w.e.f. 7th September, 2013 on health ground . She was promoter Director of the Company. The Board placed on record its deepest appreciation and gratitude for the everlasting contribution of Smt Pushpa K. Avarsekar Founder Director, for her pioneering efforts for successful implementation of administration of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT :Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956,with respect to Directors responsibility Statement, it is hereby confirm that:

- in the preparation of the annual accounts for the year ended 31st March 2014, all applicable accounting, have been followed along with proper explanation relating to material departures, if any.

- the Directors had selected such accounting policies and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Annual Accounts have been prepared on a "going concern" basis.

AUDITORS and AUDITOR'S REPORT:

The Company's Statutory Auditors Messrs C.B. Chhajed & Co., Chartered Accountants, (ICAI firm Registration No.101796W) who hold office upto the date of the Annual General Meeting and eligible for re-appointment in accordance with the provisions of Section 139 of the Companies Act, 2013.

The Members are requested to appoint them for a period of five years i.e. till the conclusion of Annual General Meeting of the financial year 2018-19 and authorize the Board of Directors to fix their remuneration as per Item 5 of the Notice.

Messrs C.B. Chhajed & Co; Chartered Accountants have confirmed their eligibility Section 139 of the Companies Act, 2013 and for appointment as Auditors of the Company and that they are not disqualified for appointment within the meaning of Section 141 of the said Act.

The Notes on Financial Statements referred to in the Auditors are self-explanatory and do not call for any further comments.

PARTICULARS OF EMPLOYEES:

The information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, in respect of the employees of the Company, is provided in the Annexure forming part of this Report. In terms of Section 219(1) (b) (iv) of the said Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the aforesaid annexure which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such Members may write to the Company Secretary in this regard.

ENVIRONMENT AND SAFETY MEASURES:

In line with the global trend and company's policy, the thrust for environment, occupational health and safety issues (EOHS) was sustained, with recognition from various Governmental and non-governmental organizations, and appreciation from local populace. ISO 9001 Quality Management System is in place since 2000. The ISO 14001, Environment Management System and OHSAS 18001, Occupational Health & Safety Management System are successfully implemented. The three management systems (Quality, Environment and Occupational Health) were integrated and the Integrated Management System is now in practice. Various Environmental programs and Risk reduction programs were taken up.

TRANSFER OF AMOUNTS TO INVESTORS EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956 there is no relevant amounts which remained unpaid or unclaimed for a period of 7 years and which required to be transferred by the Company to the

Investors Education and Protection Fund.**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to the Conservation of Energy, Technology Observation, Foreign Exchange Earnings, outgo as required to be disclosed under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are provided in Annexure - I to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

A separate section on Corporate Social Responsibility forms part of this Annual report.

REFERENCE TO CDR:

The Company has been facing liquidity crunch on account of significant delays in project execution due to land acquisition, legal issues and regulatory bottlenecks, shortage of funds/liquidity due to delayed realization of receivables in excess of six months, substantial part of inventory has become slow moving /absolute on account of the projects getting unduly delayed, investment/Advances to Real Estate/ and BOT subsidiaries and other group companies in the form of equity contribution for a long time. Since it was finding difficult to serve the outstanding debts, the Company has made reference to CDR Cell for restructuring its debts under CDR System.

ACKNOWLEDGMENT:

The Directors express their sincere thanks to all financial institutions, NBFC, Banks, Governmental agencies, regulators customers, vendors/suppliers, and other statutory authorities for their continued whole hearted support to the Company during the year.

We also acknowledge the support lent and confidence bestowed upon us by our bankers, stakeholders and all Unitians.

For and on behalf of the Board of Directors

Kishore Avarsekar

Chairman & Managing Director

Abhijit Avarsekar

Vice Chairman Managing Director & CEO

Date: 29/05/2014

Place: Mumbai

Annexure to the Directors' Report

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the year ended 31st, March 2014.

- Conservation of energy:**
Conservation of energy is undertaken by the Company for achieving cost reduction, in all areas, wherever possible. Conservation of electricity, fuel and power consumption receives the Management's focus on a continuous basis. Energy-efficient equipment and motors are procured to meet the same purpose.
- Research and development and technology absorption**
There is a constant effort to develop innovative techniques in-house. These are implemented continuously in the Company's operations.
- Foreign exchange earnings and outgo**
Information regarding foreign exchange earnings and outgo is contained in the note 5(c) and 5(d) of Schedule 14B forming part of the accounts.

For and on behalf of the Board of Directors

Kishore Avarsekar

Chairman & Managing Director

Abhijit Avarsekar

Vice Chairman Managing Director & CEO

Date: 29/05/2014

Place: Mumbai

The Management of the Company is pleased to present this report covering the activities of the Company for the year ended March 31, 2014.

Industry structure and development

Infrastructure development has a key role to play in both economic growth and poverty reduction and more so in case of a fast growing developing country like India. Infrastructure spending has witnessed a sharp acceleration over the past few years, with most of the segments of the economy constrained in terms of capacity availability.

Infrastructure development is driven by increased economic growth across the country, enhanced government focus to facilitate investment in infrastructure, funding from multi-lateral agencies and increased private participation. The Construction sector happen to be the biggest beneficiary of the infrastructure boom as more than 50% of infrastructure spending flows through the sector.

Order inflows for the construction and infrastructure sector have remained subdued since past two three years due to issues related to policy decisions, delays in environmental clearance and land acquisition. Steep increase in interest rates coupled with lack of fund raising by the companies also deteriorated the balance sheet of companies.

However, it is quite apparent that in order to achieve sustainable healthy GDP growth, a proportionate increase in infrastructure investment is required. Land acquisition and environment clearance are the two major bottlenecks hampering timely execution of projects. Hence, roll out of policies to expedite these procedures would lend a fillip to the sector.

Without any dichotomy – the future growth prospects of the Indian economy lingers primarily on the infrastructure investment and timely execution of the projects. The Construction industry of India is an important indicator of the development as it creates investment opportunities across various related sectors.

The industry is fragmented, with a handful of major companies involved in the construction activities across all segments; medium sized companies specializing in niche activities; and small and medium contractors who work on the subcontractor basis and carry out the work in the field. The sector is labor-intensive and, including indirect jobs, provides employment to more than 35 million people.

Unity Infraprojects Limited

Unity Infraprojects Limited with strong strategic capabilities & execution excellence, has utilized an opportunity to grow manifold over the past decade. Further we are very much conscious; growth must be both value accretive to the client and profitable for the Company. Value consciousness to the client has resulted in strong order book growth as well as repeat orders. On profitability front, we are highly selective in choosing the client and the project, with largest on-site margin of 18-20%, resulting in EBITDA margins around 14.6%.

Our Key business strategies:

We have consciously increased our threshold order size over the years which has not only allow us to enhance our capabilities but also to avoid over-competitive bidding. We have used diversification to not only develop our competencies, but also hedge against unexpected risk. Progressed on our expertise in building construction, we forayed into irrigation, transportation and these now constitute 45.8% of our order book. Around 70-75% of our order book consist of turnkey mandates. Around 90-95% of the order book has inbuilt price escalation mechanism. This

minimize the effect of increase in raw materials prices. We are looking at all the new avenues of business in urban infrastructure spaces.

Opportunities and Threats

In order to add value and revenues, lot of opportunities in urban infrastructure development are coming up. There is strong demand visible in irrigation sector to which the Company is significantly capitalizing on. The New Government seems to be in favour of capitalising on infrastructure development and also lot of opportunities are available Overseas. The Government has to stand firm to revitalise Indian Infrastructure Industry and should give push to increase growth because infrastructure could be the only largest segment which creates job opportunities. The Government should frame investor friendly strategies and policies to attract funds towards liquidity starved infrastructure industry to ride on development. But major hurdles could be competition among prominent players in the industry, small time developers, delays in environmental clearance and land acquisition, political unrest in middle east region and Steep increase in interest rates coupled with lack of fund raising.

Segment-wise product-wise performance

The Company operates in one segment only.

Outlook

The long term outlook for the business of the Company looks positive and ever growing. The Management is fairly confident of enhancing operational performance and profitability in the full financial year.

Going forward, we expect continuing strong growth momentum. We will remain focused on our existing strategy and will continue to strive towards accelerated execution. We will also be cognizant of new business opportunities in adjacent business vertical like telecom infrastructure and power sector.

Risk Management

Unity is in a complex business of infrastructure development. PPP projects generally are capital intensive and have long gestation periods between 3 to 5 years coupled with longer ownership periods of 15 to 35 years. With presence in various infrastructure segments, your company is exposed to various sector specific and generic risks. Your Company understands the risk environment encompassing its business and has an enterprise risk management framework in place for identification, assessment, mitigation and monitoring of various risks. These risks are classified broadly into three major categories which are given below with some illustrations to indicate / describe the risks.

(I) Operational Risks: Risks arising out of inefficiencies, internal failures or collusion from regular operations like:

1. Project Opportunity Risk through erroneous omission and inadequate or inappropriate assessment of a project opportunity available for development
2. Bidding Risk on account of inadequate or erroneous assumptions made while arriving at the Financial Bid Variable
3. Financing Risk on account of not achieving a financial closure or achieving a financial closure at a cost higher than assumptions. With presence in various infrastructure segments, your company is exposed to various sector specific and generic risks. Your Company understands the Risk environment encompassing its business and has an enterprise risk management framework in place.
4. Ownership & Maintenance Risk on account of several risks faced during the operations and maintenance phase of a project

Mitigation Efforts

A careful selection and a thorough evaluation of the projects will

minimise chances of getting into 'Non Bankable -Non Profitable' projects. Your company follows a robust 'Two Tier' approach of Project Feasibility (Technical Review) and Project Financial Viability (Financial Review). Further, the company follows a risk specific bid / project risk assessment framework to identify key risks associated with various opportunities and projects along with their mitigation planning and continuous monitoring.

Further it has 'Zero' tolerance in any defaults in 'Debt' and 'Principle' servicing on ongoing projects. This in turn has built Lender's confidence for funding forthcoming projects at competitive rates. As a result, your company has managed to attain financial closures even during difficult times for the industry and the economy.

Your Company also follows standard operating procedures at sector, function and department levels to ensure business process productivity, responsibility and accountability at various levels. The standard operating procedures are further strengthened and supported by adequate checks and balances including risk based internal audit, documentation management systems and delegation of financial and non-financial powers on an integrated basis. This ensures that culture of proactive risk management is imbibed at all levels of organisation with required support system in place.

Your Company is constantly strengthening its internal checks and controls to identify and reduce / mitigate operational risks. It is also enhancing its system of reviews & reporting to ensure that risks are spotted early and steps are taken to control losses, if any.

(II) External Risks: Risks arising out of changes in the external environment like:

1. Regulatory Risk on account of changes in the Regulatory Framework
2. Interest Risk on account of volatility experienced in the Interest Rates in Capital Markets on the outstanding project debts
3. Competition Risk on account of strategies applied by existing and new entrants in the infrastructure development business
4. Political Risk on account of lack of stable governance and frequent changes to the Development Plans and projects with a corresponding change in the Government.
5. Natural Calamities (Act of God), civil disturbance etc.

Mitigation Efforts

Your Company proactively identifies each significant 'change' and adapting to it with foresight. Your Company has a keen understanding of the regulatory environment enveloping its business. It continues to build strategies not only to sustain but thrive owing to its 'Early Warning Systems' and meticulous processes. Your Company understands its competition and keeps an update of its contemporaries to stay a notch above them. Your Company has a robust and focused strategy for client, partner, vendor and contract management to avoid various possible external risks. Though your Company cannot avoid a natural calamity, it's adequately geared up with appropriate insurance covers and its Disaster Management and Recovery Plans to minimise losses and restore normalcy within a short time.

(III) Strategic Risks: Risks arising out of strategic decisions taken by the Company like:

1. Market Risk (Sector, Geography) inadequate assessment of a sector, geography
2. Secondary Acquisition Risk on account of inappropriate acquisitions made in alignment with the Growth Plans of the

Company

3. Ventures and Alliances (Partnering) Risk on account of inappropriate selection of a joint ventures, offshore agents etc.
4. Capital risk on account of improper allocation or utilisation of capital etc.

Mitigation Efforts

Before attempting a secondary acquisition or entering in to a new geographical market, infrastructure sector, your Company mandates a thorough research and analysis. These result in an in depth understanding of the business potential and the prevailing socio-political, regulatory and economic set up. These go through several rigorous layers of discussions, reviews, sensitivity analysis etc. before decisions are taken for implementation.

The Risk Management Team reviews systems, processes and projects on a regular basis and provides an independent view to the management. Further, the Audit Committee provides a separate internal audit report on processes and SPVs to the Management. Thus, the Board Management and SPVs are regularly updated on key risks and mitigation measures. All decision making within the organisation, whatever the level of importance and significance, involves the explicit consideration of risks and the application of risk management to some appropriate degree. Further, Policies approved from time to time by the Board of Directors / Committees of the Board form the governing framework for each type of risk. The business activities are undertaken within this policy framework.

The Management is in constant pursuit of evolving the Risk Management framework for preparing your Company to take on the challenges to be confronted at the 'Next Level' of Growth.

Internal Control Systems and their adequacy

Internal control systems

The Company's internal control system is commensurate to the nature and size of its business. It is adequate to safeguard and protect from loss, unauthorised use or disposition of its assets. All transactions are properly authorised, recorded and reported to the management. The Company is following all the Accounting Standards for properly maintaining the books of accounts and reporting of financial statements. The Company has engaged an external auditing firm to conduct periodical audit of various areas of operations from time to time. The Company has also created an in-house internal audit team to strengthen the internal control systems. The audit reports are reviewed by them an augment and the Audit Committee of the Board periodically.

Human Resources Management

The Company has harmonious employee relations and there is close interaction between the management and employees to facilitate smooth functioning of the organizational activities. Human resources are being recognized as one of the critical area to the success of the organization.

Cautionary statements

Statements in this Management Discussion and Analysis may be deemed to be 'forward looking statements' within the meaning applicable securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realised by the Company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the Company's operations including domestic and international economic conditions affecting demand, supply and price conditions, changes in government regulations, tax regimes and other statutes etc.