UNITY

INFRAPROJECTS LIMITED

ANNUAL REPORT

2016-17

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman & Managing Director
Kishore K Avarsekar

Vice Chairman & Managing Director
Abhijit K Avarsekar

Independent Director
Girish Gokhale
Chaitanya Joshi
Dinesh Joshi

Woman Director
Mrs.Vidya P Avarsekar

GROUP COMPANY SECRETARY AND HEAD- LEGAL

Prakash Chavan

CHIEF FINANCIAL OFFICER

Madhav Nadkarni

COMMITTEES OF THE BOARD

Audit Committee
Dinesh Joshi : Chairman
Girish Gokhale
Chaitanya Joshi
Abhijit K Avarsekar

Nomination & Remuneration Committee
Girish Gokhale : Chairman
Dinesh Joshi
Chaitanya Joshi

Stakeholders Relationship Committee
Girish Gokhale : Chairman
Kishore K Avarsekar
Abhijit K Avarsekar

Corporate Social Responsibility Committee
(upto 14.12.16)
Girish Gokhale : Chairman
Kishore K Avarsekar
Abhijit K Avarsekar

STATUTORY AUDITORS

M/s. C. B Chhajed & Co.
Electric Mansion, 5th Floor,
Appasaheb Marathe Marg,
Mumbai - 400 025.

SECRETARIAL AUDITORS

M/s. Snehal Raikar & Co.
Company Secretaries
403, Gorai Disha CHS.,
Plot No.: 50 L. T. Road
Borivali (West),
Mumbai - 400 092

REGISTERED & CORPORATE OFFICE

1252, Pushpanjali Apartments,
Old Prabhadevi Road,
Prabhadevi
Mumbai - 400 025

STOCK CODE

BSE : 532746
NSE : UNITY

REGISTRAR & SHARE TRANSFER AGENT

Link Intime (India) Pvt. Ltd.
C- 101, 247 Park,
L B S Marg, Vikhroli (W),
Mumbai- 400 083.

INTERNAL AUDITORS

M/s.H.Y.Pancha & Associates
313, Janmabhoomi Chambers,
W. H. Marg,
Ballard Estate,
Mumbai- 400 001

ISIN

INE466H01028

CIN

L99999MH1997PLC107153

LIST OF BANKERS:

1) State Bank of India
2) State Bank of Patiala
3) State Bank of Mysore
4) Corporation Bank
5) Central Bank of India
6) Indian Bank
7) Bank of Baroda
8) Allahabad Bank
9) Bank of Maharashtra
10) Dena Bank
11) Union Bank of India
12) ICICI Bank Ltd.
13) IDBI Bank Ltd.
14) Axis Bank Ltd.
15) IndusInd Bank
16) ING Vysya Bank
17) Catholic Syrian Bank Ltd.
18) UCO Bank
19) Indian Overseas Bank
20) L & T Infrastructure Finance Co. Ltd.
21) Abhyudaya Co-op. Bank Ltd,
22) Standard Chartered Bank
23) DBS Bank Ltd.

CHAIRMAN'S STATEMENT

Dear Shareholders, Ladies and Gentlemen

In more ways than one, 2016-17 has been a worst year for your Company. Let me share several reasons why this is so.

The UPA-2 government the major problem that faced all construction companies was the legacy of stalled infrastructure projects. The size was immense. As an example, on January 31, 2016, there were 304 stalled projects involving investments of Rs. 12,75,877 crore.

Such stalled projects completely destroyed the financial viability of private infrastructure and construction companies. These enterprises had used sizeable working capital to mobilise labour and deploy expensive plant and machinery at various project sites. With the stalling and inordinate delays of these projects, the obvious consequences were massive cost over-runs and huge financial strains. Matters significantly worsened with government and quasi-government execution agencies holding back payments against contractors claims. Even when independent arbitrators in dispute resolution favoured construction companies, the executing agencies invariably delayed the payment process by appealing to a higher judiciary.

Thus, all construction majors in the infrastructure sector faced a terrible situation of burgeoning receivables on their balance sheets, inadequate cash inflows and huge interest payment on large working capital exposures. For a sample of listed construction companies, interest cost as a percentage of total income soared from 6% in 2008-09 to above 13% in 2015-16 — when the debt-equity ratio had bloated to over 8. As such the business was not financially sustainable.

Thanks to the NDA government under Prime Minister Narendra Modi has intervened to correct this glaring problem.

First, the Government of India (GoI) has managed to break the choke-hold of stalled projects, by giving faster clearances and closely monitoring these at the highest levels.

Second, to revive the construction sector, the Cabinet Committee on Economic Affairs has approved a series of initiatives which ought to help in improving liquidity and introduce much needed reforms in the business of contracting. Some of these include:

- The Arbitration and Conciliation (Amendment) Act, 2015, which facilitates faster and time bound decision making in the arbitration process.
- Where public sector undertakings (PSUs) or government departments have challenged the arbitration award, 75% of the award amount is to be paid to the contractor or concessionaire against a margin-free bank guarantee.
- All PSUs or departments issuing public contracts are being encouraged to set up Conciliation Committees or Councils comprising independent subject experts to ensure expeditious disposal of pending or new cases.
- Item-rate contracts can now be substituted by EPC or turnkey contracts. If this is done, the PSUs or departments are expected to adopt the model EPC contract for construction works.

These initiatives ought to create a sound process of dispute resolution and, by doing so, infuse badly needed liquidity in the construction sector.

Third the Reserve Bank of India (RBI) has stepped in to regulate Corporate Debt Restructuring (CDR) and unsustainable levels of corporate debt. The new Strategic Debt Restructuring (SDR) and the Scheme for Sustainable Restructuring of Stressed Assets (or S4A) introduced in 2016 should give relief to the construction majors and create the liquidity needed to bid for new projects.

Fourth, the GoI has clearly focused on pushing for significant infrastructure development. In the Union Budget of 2016-17 the outlay on infrastructure was substantially stepped up. The Union Budget 2017-18 boosted it further by 10% to Rs. 3,96,135 crore, with roads, bridges and railways seeing higher allocations.

Fifth, let me now share with you what your Company has done regarding the CDR scheme. The Company had availed credit facilities ("Facilities") for working capital requirement as well as for hiring construction equipment for its various projects. The debt obligations of the Company were restructured under Corporate Debt Restructuring ("CDR") mechanism on the terms and conditions set out in the Master Restructuring Agreement dated 26th December, 2014 executed amongst SBI (as the Monitoring Institution), the Lenders and the Company ("CDR MRA"). The Principal Moratorium was for 27th months from the cut-off date i.e. 1st January, 2014.

Despite availing the restructuring of the Facilities under the CDR mechanism, the Company was facing liquidity issues and challenges in debt servicing due to inter alia slower than envisaged recovery in the economy and infrastructure sector and increased interest cost for the Company due to increase in working capital requirement and non-realization of claims/receivables. This resulted in a gap of cash-flow timing mismatch between claims realization (including interest) and debts serving. If such gap left unaddressed, the Company will face challenges in the execution of its order book and also in serving of its debt. Additional working capital support sanctioned by Lenders were not disbursed.

Accordingly, in order to bring the aforementioned cash flow timing mismatch, the lenders deliberated various solutions to address the aforementioned liquidity issue and recommended the Scheme for Strategic Debt Restructuring introduced by the Reserve Bank of India ("RBI") pursuant to circulars dated February 25,2016.

The Lenders in their Joint Lender's Forum meeting ("JLF") held on 28th March, 2016 deliberated on the various options, but could not agree with the recommendation of Monitoring Committee for implementation of Strategic Debt Restructuring.

Sixth, during the period under review, the Turnover of the Company on a standalone basis stood at Rs. 247.08 Crore, as compared to Rs. 381.40 Crore during the previous year. The Company posted a Net Loss after Tax of Rs.1113.20 Crore during the year ended 31st March, 2017, as against a Net Loss after Tax of Rs. 540.37 Crore during the previous year ended 31st March, 2016.

Seventh, the option left with the Company to explore the opportunities for strategic investor as well as to complete the projects which were near to completion to avoid further encashment of bank guarantees or termination of contract. The Company and the management is hopeful that it will come over the said situation.

Eighth, bureaucrats are still not taking timely decisions for fear of being charged with corruption. For the same reason some do not act expeditiously on even orders coming from the Union Cabinet. The administration of contracts by government agencies is stilltardy, suffering from excessive dissecting to find reasons why not to act. And when action is forthcoming, it is often in violation of the contractual conditions. Contract administration needs reform. This needs support from the central and state governments if these are to be executed on time and with least cost overruns. The banking sector is in a crisis of its own. The new Banking Ordinance and the latest RBI regulatory order in the wake of the ordinance are encouraging. But the confidence of bankers to make them work is still to be tested. They too are fearful of being charged with corruption even though the Ordinance and the RBI orders gives them adequate teeth to take tough decisions. They need to be left alone and operate without the fear to make commercial decisions.

It is under these circumstances that we have to move forward to deliver performance. The year 2017-18, therefore, will be a year of consolidation and laying the foundation for a growth path. The GoI's determination to remove the obstacles to economic growth is encouraging. Let us pray for a burst of consistent growth that our country needs, growth driven by the government's purposeful drive to build infrastructure.

Thank you for your support.

Yours,

Kishore K Avarsekar

Chairman & Managing Director

DIN:00016902

Dear Shareholders,

Let me start by sharing my views on the challenges the infrastructure industry is facing today before penning various developments. The slowdown in construction activities has adversely affected Engineering, Procurement and Construction (EPC) companies across India. Several unforeseen issues impacted projects at various stages of their life cycle from planning to operations, which have made several of them unviable. The sector is plagued with significant cost overruns, regulatory bottlenecks and aggressive bidding positions taken by a few market players resulting in financial losses. Another important element is the massive build-up of claims that are receivable from various government entities. These are on account of several factors, such as change of scope of work (quantity variation or extra items), idling of resources like manpower and overheads, compensation beyond the original stipulated contract period, change in statute and loss of opportunity. The entire claims resolution mechanism has been substantially delayed and, consequently, blocked up large amounts of cash severely affecting liquidity across the value chain.

In a backdrop of global uncertainty and slowing economic growth, India was a bright spot in 2016-2017 with robust macroeconomic fundamentals. The year was marked by two major domestic policy developments: passage of the Constitutional amendment which paved way for implementing the transformational Goods and Services Tax (GST), and the action to demonetise the Rs. 500 and Rs. 1,000 bank notes in the country.

The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth. It is also a bold new experiment in the governance of India's cooperative federalism. The bill to implement GST has been passed in the Parliament and the country is poised to move to a GST regime from the second quarter of 2017-2018

The national income data published by the Central Statistics Office (CSO) does not suggest any significant reduction in growth in the third quarter of 2016-2017, which coincided with demonetisation. The third quarter tends to be muted. In 2015-2016, the growth rate of real gross value added (GVA) in Q2 was 8.4%; while in Q3 it was 7%, or a sequential drop of 1.4 percentage points. In 2016-2017, GVA growth in Q2 was 6.7%, and in Q3 it was 6.6%. Thus, despite the effects of demonetisation for much of Q3 financial year 2017, the negative effect — as reported by the CSO — has been only 10 basis points.

Slow decision making due to regulatory issues, investigation, and judicial intervention has led to situation, where thousands of crores have got stuck. Companies that have increased their overheads in view of anticipated government projects are in losses. This situation could lead to some of the construction companies getting wiped out.

There are around 100 infrastructure companies that are into project development. Of the 45 core companies, 20 are currently in CDR. They are unable to bid anyway because they have exhausted all their resources and banks have reached exposure limit. The sector needs corrective measures, if we want to build infrastructure.

Infrastructure companies that are in CDR or have stressed financial condition are finding it difficult to get credit. While government agencies need to be cautious, putting a blanket ban on them 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.

Debt-ridden infrastructure companies could find it difficult to get back on the road to recovery, even if they're trying to fix finances. That's because companies going through the corporate debt restructuring or CDR process have been barred from applying for contracts floated by some government agencies

The debt obligations of the Company were restructured under Corporate Debt Restructuring ("CDR") mechanism. Moratorium period of CDR Package has expired on 31st March, 2016 and during the said period there was no progress seen for revival of the Company. Lenders opposed for Strategic Debt Restructuring (SDR). The management of the Company has been trying its level best to save Bank Guarantees by giving balance work of on-going project on B2B basis. The Company posted a Net Loss after Tax of Rs.1113.20 Crore during the year ended 31st March, 2017. With accumulated losses of Rs. 1113.20 crores at the end of the financial year, resulting in erosion of total net worth.

The Company is exploring several options for overcoming the liquidity crisis. During the period under review, the Company focused on realizing long pending receivables arbitration awards and retention moneys.

With these thoughts and feelings, I would like to take this opportunity to wholeheartedly thank the Central and State Governments, Shareholders, Investors, Bankers, Financial Institutions, Regulators, Suppliers, Media and Customers for their consistent and constant support. I wish to express appreciation to my colleagues on the Board and our employees for their thought Leadership, dedication and commitment. I am indeed grateful to you all for your cooperation and the trust you have reposed in us.

With warm and very best regards,
Abhijit K Avarsekar
Vice Chairman and Managing Director
DIN: 00047067

DIRECTORS' REPORT

Dear Stakeholders,

The Board of Directors have pleasure in presenting their 20th Annual Report together with the Audited Accounts of the Company for the year ended 31 March, 2017.

1. **FINANCIAL PERFORMANCE:**

During the period under review, the Turnover of the Company on a standalone basis stood at Rs. 247.08 Crore, as compared to Rs. 381.40 Crore during the previous year. The Company posted a Net Loss after Tax of Rs.1113.20 Crore during the year ended 31st March, 2017, as against a Net Loss after Tax of Rs. 540.37 Crore during the previous year ended 31st March, 2016.

On a Consolidated basis, the Turnover of Unity Group stood at Rs. 259.12 Crore as compared to Rs. 480 Crore for the previous year. The Group posted a Net Loss after Tax of Rs. 1170 Crore during the year ended 31st March, 2017, as against a Net Loss after Tax of Rs. 557 Crore during the previous year ended 31st March, 2016.

The Order book as on 31st March, 2017 stood at Rs. 608.89 Crore.

2. **EROSION OF NETWORTH:**

With accumulated losses of Rs. 1113.20 crores at the end of the financial year, resulting in erosion of total net worth. The Board has reviewed the causes for such erosion and the reasons amongst others which adversely affected the performance of the Company were:(a) Delay in execution of Project, necessity to hire local workmen, adverse operating and financial leverage and delay in sanction and disbursement of required Project Loan, termination of contract and black listing, which resulted in huge over-run and caused non achievement of performance and profitability and thereby losses.

The Board after considering the various steps implemented and/or to be undertaken for improvement of performance of the Company is confident/optimistic that the Company would be able to implement effective measures in normal course of business to revive the operations of the Company. Accordingly, the financial statements for the Financial Year 2016-17 has been prepared on a going concern basis.

3. **DIVIDEND:**

Your Company has restructured its debt under the Scheme for Corporate Debt Restructuring ("CDR Package") and therefore, it is necessary to conserve and optimise use of resources to improve the health of the Company. Hence, your Directors have not recommended any dividend for the financial year ended March 31, 2017.

4. **OPERATIONS:**

Moratorium period of CDR Package has expired on 31st March, 2016 and during the said period there was no progress seen for revival of the Company. Lenders opposed for Strategic Debt Restruucturing (SDR). The management of the Company has been trying its level best to save Bank Guarantees by giving balance work of on going project on B2B basis.

The financial closure of three projects were done by the Company. The documents for the same were executed in the year 2013-14. But, subsequent to the execution of the documents, some of the lenders of Consortium of Bank had backed out from the financial closure. No new lender had shown interest in the project. One of the Road project has been foreclosed by the NHAI and other one had terminated. In order to save BG given by the Company, the management had written to the Client to replace the Concessioner.

Under the CDR Package, further funds in the form of equity/preference shares/unsecured loan etc., had infused by the promoters and also the Company is seeking potential investment sources.

5. **CDR IMPLEMENTATION:**

The Company had availed credit facilities ("Facilities") for working capital requirement as well as for hiring construction equipments for its various projects. The debt obligations of the Company were restructured under Corporate Debt Restructuring ("CDR") mechanism on the terms and conditions set out in the Master Restructuring Agreement dated 26th December, 2014 executed amongst SBI (as the Monitoring Institution), the Lenders and the Company ("CDR MRA"). The Principal Moratorium was for 27th months from the cut-off date i.e. 1st January, 2014.

Despite availing the restructuring of the Facilities under the CDR mechanism, the Company was facing liquidity issues and challenges in debt servicing due to inter alia slower than envisaged recovery in the economy and infrastructure sector and increased interest cost for the Company due to increase in working capital requirement and non-realization of claims/ receivables. This resulted in a gap of cash-flow timing mismatch between claims realization (including interest) and debts serving If such gap left unaddressed, the Company will face challenges in the execution of its order book and also in serving of its debt. Additional working capital support sanctioned by Lenders were not disbursed.

Accordingly, in order to bring the aforementioned cashflow timing mismatch, the lenders deleibarated various solutions to address the aforementioned liquidity issue and recommended the Scheme for Strategic Debt Restructuring introduced by the Reserve Bank of India ("RBI") pursuant to circulars dated February 25, 2016.

The Lenders in their Joint Lender's Forum Meeting ("JLF") held on 28th March, 2016 deliberated on the various options, but could not agree with the recommendation of Monitoring Commiittee for implimentation of Strategic Debt Restructing.

The option left with the Monetoring Committee as well as the Company to explore the opportunties for strategic investor as well as to complete the projects which were near to completion to avoid further encashment of bank guarantees or termination of contract. The Company and the management is hopeful that it will come over the said situation.

6. SHARE CAPITAL:

During the period under review there is no change in the Authorised Capital of the Company. The Authorised Share Capital is Rs. 35,00,00,000/- and Paid-up Capital is Rs 24,17,53,604/-.

The equity shares have been listed and being traded on both the stock exchanges i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The Company has not issued any shares with differential voting rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

7. MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of the provisions of Regulation 34 read with Shcedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Management's Discussion and Analysis is set out in a separate section forming part of the Annual Report as **Annexure A.**

8. SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS:

During the year under review, the following changes have taken place with respect to Subsidiary Companies and Associate Companies:

As on March 10, 2017 your Company has 8 direct Subsidiaries, 8 step down Subsidiaries and 11 Associate Companies. There has been no material change in the nature of the business of the Company and its subsidiaries.

Chomu Mahala Toll Road Private Limited,a subsidiary company ceased to be a subsidiary of Unity Infraproject Limited w.e.f. 17.03.2017 due to allotment of shares to Lenders under SDR Scheme.

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing there in its standalone and the consolidated financial statements has been placed on the website of the Company, www.unityinfra.com.

A statement containing salient features of the financial statements of these companies as required to be provided under section129(3) of the Act, are enclosed herewith in the specified form, as **Annexure B**. Accordingly, this annual report does not contain the reports and other statements of the subsidiary companies. Any member intends to have a certified copy of the Balance Sheet and other financial statements of these subsidiaries may write to the Company Secretary. These documents are available for inspection during business hours at the registered office of the Company and that of the respective subsidiary companies.

9. DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP):

7.1 Appointments by rotation

In accordance with the provisions of the Companies Act, 2013 read with the Articles of Association of the Company and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mrs. Vidya P Avarsekar, Director of the Company will retires by rotation at this meeting and being eligible, your Board recommends her re-appointment.

Details of the director seeking re-appointment at this meeting has been given in the notice of the meeting.

7.2 Key Managerial Personnel:

Mr. Kishore K Avarsekar Chairman and Managing Directors, Mr. Abhijit K. Avarsekar, Vice Chairman and Managing Director & Chief Executive Officer (CEO), Mr. Madhav G. Nadkarni Chief Financial Officer and Mr. Prakash B. Chavan, Group Company Secretary and Heal Legal are Key Managerial Personnel of the Company.

10. MEETING OF THE BOARD :

Five (5) Board Meetings were held during the financial year ended 31st March, 2017. The details of the Board Meetings with regard to their dates and attendance of each of the Directors there at have been provided in the Corporate Governance Report.

11. INDEPENDENT DIRECTORS:

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as provided in of Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the Listing Agreement with the Stock Exchanges.

An exclusive meeting of the Independent Directors of the Company was held on 10th February, 2017 which was attended by all the Independent Directors. They have reviewed the performance of the non-independent directors and the Board as a whole, performance of chairperson and quality of information to the Board as provided under Schedule IV of the Companies Act, 2013.

12. PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

The following were the Evaluation Criteria:

(a) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Role and functions

(b) For Executive Directors:

- Performance as Team Leader/ Members
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set Goals/KRA and achievements
- Professional Conduct and Integrity
- Sharing of Information with the Board

The Directors expressed their satisfaction with the evaluation process.

13. AUDIT COMMITTEE:

The Audit Committee consists of all Independent Directors with Mr. Dinesh Joshi as Chairman, Mr. Girish Gokhale, Mr. Chaitanya Joshi and Mr. Abhijit K Avarsekar Vice Chairman and Managiong Director as members. The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors and Compliance of various regulations. The Committee also reviews at length the financial statements before they are placed before the Board of Directors.

14. VIGIL MECHANISM:

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and other stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company.

15. INTERNAL CONTROL SYSTEMS:

The Company's internal control procedures which includes internal financial controls, ensure compliances with various policies, practices and statutes and keeping in view the organisation's pace of growth and increasing complexity of operations. The internal auditors team carries out extensive audits throughout the year across all locations and across all functional areas and submits its reports to the Audit Committee of the Board of Directors.

16. CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility (CSR) is not a new term for UNITY. K K Group of Companies has been carrying out CSR activities since 2010 and focusing on three major areas – Education, Healthcare and Rural Development.Pursuant to the provisions of section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee was constituted by the Board at its meeting held on 29th May, 2014 since the Company fulfilled the conditions stipulated in sub-section(1) of section 135. Since financial year 2014, the Company has been facing liquidity crunch on account of various factors viz. 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, long term Investment/Advances to Real Estate/ and BOT subsidiaries and part of inventory has become absolute on account of the projects getting unduly delayed. During the financial year 2013-14 the Company was referred to CDR Cell and CDR Package was approved on 26.12.2014 for revival of the Company.

In compliance with requirements of Section 135 of the Companies Act, 2013, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended 31st March, 2017 (till 14th December, 2016) in the format prescribed under Rule 9 of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure C**.

Since, there are no average net profits for the Company during the previous three financial years, there are no specific funds that are required to be set aside and spent by the Company during the year under review. But the Company arrange funds to continued the on-going CSR projects undertaken by the Company. Members can access the CSR Policy on the website.

During the Financial year 2014-15, 2015-16 and in the current financial year, due to accumulated losses, the Company did not fulfilled any of the conditions stipulated in sub- section (1) of section 135 and Company is not in position to continue the projects undertaken under CSR.Therefore, the Company dissolved the Corporate Social Responsibility Committee w.e.f 14.12.2016.

17. POLICY ON NOMINATION AND REMUNERATION:

The contents of Nomination and Remuneration Policy of the Company prepared in accordance with the provisions of Section178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report.

18. RELATED PARTY TRANSACTIONS:

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business and were within the limits and terms and conditions approved by the Shareholders of the Company in the Extra-ordinary General Meeting held on 28th February, 2015. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. The policy on Related Party Transactions as approved by the Board of Directors is available on the Company's website i.e.www.unityinfra.com

Prior omnibus approval of the Audit Committee is also sought for transactions which are of a foreseen and repetitive nature.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, profitability, legal requirements, liquidity, resources availability etc of related parties. All related party transactions are intended to further the Company's interests.

19. CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. The requisite certificate from M/s. Snehal Raikar & Co,. Practising Company Secretaries confirming compliances with the conditions of corporate governance as stipulated under the aforesaid Schedule V is attached to the Report on Corporate Governance is annexed herewith as **Annexure D**

20. FIXED DEPOSITS:

In F.Y. 2016-17, the Company has not accepted/ renewed any deposits. As on 31st March, 2017, there were unclaimed deposits amounting to Rs. 2554.64 and interest on deposits amounting to Rs. 92,253.00. The Company has repaid entire amount of public deposit as on 31st March, 2015.

21. LISTING OF SHARES:

The Equity Shares of the Company are listed on the BSE Limited (BSE) with Scrip code No. 532746 and on the National Stock Exchange of India Limited (NSE) with Scrip ID of UNITY. The Company confirms that the annual listing fees