UNITY
INFRAPROJECTS LIMITED

ANNUAL REPORT
2014 - 2015

UNITY
INFRAPROJECTS LIMITED

1252, Pushpanjali, Old Prabhadevi oad, Prabhadevi, Mumbai - 400025, INDIA

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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.
Telephone : +91 22 6666 5500
Fax : +91 22 6666 5599
Email : corpcomm@unityinfra.com
Web : www.unityinfra.com

CHAIRMAN & MANAGING DIRECTOR
Kishore Avarsekar

VICE CHAIRMAN MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER
Abhijit Avarsekar

EXECUTIVE DIRECTOR
Ashish Avarsekar (upto 30/06/2014)

NON EXECUTIVE DIRECTOR
Vidya Avarsekar (w.e.f. 28/03/2015)

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
Corporattion 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, 2015
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

INFRASTRUCTURE

Infrastructure, is a key driver of the economy, highly responsible for propelling India's overall development. The industry enjoys intense focus from the top officials of the Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. This sector includes urban infrastructure, power, bridges, dams, roads and development.

India is witnessing significant interest from international investors in the infrastructure space. Many Spanish companies are keen on collaborating with India on infrastructure, high speed trains, renewable energy and developing smart cities. There will be much scope in the areas of Urban Development, Commerce & Industry, Railways, Road Transport and Highways, Micro Small and Medium Enterprises, Power, New & Renewable Energy, Information &Broadcasting, Information Technology & Water Resources.

The Indian Government has unveiled an ambitious project Sethu Bharatam, Rashtriya Rajmarg Zila Sanjoyukta Pariyojana and Backward Area Highways.

HUGE OPPORTUNITIES

DIFFICULTIES

The Indian infrastructure sector continues facing economic uncertainties. Bureaucratic red tape and political inertia have thwarted the success of foreign partnerships, discouraging further investment.

Order intake remains sluggish, since stalled projects are yet to be kickstarted. Projects already awarded are progressing slowly due to continuing unresolved problems on ground over the years leading to cost escalations. This has led to multiple cases of corporate debt restructuring (CDR). Many Infrastructure developers are facing these challenges.

Despite the major victory for BJP party that many view as a mandate for sweeping economic reform, FDI remains politically divisive. Infrastructure sector is still facing an enormous funding shortfall. High inflation and interest rates have recently driven domestic and foreign firms away from long-term projects. Commercial banks hit their exposure limits for the sector, and have even been discouraged from investing further by the Reserve Bank of India. Today, India needs $1 trillion for its infrastructure.

MANY CHALLENGES

Seven Years Financial Snapshot

Annual Financial Results							
Particulars	FY2014-15	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10	FY2008-09
Net Sales	763.3	1851.9	2039.8	1972.7	1701.5	1476.8	1130.7
% YOY Growth	(142.6%)	(10.1%)	15.94%	15.94%	15.22%	*30.61%*	*33.1%*
Expenditure	874.9	1681.7	1788.1	1720.9	1492.3	1285.5	988.0
EBIDTA	(101.2)	249.	279.2	291.8	244.4	205.7	159.9
% Margin	(13.2%)	13.46%	13.69%	14.79%	14.37%	*13.8%*	*13.9%*
Other Income	46.5	15.7	17.9	2.8	15.0	12.2	15.6
Interest	277.0	227.6	152.7	121.3	83.2	58.4	40.0
Depreciation	26.4	19.7	21.9	20.0	17.9	17.5	15.9
PBT	(334.3)	1.9	122.5	150.4	143.2	129.9	103.9
Tax	5.7	(4.5)	29.9	46.9	48.8	44.8	34.2
PAT	(340.1)	6.3	92.5	103.5	94.3	85.1	69.7
% Margin	(44.5%)	0.3%	4.5%	5.25%	5.5%	*5.7%*	*6.1%*

Asset and Liability Statement							
Particulars	FY2014-15	FY2013-14	FY2012-13	FY2011-12	FY2010-11	FY2009-10	FY2008-09
Share Capital	14.8	14.8	14.8	14.8	14.8	14.8	13.4
Reserves	486.2	828.2	821.8	636.1	636.1	550.4	404.9
Pending Allotment	72.71	-	-	-	-	-	-
Net Worth	501.0	843.0	836.6	745.8	651.0	565.2	418.3
Non Current Liabilities	2348.9	451.8	90.6	168.5	848.1	686.3	472.1
Current Liabilities	60.5	2038.1	1569.2	1229.5			
Total Liabilities	*3527.2*	*3332.9*	*2496.5*	*2143.8*	*1956.6*	*1253.0*	*892.0*
Fixed Asset	89.1	116.9	133.1	131.9	115.9	100.3	107.3
Non Current Asset	1444.6	1409.7	244.5	474.5	1540.4	1464.9	1246.8
Current Asset	2082.7	1923.2	2118.9	1669.3			
Total Assets	*3527.2*	*3332.9*	*2496.5*	*2143.8*	*1956.6*	*1253.0*	*892.0*

Ratios							
Ratios	FY 2014 - 15	FY 2013 - 14	FY 2012 - 13	FY 2011 - 12	FY 2010 - 11	FY 2009 - 10	FY 2008 - 09
Current Ratio	34.42:1	0.94:1	1.35:1	1.35:1	1.21:1	1.1:1	0.8:1
RONW	(67.88%)	0.75%	11.1%	13.9%	14.5%	15%	16.7%

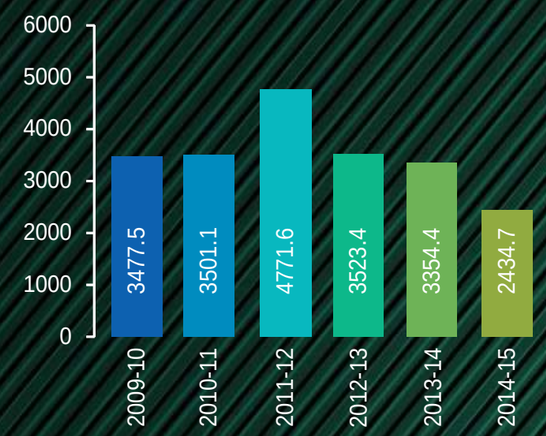
Ongoing Projects

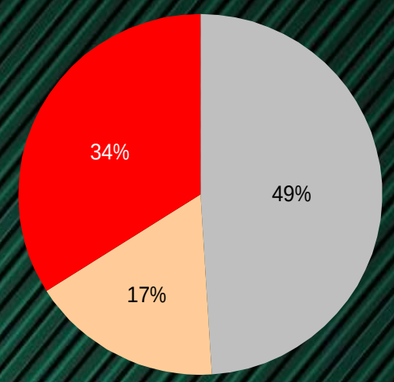
Location	Building	Water	Transport	No. of Ongoing Projects
Maharashtra	19	8	2	29
Telangana	1	-	-	1
Delhi	7	-	-	7
Bihar	1	-	-	1
Madhya Pradesh	-	2	-	2
Haryana	-	-	2	2
Karnataka	4	-	-	4
Orissa	1	-	-	1
Rajasthan	-	-	1	1
Assam	1	-	-	1
Jharkhand	1	-	1	2
Gujarat	-	1		1
Meghalaya	1	-	-	1
Manipur	-	-	1	1
Bangladesh	1	-	-	1
Total	37	11	7	55

Projects Completed in FY 2014-15

Projects Completed	Segment	Amount
Mantralaya Building, Govt. of Maharashtra	Building	138.0
Storm Water Pumping Station Lovegrove, Mumbai	Water	116.8
Storm Water Pumping Station Cleveland, Mumbai	Water	102.0
Township Project for Rail Coach Factory, Raebareli, UP	Building	145.0
IIT Hostel Buildings, Mumbai	Building	74.5
Mandoli Prison Complex, Delhi	Building	154.3

Order Book





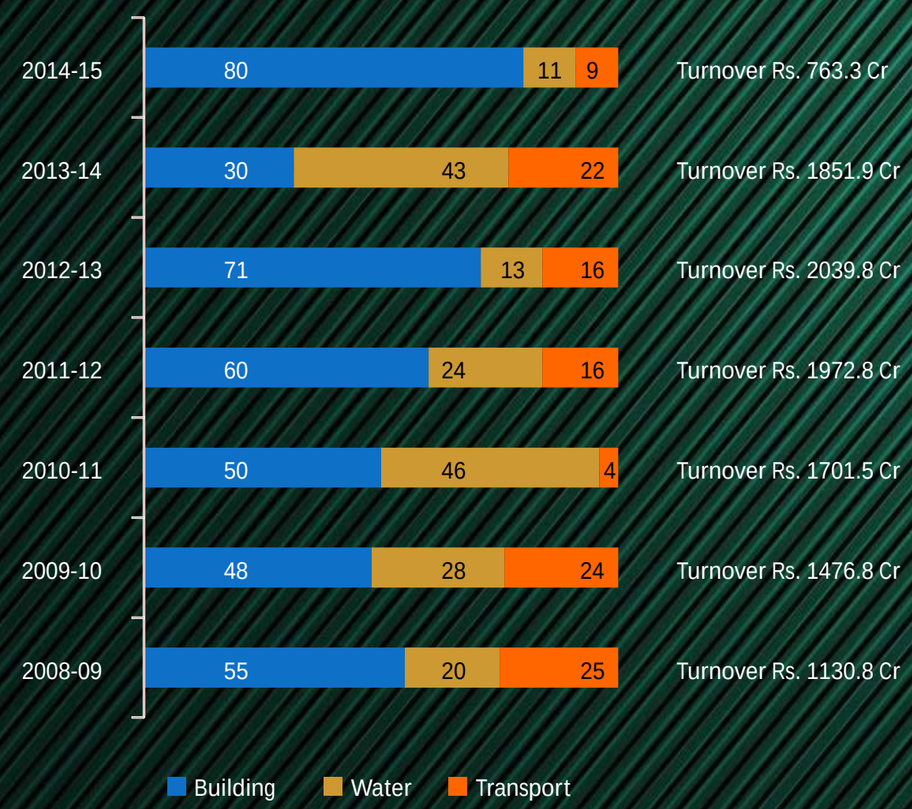
Order Book - Segment

Rs. in Cr

Sector	Value	% of Total
Buildings	1193.37	49%
Water	423.37	17%
Transport	817.95	34%
TOTAL	2434.69	100%

Building Water Transport

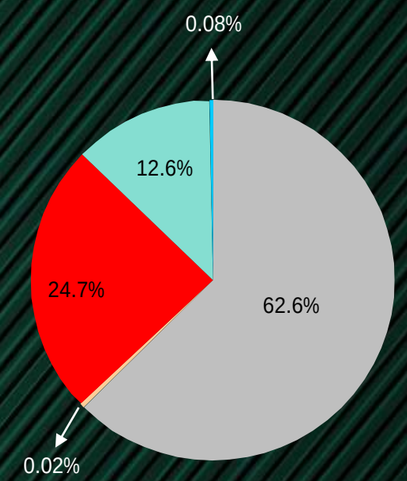
Revenue Mix

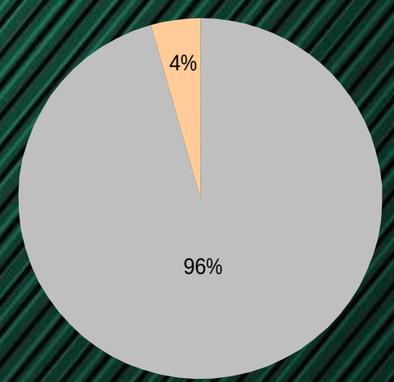


Order Book - Zonal

Type	Value	% of Total
North	1522.81	62.6%
East	0.50	0.02%
West	602.06	24.7%
South	307.63	12.6%
Overseas	1.69	0.08%
TOTAL	2434.69	100.00%

North East West South Overseas

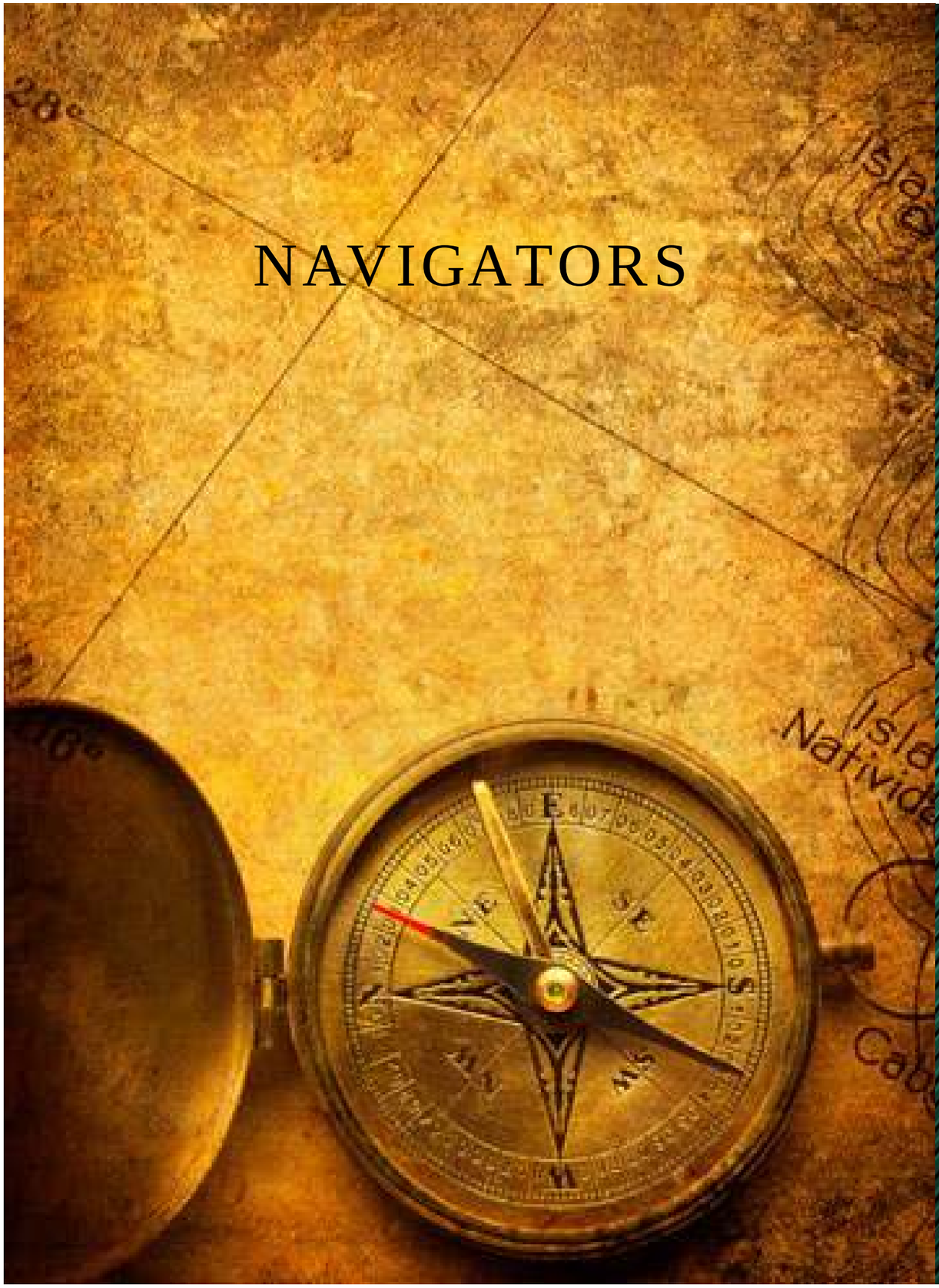




Order Book - Client

Client	Value	% of Total
Government	2336.98	96%
Private	97.71	4%
TOTAL	3354.43	100%

Government Private



NAVIGATORS

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 and His strategies have provided operational excellence to the Company.

Abhijit Avarsekar
Vice Chairman Managing Director and Chief Executive Officer

A civil engineer with 20 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 instrumental in making strategic decisions for the Company.

Vidya Avarsekar
Non Executive Director

She is a Economics graduate from Mumbai University and has worked with National Institute of Industrial Engineering (NITIE), an autonomous body of Ministry of HRD - Govt. of India as Accounts Officer for more than 35 Years.

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.

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.

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.

Dinesh Joshi
Independent Director

He is a graduate from Mumbai & 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

Madhav Nadkarni
Chief Financial Officer

A Chartered Accountant and 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 & budgeting processes for the whole group.

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

Qualifications
The Company has Strengthened its pre-qualification standards and bagged larger-ticket projects in Building, Water and Transport vertical.

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. 86.92 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 986 members (over 58% engineers) as on March 31, 2015. 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. 2434.7 cr. as at 31st March 2015, (3.2 x FY15 sales), enhancing revenue visibility up to 30 months and over 90% of orders are protected under escalation clause against fluctuating raw material prices.

Dear Shareholders,

India's infrastructure sector has been worst hit by the economic slowdown, problems related to land acquisition, environmental clearances and fuel availability to power units. Mounting debt, delays in projects and falling revenue have pushed into CDR several infrastructure companies, including your Company which have proven track record of building transportation, electro-mechanical and water sector projects.

There are around 45 core infrastructure companies that are into project development out of which 20 are currently in CDR. Construction federation of India argued that most infrastructure companies are victims of issues such as slow economic growth and that their financial stress is not of their own making. CDR involves lenders agreeing to a reduction in interest and a moratorium on repayments in exchange for adhering to stringent conditions. Borrowers are restricted from entering new business areas or expanding the existing business. These curbs don't stop them from carrying out their core activity , construction in this case. Companies are in CDR because of what has happened in the past.

Government agencies are increasingly demanding that the companies bidding for new projects not be in corporate debt restructuring (CDR). This condition will badly affect infrastructure companies from recovering from financial crunch. Debt-laden infrastructure companies have been barred from bidding for projects worth over Rs 25,000 crore by government agencies in seven states -Tamil Nadu, Karnataka, Andhra Pradesh, Rajasthan, Gujarat, Uttar Pradesh and Delhi -igniting fear in the industry that the practice may become widespread.

The fact many infrastructure companies are in CDR and not declared sick units means that banks, too, believe that these companies can turn around. But if these are not allowed to bid for new projects, how do we expect them to recover? With state-owned agencies keeping such companies away from bidding for new projects, their turnaround looks difficult.

Officials in state agencies, on their part, said that the eligibility criteria have been made more stringent to ensure quality of bidders so that they are able to get credit from banks and execute projects on time. Infrastructure companies that are in CDR or have stressed financial condition are finding it difficult to get credit. While government agencies getting cautious, putting a blanket ban on CDR companies would not be positive for the sector's development. We need systemic changes to ensure that companies can take on new projects and have credit available. If these companies are kept out of the race, we are wasting the their qualification attended. On one hand Govt says they want to boost the GDP, Growth etc, but in real sense the infra sector which has the potential to give job & increase GDP to good numbers are facing problem, which only Govt can solve. the delay in decision will make thing worse every passing day.

Your Company have issued shares worth Rs 82.63 crore to lenders and promoters under its corporate debt restructuring (CDR) plan. The decision was taken by its board of directors. The Board of Directors of the company at its meeting has considered, issue and allotted 2,64,20,784 equity shares of Rs 2 each at a price of Rs 27.52 per share to Promoters/promoters group companies pursuant to CDR Scheme.

Financial slowdown, stress on working capital and balance sheet, non-availability of loans, clause banning CDR companies to bid, huge outstanding and standstill projects factoring negative growth of the debt laden CDR companies.

New government at center seems to be pro-infrastructure and we are hopeful to see turnaround by introduction of new policies to boost infrastructure industry in India. The Government very well understands, Infrastructure is a growth driver and nearly 90% of the core infrastructure players are in CDR, so government won't take a chance to flip on the policies and waste capabilities of these companies to built nation as a better business hub. The thumb rule is so simple - Better Infrastructure could attract more investment.

Kishore Avarsekar,
Chairman and Managing Director,
Unity Infraprojects Limited

Dear Shareholders,

Unity Infraprojects Limited, one time highest profit making company is now facing challenges of financial stress. Infra-Sector growth is so sluggish and investment so weak that the finance ministry signaled it might loosen future fiscal targets.

The sentiment and a hope for 'Acche Din' led BJP win majority to run the government. And its more than a year now, we hardly could see initiative taken for the revival of sector.

Infrastructure projects for building roads, railways, ports, power plants and other public facilities are crucial for economic growth in India. However, there have been long delays in many projects across the country, which have seriously eroded the confidence of foreign investors as well as that of the domestic business community.

Land acquisition, financial crunch, project clearances, red tape and policy paralysis have strongly created disbelief among the domestic and foreign investor. These reasons have contributed much in delayed project execution and some projects gone stand still.

Consequently, sector witnessed steep rise in project cost, negative profitability, black listing by the client, legal proceedings and bank loan defaults. Many infrastructure companies have been declared as NPA (Non Performing Asset) by the banks. And this cash strapped sector which was the highest GDP contributor in the past is on ventilation as 90% of the core Infrastructure companies facing CDR.

The government should understand, Infra - Sector needs a push in terms of monitory and convenient processes. And deviation to these lines will not affect the 'Make in India' but further put brakes on domestic and foreign companies' investment in India and become a major factor in unemployment, slowing down gross fixed capital formation and impeding economic growth. BJP was backed by Infra-Sector and millions of voters eager for economic recovery and job opportunities, but has shied away from “big bang” reforms in favour of gradual steps to streamline the bureaucracy and remove obstacles to investment. Infra-Companies, furthermore, were heavily indebted and more than a third did not make enough money to cover their interest payments. The banks, in turn, were exposed to high levels of bad and doubtful debt.

Owing to all industry scenario, Unity Infraprojects has gone for CDR and issued shares worth Rs 82.63 crore to lenders and promoters under its corporate debt restructuring (CDR) plan. The decision was taken by its board of directors.

"The Board of Directors of the company at its meeting held on July 6, 2015, inter alia, has considered, issue and allotted 2,64,20,784 equity shares of Rs 2/- each at a price of Rs 27.52 per share to Promoters/Promoters Group companies pursuant to CDR Scheme. The board also gave nod to allot 36,08,738 equity shares of Rs 2/- each at a price of Rs 27.52 apiece to CDR lenders pursuant to the CDR scheme. The board is also considering conversion of interest on FITL (funded interest term loan) into equity for the period from March 1, 2015 to March 31, 2016". Shareholders' nod would be sought through postal ballot.

To conclude, This capital sensitive Infra-Sector is hoping to get revived. There’s no question that India needs better infrastructure if higher growth rates are to be sustained. Indian private infrastructure companies are unwilling to undertake large infrastructure projects. The commercial and regulatory risks have ballooned in recent years, stalling projects and dragging down these companies’ borrowing capacity. But if the government can sustain its big push to public investment, infra-sector will ride into profitability with major investments in India, open bundles of employment, give rise and push to other domestic industries by providing better infrastructure just go on fulfilling its dream of 'Make In India'.

Abhijit Avarsekar,
Vice Chairman Managing Director and CEO,
Unity Infraprojects Limited

DIRECTORS' REPORT

- Directors' Report
- Management Discussion and Analysis
- Corporate Governance Report
- CSR Report - Annexure I
- Secretarial Audit Report - Annexure II
- Extract of Annual Return - Annexure III