



Looking at our business as closely as  
you are **looking at this now**



Unity Infraprojects Limited | Annual report, 2010-11

#### 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 our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. 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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### Key financial highlights

#### New projects bagged

Rs. **1,208.8** cr  
During 2010-11

#### Order value executed

Rs. **1,024** cr  
During 2010-11

#### Order book value

Rs. **3,501.1** cr  
As on 31 March 2011

#### Team strength

Over **1,014**  
As on 31 March 2011

#### Revenue (net)

Rs. **1,701.5** cr  
For 2010-11

#### Post-tax profit

Rs. **94** cr  
For 2010-11

#### Dividend per share (Proposed)

Re. **1** (Rs. 2 face value)  
For 2010-11



# RESTRUCTURING.



The structure of India's infrastructure sector is undergoing a fundamental shift.

Projects are becoming larger. Greater stakeholder coordination is becoming imperative. More contracts are becoming turnkey. Outlays are becoming larger; an estimated USD 1 trillion is expected to be invested in India's infrastructure in the Twelfth Plan.

**At Unity Infraprojects Limited, we restructured our enterprise into strategic business verticals with the objective to fast-track our turnover to a projected USD 1 billion in just three years.**

# Unity Infraprojects Limited is among India's fastest-growing integrated infrastructure institutions.

## Portfolio

### Building

Commercial and residential buildings, mass housing projects and townships, industrial structures, airports, infotech parks, hotels and hospitals, educational institutes, stadiums and railway stations

### Water

Dams, tunnels, lift irrigation, water supply, sewerage and micro-tunnelling

### Transport

Roads, bridges, flyovers, subways and tunnels

## Certifications

- Accredited with ISO 9001: 2008, ISO 14001:2004 and OHSAS 18001:2007
- Only Indian construction company to feature in Forbes Asia's 200 Best under a Billion Dollar list from Asia-Pacific
- Honoured by CW-NICMAR for three consecutive years as the fastest-growing construction company in India
- Rated by CIDC for two consecutive years as the 'best professionally managed company'
- Awarded Best Infrastructure Corporate for two consecutive years (2009 and 2010) by Infra Summit 2011.

## Customers

### Public sector

- Central Public Works Department (CPWD) • HSCC India Limited Municipal • Corporation of Greater Mumbai (MCGM) • Mumbai Metropolitan Region Development Authority (MMRDA) • City and Industrial Development Corporation of Maharashtra Limited (CIDCO)
- Delhi Development Authority (DDA) • Airports Authority of India (AAI) • Haryana State Road Development Corporation (HSRDC)
- Ministry of External Affairs (MEA)

### Private sector

- Indiabulls Group • Siemens • Magarpatta City • High Street Phoenix • Paranjape Schemes Construction • ETA Engineering
- Peninsula Land

## Speed

Unity reported a turnover and net profit CAGR of 25.67% and 17.39% respectively over the five years leading to 2010-11, one of the fastest in its industry

## Philosophy

To be a leader in the infrastructure domain, creating benchmarks and inspiring people, thereby contributing to the development of the nation

## Credibility

Incorporated in 1982 by first generation entrepreneur Mr. Kishore K. Avarsekar; the Company possesses over three decades of rich nation-building experience

## Focus

Evolved from an EPC contractor to an integrated infrastructure institution with expertise in building, water and transport verticals

## Presence

Headquartered in Mumbai with regional offices in Delhi, Kolkata and Pune

## Listing

Listed on the Bombay and National stock exchanges; market capitalisation of Rs. 650.9 cr as on 31st March 2011

From the CMD's desk

“At Unity, restructuring and rewiring the organisation will enable us to accelerate momentum and emerge as a USD 1 bn enterprise in three years.”

*Dear Shareholders,*

My work takes me to different parts of the globe and wherever I go, the general comment is that India will be a country to watch out for when investments catch up with its infrastructural deficit.

They wonder that if the economy can continue to grow at the second-fastest rate in the world (8.5% in 2010-11) in an environment of policy paralysis, then the projected Twelfth Plan infrastructure outlay of USD 1 trillion will make the sector an excellent proxy for global growth.

### Infrastructure – a proxy of India's economic prowess

India's infrastructure (social and economic) is critical to its competitive edge. The country's GDP growth rate declined from 9.4% in 2005-06 to 8.5% in 2010-11, partly on account of an inability to respond to growing needs. The result is in the numbers:



Kishore K. Avarsekar  
Chairman and Managing Director

- Despite India emerging as a trillion dollar economy way back in 2007, the country still suffers from a peak power deficit of more than 10%, prompting production slowdowns.

- Despite India having the second-largest road network in the world, only 0.5% of this network is four-laned, affecting fuel efficiency and just-in-time delivery.

- Despite three of the ten biggest cities in the world being located in India, they also happen to be among the most polluted.

- Despite rural India accounting for 60% of the national population, it accounts for only 18% of the national GDP due to a large infrastructural skew.

- Despite India being the world's second-fastest growing economy, exports account for a mere 1.5% of global trade compared with China's 7.7%.

China is leagues ahead: The country possesses among the world's largest pipelines, the largest mono-rail network, the largest sea bridge and one of the largest power plants. India's need to catch up underscores optimism for its construction sector and frontline

companies like Unity.

### Catalysing infrastructural growth through restructuring

India's infrastructure requires assets that will cater to the requirements of the day and scalable to service the growing needs of tomorrow. This scalability needs to be woven around optimal capex so that the asset remains affordable for users. For this to happen, a mindset shift is required: Construction companies need to extend beyond the role of mere contractors and engage in the complete asset lifecycle (design, finance, construction, operation and ownership). This integration will ensure long-term asset usability and margins-accretion on account of complex higher ticket engagement.

At Unity, we responded with business restructuring comprising the following features:

- One, provide focused resources for each business vertical comprising building and industrial construction, transportation as well as irrigation and water supply
- Two, treat each business as a separate corporate entity with targets

and budgets

- Three, foster a spirit of healthy internal competition to strengthen overall efficiency
- Four, enhance management bandwidth to capture value in synergic vertical opportunities
- Five, unleash the value embedded in each vertical

With this restructuring in place, we are already in the L1 stage for orders of nearly Rs. 1,800 cr in the first quarter of 2011-12, and are confident of achieving our targeted fresh order accretion of Rs. 4,000-5,000 cr in 2011-12.

Leveraging our three-decade sectoral experience, we strengthened our execution capabilities through state-of-the-art construction assets and strong people competencies. This will result in faster site-level turnarounds and order book liquidation, resulting in a projected Unity topline of USD 1 bn in three years.

Sincerely,

Kishore K. Avarsekar  
Chairman and Managing Director

### On-time record

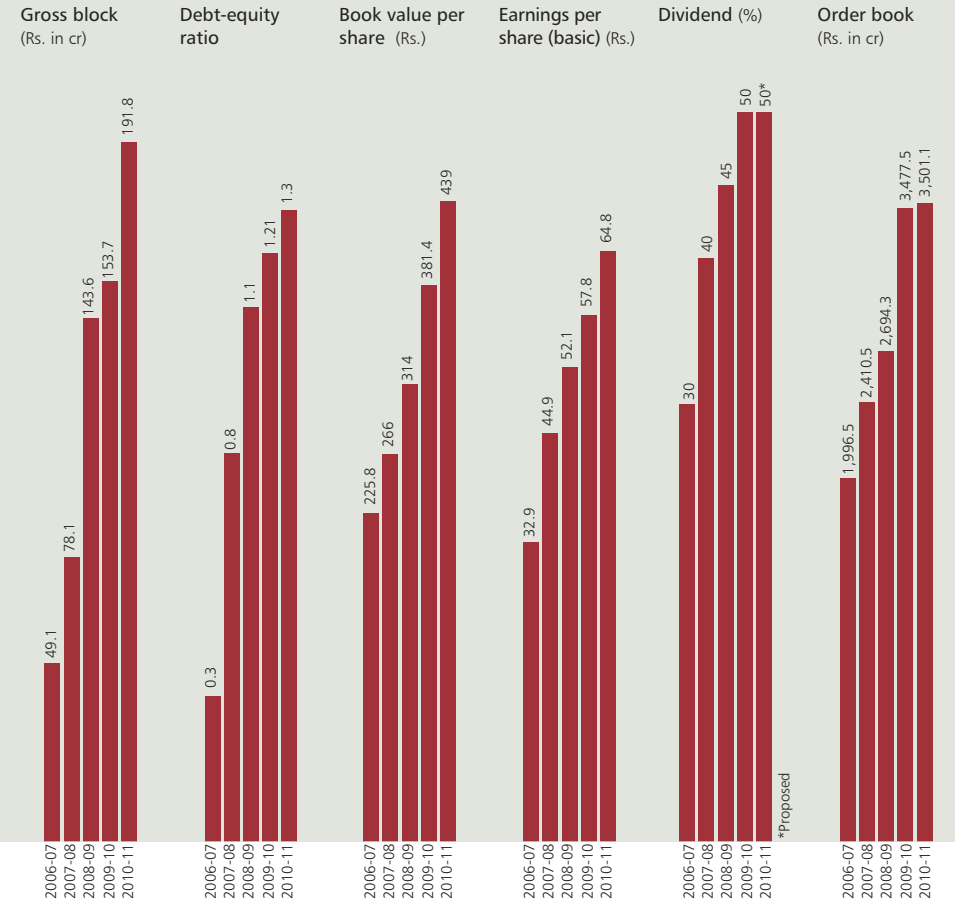
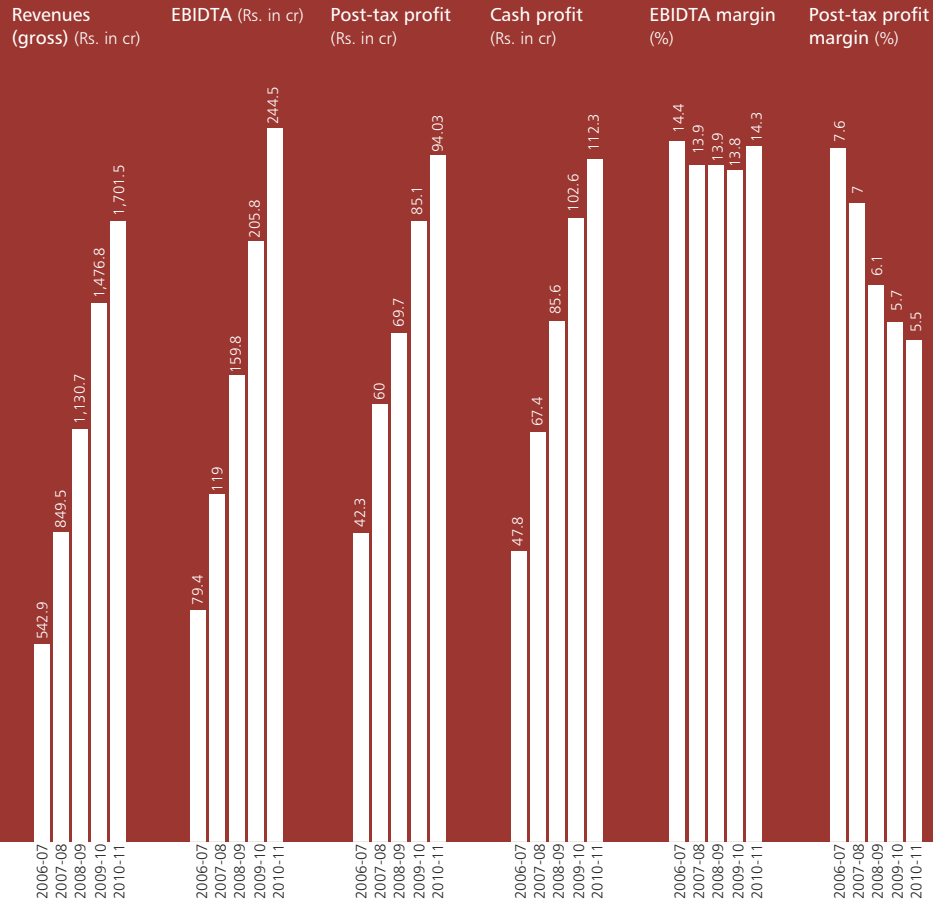
At Unity, we completed complex projects on time through robust execution capabilities.

- Pedestrian subway at Chatrapati Shivaji Terminus in Mumbai within 10 months compared with the stipulated 24 months
- Flyover at Khodabad Circle in Mumbai

in 16 months compared with the stipulated 24 months

- Turnkey refurbishment of the Kala Academy in Goa within the scheduled 110 days
- A 411-room hotel project at Balewadi (Maharashtra) in a record 15 months, one of India's fastest hotel project turnarounds

# Restructuring for recharging growth



(Rs. in cr)

Segment	Order book
Building	1,871.6
Water	1,158.8
Transport	470.7
<b>Total</b>	<b>3,501.1</b>

# RESTRUCTURING. TO STRENGTHEN OUR PRESENCE IN THE RIGHT PLACE AND SPACE.

At Unity, our entrenched on-site presence provides us with direct customer contact, leading to insights in standards and requirements. This has resulted in timely project solutions, strengthening relationships and repeat engagement.

At Unity, we grew our presence in adjacent business spaces of building, water and transport, effectively utilising our equipment and manpower resources.

Our ability to create alliances with partners possessing service and technological capabilities grew our presence in key markets and verticals with speed.

Our combination of construction technology, wide service offerings, close relationships and focused vertical presence enabled us to address attractive emerging opportunities with comprehensive competence.

The results of restructuring are already evident: For the first time, we bagged a prestigious road BOT project (Rs. 198 cr) in Rajasthan in June 2011, the successful completion of which will not only strengthen our pre-qualification capability to bag other such projects but also enhance our bottomline.

# 25.67%

CAGR growth in topline over the five years leading to 2010-11

RESTRUCTURING.

BY LEVERAGING  
NEW  
TECHNOLOGIES  
TO MAKE OUR  
CUSTOMERS  
MORE  
PROFITABLE.

At Unity, our experience and resourcefulness over a wide construction bandwidth enables us to solve problems creatively.

We continuously invested in technology to extend construction benefits to new and existing customers, enhancing their confidence in our ability.

Our restructuring enabled us to create dedicated business verticals with focused teams (including estimation) and resources. This will enable each division to strengthen its project understanding and selectively bid for projects and align these estimations with prevailing and emerging realities to maximise project profitability.

Following the restructuring, we bagged orders worth a significant Rs. 531 cr and emerged as L1 (lowest bidder) for another Rs. 1,870.3 cr worth of projects during the first quarter of 2011-12.

These developments strengthened our resolve to bag Rs. 4,000-5,000 cr worth of fresh orders in 2011-12.

17.39%

CAGR growth in post-tax profit over the five years leading to 2010-11



Strategic review by the Vice-Chairman and Managing Director

“Restructuring strengthened our resolve to bag Rs. 4,000-5,000 cr worth of orders in 2010-11.”



Abhijit Avarekar



**Q. Why was this the right time to engage in organisational restructuring?**

**A.** The Twelfth Plan approach paper has pegged infrastructural investments at a gigantic USD 1 trillion. This indicates that projects will become larger and more complex, requiring specialised attention. To capitalise commensurately, we restructured the organisation into strategic business verticals (building, water and transport), headed by experienced CEOs and supported by their respective teams and resources (including estimation). Following this, each vertical will be responsive enough to seize opportunities on the one hand and enable us to venture into complementary industry segments on the other.

**Q. How has the restructuring been received?**

**A.** Whatever scepticism was there disappeared following two post-balance sheet developments. One, we bagged our first-ever road BOT

project in June 2011, which will not only strengthen our pre-qualification capability but will also enable us to emerge as asset owners with value-accretive monetisation. Two, during the first quarter of 2011-12, we reported a moderate quarterly order intake of Rs. 531 cr and emerged as L1 across nearly Rs. 1,870.3 cr worth of orders. These benefits were a result of our restructuring.

**Q. Projects are becoming larger and more complex. Does this indicate an industry consolidation?**

**A.** Yes. The government recognises that projects need to be larger to address prevailing and prospective growth. These growing projects typically require large investments beyond government budgets, making it imperative for the government to engage with private sector players with superior pre-qualification standards and the ability to finance, design, construct,

develop and own assets during the concession period. As a result, construction giants are acquiring smaller companies to plug competency gaps, resulting in industry-level consolidation. Besides, project delivery now begins from the design stage, making it imperative for companies to acquire these competencies.

**Q. What were the highlights of the Company's working in 2010-11?**

**A.** The year under report was a challenging one as the government's attention was

respectively in 2010-11. I am particularly excited about a Rs. 87.55 cr micro-tunnelling project - akin to a key-hole minimal invasive surgery in congested urban environments - that we received in December 2010. We invested Rs. 53 cr in a tunnel boring machine to enhance our capability.

**Q. How do you expect to strengthen the business verticals?**

**A.** With a view to prepare ourselves for upcoming infrastructure growth, we expect to invest Rs. 150-200 cr in the

531 cr worth of orders in the first quarter of the current fiscal and are at L1 stage for Rs. 1,870.3 cr of projects. We are addressing growing opportunities in the power generation, oil and gas and telecom tower spaces, supported by the recruitment of specialised manpower.

**Q. What can shareholders look forward to in 2011-12 and beyond?**

**A.** I want to highlight four points:

- One, we have an entrenched capability in managing large complex projects, evident in an increase in our average project ticket size from Rs. 65 cr five years ago to Rs. 572 cr today. This trend should sustain
- Two, we enjoy a growing pan-India presence reflected in 15.42% of our 2010-11 revenues derived from outside Maharashtra, indicating that we are nationally-present
- Three, we reported industry-leading EBIDTA margins at 12-15% and through restructuring, we expect to grow these margins further
- Four, we share our success with shareholders, reflected in Unity proposing a 50% dividend (Re 1) for 2010-11

By the virtue of being a growing proxy of an underserved sector in an over-crowded geography, we are confident of accelerating our momentum and providing attractive reasons for shareholders to remain invested in us.

We have an entrenched capability in managing large complex projects, evident in an increase in our average project ticket size from Rs. 65 cr five years ago to Rs. 572 cr today

diverted to scandals and other issues. Land acquisition and right-of-way issues delayed project award, resulting in overall sluggishness. What is heartening is that these challenges notwithstanding, we bagged Rs. 1,208.8 cr worth of projects in 2010-11; our speedy implementation discipline coupled with judicious equipment utilisation resulted in a 15.2% topline growth to Rs. 1,701.5 cr. Besides, tight project controls and completion within schedule/extended schedule enabled us to maintain our EBIDTA and net margins at 14.4% and 5.5%

acquisition of state-of-the-art equipment. We will rotate these across divisions to accelerate project execution. We expect to climb the value chain based on robust civil engineering competencies. We will emerge as a turnkey EPC (engineering-procurement-construction) and DBFOT player to grow our margins.

**Q. What are the priorities for 2011-12?**

**A.** Through stronger vertical focus, we intend to bid for and bag Rs. 4,000-5,000 cr worth of orders in 2011-12. This optimism is derived from the fact that we received Rs.

# BUSINESS ENABLERS

Unity's order book backlog grew at a CAGR of 11.89% over the last five years ending 2010-11, reflecting growing brand equity and translating into growing work volumes

## Diversified verticals

Unity leveraged its building construction expertise to foray into other verticals comprising water and transportation, thereby de-risking our presence from sectoral risks and diversifying revenues.

## Order book backlog

Unity's order book backlog grew at a CAGR of 11.89% over the last five years ending 2010-11, reflecting growing brand equity and translating into growing work volumes. The Company's order book stood at Rs. 3,501.1 cr as on 31st March 2011, providing 30 months of revenue visibility.

## Focus on EPC turnkey projects

Unity is one of India's largest civil construction companies with a track record of successfully completing and handing over a

number of projects on time. The Company bids as a consortium partner for providing integrated engineering-procurement-construction (EPC) services, providing customers with one-stop convenience and timely project completion.

## Cost escalation clauses

Unity's business interests are protected with 90% of its contracts possessing cost escalation clauses, an adequate hedge amidst fluctuating raw material costs. Besides, over 78% of the order book comprised projects awarded by government-backed agencies, ensuring timely receivables.

## Geographical spread

Unity initiated operations as a Mumbai-based company and gradually emerged with a pan-India presence. The Company's geographic spread is reflected in

project execution across 13 Indian states (Maharashtra, Karnataka, Goa, Andhra Pradesh, Orissa, West Bengal, Meghalaya, Assam, Uttar Pradesh, Haryana, Punjab, Madhya Pradesh and Rajasthan, Nepal and Bangladesh. As on 31 March 2011, the Company's order book was spread across four corners of India – 60.5% share in the west, 26.9% in the north, 6.4% in the south, 4.3% in the east, and 1.9% overseas.

## Net worth

Unity's net worth increased at a CAGR of 16.61% over the last five years ending 2010-11, indicating growing profit plough back. The Company's net worth stood at Rs. 650.9 cr as on 31 March 2011, reflecting strong pre-qualification criteria in bidding for and bagging larger ticket projects.

## Robust quality practices

Unity is an ISO 9001:2008-

certified company, meeting international quality benchmarks. The Company adopts stringent steps across the entire process value chain to ensure a tight control on quality standards.

## Deployment of high-quality, state-of-the-art assets and technology

Unity owns a fleet of construction equipment comprising heavy earthmoving machines (hydraulic excavators, loaders, dozers and earth compacters), concrete plants (batching plants, concrete mixers, transit mixers and concrete pavers), road equipment (vibratory tandem rollers, electric paver finishers, mechanical paver finishers, hot mix plants, static rollers, truck mounted pressure bitumen sprayer and integrated stone crushing plants), quarry equipment (wagon drills, jack hammers and air compressors),

transportation equipment (cars and jeeps, tippers, tractors, water tankers and trailers) and fabrication and erection plants (welding generators, gas cutting sets, workshop equipment, cranes, generators), among others.

## Deadline-oriented

At Unity, we delivered 38 projects executed so far as per original deadlines/extended deadlines.

## Intellectual capital

Unity is spearheaded by a senior management group, enjoying a collective experience of 40 person-years in the construction sector. As on 31 March 2010, the Company's staff strength stood at 1,014, comprising 62% engineers, 16% MBAs and CAs and 22% diploma and post-graduate students, among others.

# Building

Business segment review 1



- Segment status within the Company

## Largest

- Portfolio  
Commercial and residential buildings, mass housing projects and townships, industrial structures, airports, infotech parks, hotels and hospitals, educational complexes, stadiums and railway stations

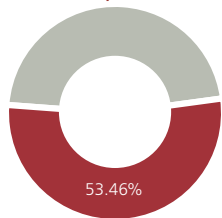
- Revenues, 2010-11  
**Rs. 781.67 cr**

- Revenue growth, 2010-11  
**9.4%**

- Contribution to the total revenue in 2010-11  
**45.94%**

- Order book as on 31st March 2011  
**Rs. 1,871.6 cr**

### Segment's order book position



Percentage of total order book as on 31 March 2011

### Road ahead

- Bag orders worth Rs. 2,000 cr from building projects and Rs. 500 cr from industrial structures in 2011-12
- Strengthen the middle management through recruitment
- Plug gaps through the acquisition of high-end equipment

### Segment strategy

- Focus on building value and goodwill through the undertaking of prestigious larger ticket-sized and complex projects
- Optimise resource utilisation
- Explore synergistic opportunities
- Extensively bid for and bag turnkey EPC services

### Key highlights, 2010-11

- Bagged projects worth Rs. 1,077.22 cr

### Key strengths

**Sound track record:** The Company leveraged its track record in executing EPC turnkey projects leading to repeat business.

**Timely completion:** The Company consistently delivered in terms of project deadline or extended

schedules. A keen understanding of project-specific deliverables made it the trusted choice in case of large projects, involving superior project management skills.

**Strong asset base:** A large asset base added to the Company's reputation. The Company aggressively invested in world-class equipment like batch mixers, concrete batching plant, and crawler tower cranes to improve project quality and reduce project completion time.

**Superior intellectual capital:** The division recruits engineers with diploma and graduate degrees, strengthening its overall competence and competitiveness. This strengthened the Company's brand around engineering innovation.

### Principal orders received, 2010-11

(Rs. in cr)

Particulars	Value
Director General of the Married Accommodation Project, Delhi	299.24
Construction of a township for Rail Coach Factory, Rae Bareilly, UP	144.96
Director General of the Married Accommodation Project, Mamoon	122.15
Development of NIFT Campus, Kharghar, Navi Mumbai	103.39

### Key projects completed, 2010-11

(Rs. in cr)

Particulars	Value
Remoulding and upgradation of Major Dhyan Chand National Stadium at New Delhi for CPWD	147.82
Construction of 1,783 units of permanent shelters (stilt type) at Car Nicobar, Andaman and Nicobar Islands for CPWD	114.67
Construction of Orchid Enclave at Mumbai for Neelkamal Realtors & Erectors India Pvt. Ltd	55.61

# Transportation

Business segment review 2



## Segment strategy

- The business division mainly engages in various NHAI and NHDP programmes announced by the Government of India, thereby assuring receivables
- Possesses an integrated presence in the creation of roads, bridges, flyovers and tunnels.
- Adopted a comprehensive approach to project appraisal, based on maintaining a project-specific IRR that generates positive payoff for the Company and shareholders
- Desist from bidding for projects that do not fetch minimum threshold margins

stepping stone to the Company's success in more ways than one, reinforcing the Company's brand value.

**Prudent equipment utilisation:** The division proactively invested in state-of-the-art technology that catalysed faster project completion. A majority of the plant and equipment was sourced from leading vendors, resulting in infrastructure construction at par with global standards.

**Quality mandate:** The division commissioned laboratories across all sites, equipped with world-class equipment. The various quality checks carried out pertain to raw material blends and compared with established industry benchmarks.

**Diversified approach:** The division continuously expanded its presence in the railway segment with a view to minimise dependence on a single revenue source.

**Speedy order book liquidation:** The division built a reputation of liquidating projects within the stipulated timeframe, leading to customer delight.

## Key strengths

**Well-positioned:** The division is well-placed in terms of financing projects from internal funds; it was able to bag larger projects with stiffer pre-qualification norms.

**Robust engineering might:** The division aggressively supplemented its employee strength by recruiting a large number of engineers. The core skills of its employees are the

## Road ahead

- Bag orders worth Rs. 2,000 cr in 2011-12
- Strengthen pre-qualification capability for large projects through consortium bidding

## Key projects completed, 2010-11

(Rs. in cr)

Particulars	Value
Improvement of Murthal Sonepat – Jhajjar Dabri Road for HSRDC	240.5
Widening and upgradation of Rai Nahra Road, Rohtak, Kharkhoda Delhi Border for HSRDC	142.6

## Segment's order book position



Percentage of total order book as on 31 March 2011

- Segment status within the Company

### Third-largest

• Portfolio  
**Roads, bridges, flyovers, subways and tunnels**

• Revenues, 2010-11  
**Rs. 142.76 cr**

• Revenue growth, 2010-11  
**(59.26)%**

• Contribution to the total revenue in 2010-11  
**8.39%**

• Order book as on 31st March 2011  
**Rs. 470.67 cr**

# Water

Business segment review 3



### Segment strategy

- Over the years, the division evolved as an integrated solutions provider for larger ticket projects
- Continuously enhance technology and to optimise labour costs and hasten project delivery

**Value creation:** The division provides project design and engineering services, enhancing customer value

**Precision:** The division has a high number of engineers competent in design and project architecture.

### Key highlights, 2010-11

- Bagged projects worth Rs. 89.66 cr
- Invested Rs. 53 cr in tunnel boring machine equipment

**Superior technology:** The Company adapted its technology with growing business demands, which include steel pipe fabrication units, imported modular formwork for structures, excavators and rock chiselling equipment, resulting in speedy project turnaround.

### Key strengths

**Rich project execution skills:** The division developed competencies that enabled it to manage diverse projects like urban and industrial water supply projects, storm water drainage projects, lift irrigation schemes, micro-tunnelling projects and sewage treatment plants.

**Design competence:** The Company's in-house design team uses advanced Auto CAD – at par with international standards.

### Road ahead

- Bag orders worth Rs. 1,500 cr in 2011-12
- Optimally utilise the TBM asset
- Complete at least 60% of the micro-tunnelling project bagged in Maharashtra

- Segment status within the Company

### Second-largest

- Portfolio  
**Dams, tunnels, lift irrigation, water supply and sewerage and micro-tunnelling**

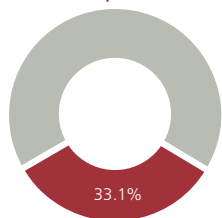
- Revenues, 2010-11  
**Rs. 777.1 cr**

- Revenue growth, 2010-11  
**88.75%**

- Contribution to the total revenue in 2010-11  
**45.67%**

- Order book as on 31st March 2011  
**Rs. 1,158.87 cr**

### Segment's order book position



Percentage of total order book as on 31 March 2011

### Principal orders received, 2010-11

(Rs. in cr)

Particulars	Value
Diversion of water mains by micro-tunnelling method in the city, western and eastern suburbs of Mumbai	87.55

### Key projects completed, 2010-11

(Rs. in cr)

Particulars	Value
Design and construction of storm water pumping station at Haji Ali, Mumbai	69.99

# Managing risks at Unity

Unity's risk management and control systems are designed to provide reasonable assurance that the Company's business objectives are achieved. A structured and consistent approach to risk management and internal control is undertaken by aligning strategy, policies, procedures, people and technology to manage the uncertainties that Unity faces.

## 01 Sectoral risks

Growth is dependent on economic conditions; a deceleration can affect the Company's business and earnings.

**Mitigation:** Buoyant macroeconomic conditions in India (GDP growth of 8.6%

in 2010-11) encouraged the government to sustain economic reforms and encourage large investments in infrastructure and construction industries. The Indian infrastructure industry is the second-largest contributor to GDP growth. Moreover, a targeted double-digit GDP growth by the end of the Twelfth Plan (projected infrastructure

investment for the Twelfth Plan is estimated at USD 1 trillion) period only suggests an increased government spending on infrastructure, which bodes well for the Company. Besides, we diversified across several verticals within the construction industry, reducing excessive dependence on a single sector.

## 02 Strategy risks

Skewed business strategy may result in lost opportunities.

**Mitigation:** An average topline growth of 25.67% over the past five years depicts

the Company's clear vision and mission. Annual business plans and long-term business strategies are discussed thoroughly before vetting by the Board of Directors. Besides, mid-term strategy reviews and annual plans ensure that the Company initiates a mid-course

correction should the situation so warrant. The long-term business strategy comprises:

- Fortifying the Company's presence in select verticals
- Diversifying presence in different sectors and geographies to reduce cyclical risks

## 03 Assets and inventory risks

Risk of accidents to the Company's sites and stocks could affect the Company's operations and profitability. Similarly, machinery breakdowns will impact operations

and profitability.

**Mitigation:** Unity's key strength comprises the ownership of captive equipment with a gross block of Rs. 191.8 cr (as on 31st March 2011). The Company undertakes the required steps, which provides security to its

assets and inventory by taking appropriate insurance policies to avoid or mitigate asset and inventory risks. The Company also undertakes preventive maintenance for all its equipment, according to a predefined schedule to avoid breakdowns.

## 04 Liquidity risks

To a large extent, cash flow is dependent on credit terms extended to clients and the effective recovery of dues from them. Delays in the recovery of dues have a direct impact on liquidity, which could affect

operations and earnings.

**Mitigation:** The Company takes effective measures to collect dues from clients. The debtors' collection period reduced from 90 days in 2008-09 to 30 days in 2010-11, indicating enhanced collection efficiency and improved debtor credibility.

- The Company follows up with government departments (major debtors) and others to ensure a smooth flow of funds. Short-term gaps are bridged by additional working capital facilities from the banks.

## 05 Operational risks

Competence gaps might affect the Company's operations position, which could affect the operations and earnings of the Company.

**Mitigation:**

- The Company provides adequate training to its staff on operating procedures and policies as well as

honing project management skills.

- It encourages staff to upgrade their skill sets and multi-tasking through job rotation.
- Its operating procedures for maintenance include preventive maintenance of all equipment according to a predefined schedule and adequate training for maintenance staff for compliance with operating procedures.
- Its projects are executed using

standard quality certified equipment and materials benchmarked against global standards.

- Its crisis management teams were established at all project sites to manage any eventuality.
- Its project operating procedures institute the most effective accident prevention measures across all stages of construction activity.

## 06 Inflation risks

Volatility in prices of inputs and/or changes in assumptions may cause cost overruns, affecting profitability. Besides, delay in completion of projects could result in liquidated damages and/or additional costs.

**Mitigation:** The Company's contracts have inbuilt escalation clauses, which

compensate any increase in input costs. In case of non-escalation contracts, the bid estimate process is carried out, such that it insulates any possible increase in the inputs of the contracts. Further, the Company implemented adequate procurement procedures that include long-term contracts to cover price volatility, regular augmentation of storage facilities for stocking of materials and a careful review and

monitoring of the carrying cost of raw materials. Besides, we have a system of proper price estimate of contracts, which will minimise the impact of cost overrun. It undertakes adequate controls on daily project management process and monitors project execution to achieve set milestones and alert the clients for delays. Sophisticated project management tools are extensively used to control schedules.

## Corporate social responsibility



At Unity, we are committed to integrate all our efforts to enrich society. We understand that writing a cheque is not enough and it takes a collaborative effort to make a meaningful societal contribution.

At Unity, passion, energy and focus have helped create a positive social impact. We established the Unity CSR Foundation with the intent of institutionalising CSR and focusing on activities to create the largest impact covering child education, senior citizen welfare, healthcare and the environment.

### Education

**Project Utkarsh** – Computer Education Programme

- We have covered 12 MCGM schools, with the objective of providing computer education to school students.
- Nearly 14,082 students from Standards I to X were provided computer education in seven different languages (English, Marathi, Hindi, Urdu, Telugu, Kannada and Gujarati).

**Project Dnyandeep** – Establishing and maintaining libraries at MCGM schools

- We established book libraries at MCGM Schools
- Two schools are covered during the course of the project targeting over 3,000 students. Our intention is to provide books to children of lower income families

**Project Suyash** – Provision of basic infrastructure and better facilities to rural region educational institutions

- We made a provision for basic infrastructure to two zilla parishad schools of Wada Taluka of Thane District
- We provided computers, printers, stationery, uniforms, school bags,

benches and other daily articles.

### Scholarships

- Our scholarship initiatives ensure that meritorious civil engineering degree and diploma students of economically backward sections are given financial support. In 2010-11, six scholarships were awarded (three each for degree and diploma students).

**Project DISHA** – Disability helpline and action toll free number: 1800-22-1203

- Established a helpline in association with an NGO called Child Raise Trust, with a view to overcome the disability in children and to maximise their full potential.

### Senior citizen welfare

**Project Suvidha**

- Provided a medical van to Paramshantidham Vridhhashram, Taloja, to provide transportation to medical centres and hospitals.
- Nearly 100 senior citizens benefitted from this programme.

### Environment

**Distribution of solar lanterns** – Step towards greener world

- We distributed multipurpose solar lanterns to villager of Jawhar Taluka of Thane district. This programme benefited 200 families in the district.
- These lanterns can provide light for 16 hours on a single day charge

### Healthcare

**Project Sangopan**

- Project is carried out in Jawhar Taluka of Thane District
- Conducting a survey to ascertain malnutrition in children and pregnant women.
- Conducting medical camps every four months in every zone with the help of

gynecologists and child specialists; providing them with nutritious food.

- Identifying children and organising separate medical camps for those women and children who have not attended the medical camps.
- Assessing the economic status of children and pregnant women and providing them nutritious food.
- Identifying needy children and admitting them to hospitals in Mumbai, Thane and Nasik for treatment and operations.
- Organising sonography tests in private hospitals for pregnant women from poor families.

- Organising baby showers.
- Arranging and providing warm clothes for small children.
- Organising special education classes for teenagers and young girls from different zones.
- Providing information about healthy nutritious food to mothers feeding their children and providing nutritious food to six month old children.

**Project Sanjivani**

- We distributed rapid detection malaria antigen kits in Mumbai slums, covering 10,000 people. This will help detect malaria in only one hour.

### Five minutes with the Chairperson

“At Unity, our CSR intent is to spread the largest good across the widest number.”



Shweta Avarsekar,  
Chairperson, Unity CSR Foundation

**Q. What is the rationale behind creating an institutionalised CSR at Unity?**

**A.** At Unity, philanthropic activities were need-based and scattered across the organisation. With a view to consolidate activities under one umbrella, and strengthen our resolve to help weaker sections, we institutionalised the Unity CSR Foundation with independent executive and advisory councils as well as dedicated resources.

**Q. What CSR activities are carried out?**

**A.** Our CSR intent is to spread the largest good across the widest number. We have chosen to intervene in those areas where we could make a difference, enabling people to lead healthier and happier lives and spreading cheer across communities. We chose child education, senior citizen welfare, environment and healthcare as the areas of our focus.

**Q. What is the path forward?**

**A.** We want to embed our presence in our chosen fields and diversify into other activities. We would like to take up a pilot project for the environment and also some more work for senior citizen welfare. We intend to scale these activities and run parallel arms to make a meaningful difference.

## Profile of our navigators

### **Kishore K. Avarsekar,** Chairman and Managing Director

**He** holds an engineering degree from the University of Mumbai. He has over 40 years of experience and worked previously with the Hindustan Construction Company, the Public Works Department of the 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, and the leading force behind the Company's current position of prominence.

### **Abhijit K. Avarsekar,** Vice Chairman and Managing Director

**He** holds a diploma in civil engineering. He has over 16 years of experience in the construction industry. He is actively involved in the Company's day-to-day management and its various departments including

project execution, business development and administration. He is responsible for heading the infrastructure initiatives undertaken by the Company.

### **Ashish K. Avarsekar,** Executive Director

**He** holds an engineering degree from the M.H. Saboo Siddik College of Engineering, Mumbai. He is involved in the procurement of fixed assets and equipment for the Company's various projects.

### **Pushpa K. Avarsekar,** Executive Director

**She** holds a science degree from the University of Mumbai. She has over 33 years of experience. She is involved in corporate communications and has previously worked with the RBI.

### **Anil G. Joshi,** Director

**He** holds a postgraduate

degree in Physics (Electronics) from the Mumbai University and is a member of the Indian Institute of Bankers. He has over 33 years of experience and has worked with the Bank of Maharashtra. He was an Executive Director at Indian Bank and retired as the Chairman and Managing Director of Dena Bank.

### **Chaitanya Joshi,** Director

**He** holds a science degree and is a gold medalist from the Mumbai University, and has a degree in engineering from the University Department of Chemical Technology, Mumbai.

### **Girish Gokhale,** 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 worked for three years as Municipal Commissioner, at the Municipal Corporation of Greater Mumbai

### **Dinesh Joshi,** Director

**He** holds a commerce degree from Mumbai University. He completed his M.B.A. from Richmond College London (U.K.). He is the Managing Director of Enterprise Infrastructure Private Limited, which promotes water transport, inland navigation and creation of supporting infrastructure. He is also the co-Chairman of the 'Infrastructure Committee of Indian Merchants Chambers'.

### **Madhav Nadkarni,** Chief Financial Officer

**He** is a Chartered Accountant and has 23 years of experience in accounts and corporate finance and

has worked with the Company since 2005.

### **Prakash Chavan,** Company Secretary

**He** is a fellow member of the Institute of Company Secretaries of India, New Delhi. He holds a Masters Degree in Commerce (M.Com.) and Bachelor of Legislative Laws (LL.B.) He is a diploma holder in Operation Research for Management (D.O.R.M.), Financial Management (D.F.M.), Government Diploma in Co-operation and Accountancy (G.D.C&A.) and a certificate holder in Supervision from the National Productivity Council (N.C.S.) with 17 years of post-qualification experience.

### **Ujjwal Gupte,** Chief Operating Officer, Building Vertical

**He** is a civil engineer with nearly 41 years of experience. He has been associated with the Company since 2003. He has

key experience in building and industrial projects.

### **Avinash Gunde,** General Manager, Water Vertical

**He** is a civil engineer with over 26 years of experience in water segment projects. He has key experience in water, hydel and thermal power projects.

### **Iftekar Ahmed,** Senior Vice-President

**He** is a civil engineer with over 24 years of experience. He has been associated with the Company since its inception in 1987.



# Management discussion and analysis



## NHDP – on fast track

The government set an ambitious target to build 20 km national highways per day under various modes of delivery comprising BOT (toll), BOT (annuity) and EPC. Following the completion of these projects, ongoing works under NHDP Phase-I and Phase-II will be taken up and completed during 2011-12 and beyond.

- Four-laning of 12,109 km (NHDP Phase-III)
- Special Accelerated Road Development Programme for the North Eastern region of 394 km

- Two-laning with paved shoulder of 20,000 km of National Highways (NHDP) Phase-IV
- Six-laning of GQ and other selected stretches covering 6,500 km (NHDP Phase-V)
- Development of 1,000 km of expressways (NHDP Phase-VI)
- Development of ring roads, bypasses, grade separators and service roads, among others (NHDP Phase-VII)

(Source: Ministry of Road Transport and Highways)

## Global economy

The global economy is expected to continue its recovery trajectory in 2011 from 2010, as major countries across the globe continued on their respective growth paths. Global economy is expected to grow 0.3%, lower than 2010, on account of eroding recovery effects in advanced economies. Keeping in mind the bigger picture, the world economy is expected to grow at 4.4% from 2010-2020, about 0.7% faster than it grew from 2000-2010.

## Indian economy

The Indian economy clocked a GDP of 8.6% for 2010-11, supported strongly by the service industry, which grew by more than 9% during the year under review. Exports during 2010-11 were at USD 246 bn (growing by more than 38%) an all-time high, both in absolute and y-o-y terms, led by a phenomenal 85% growth in high-value engineering exports.

## Industry overview – infrastructure

After the economic downturn in 2008-09, the recovery in the infrastructure segment was visible in 2010. In terms of GDP, infrastructure expenditure is expected to double in the Twelfth Plan. This will primarily be driven by investments to the tune of USD 1 tn, expected from private sources. The Union Budget 2011-12, provided a much needed boost to the infrastructure segment. The allocation to the infrastructure sector increased 23% to Rs. 2.14 tn. Total allocation comprised 49% of the total plan outlay. The issuance of infrastructure bonds, coupled with extended limits for foreign institutional investment (FII) will aid sectoral growth, going forward.

## Segment review

### A. Roads

According to Ministry of Road Transport & Highways, India has one of the largest road networks, where national highways comprise 1.7% of the total road network. The Union Budget of 2011-12 allocated

Rs. 103.40 bn for the National Highways Development Programmes (NHDP). This involves an improvement of more than 54,500 km of the National Highway network's arterial routes to international standards.

Road network	
National highways/expressways	70,934 km
State highways	1,54,522 km
Major and other district roads	25,77,396 km
Rural roads	14,33,577 km

(Source: Ministry of Road Transport and Highways)

The Planning Commission made an outlay of Rs. 1,06,659 cr for the road sector in the Eleventh Plan, of which Rs. 27,100 cr is the planned outlay in 2011-12 for road development. In 2011-12, about 5,926 km of the National Highways will improve, along with construction/rehabilitation of 130 bridges and 10 bypasses at an estimated cost of Rs.19, 600 cr. Besides budgetary support, Internal Extra Budgetary Resources (IEBR) through external borrowings will also be utilised (Source: Ministry of Roads Transport and Highways).

## Outlook in 2011-12

- The Twelfth Plan targets a nearly USD 150 bn investment in roads, double the projected expenditure in the Eleventh Plan (USD 75 bn)
- An outlay of Rs. 1,200 cr was proposed for roads in Left Wing Extension (LWE)-affected areas across 34 districts and eight states
- Allocation of funds to Central Road Fund (CRF) to the state governments and Union Territories – for the development of state and other rural roads
- An outlay of Rs. 1,600 cr was proposed for the Special Accelerated Road Development Programme in the North Eastern Region (SARDP-NE), involving widening of 10,141 km of National Highways in the region

## B. Water management

Recent studies suggest that 40% of the Indian population will migrate to cities by 2021, beating the earlier estimate of 2030. Presently, the urban population comprises 30% of India's total population, wherein 70% of the GDP is generated.

According to the Millennium Development Report 2010, the overall proportion of the population having access to drinking water facilities increased from 81% in 2000 to 88% in 2008. In urban areas, the proportion increased from 93% to 96% during the same period. Similarly, the proportion of population with improved access to sanitation facilities increased from 25% in 2000 to 31% in 2008. For urban areas, the proportion increased from 52% to 54% during the same period (Source: Ministry of

Road Transport and Highways).

The growing urban population resulted in a substantial increase in solid waste generation, triggering more than 60 mt in 2010. The 35 metropolitan cities accounted for over 35% of total waste generated. In regard to liquid waste management, the country generated around 51.72 mn litres per day (mld) of waste water.

## Government initiatives

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) initiatives launched by the government in 2005 registered efficient water supply and waste management provisions.

## Projects approved under JNNURM

Sector	No. of projects sanctioned	Sanctioned project cost (Rs. bn)
Water supply	151	1,957.00
Sewerage	111	1,483.00
Storm water drainage	71	847.11
SWM	42	224.53
Total	375	4,511.64

(Source: India Infrastructure, February 2011)

### Global concern

Over the next two decades, global water consumption is expected to increase from the present 4,500 BCM to 6,900 BCM. This will be 40% over the estimated reliable and sustainable supply today, if no action is taken to conserve water and use it more efficiently (Source: McKinsey).

## C. Real estate

The real estate sector opens up a huge opportunity for construction and infrastructure players. As per Construction Industry Development Council (CIDC) estimates, the real estate construction component is to the tune of 72-76%. Pan-India office space demand is expected to be 196 mn square feet (msf) during 2009-2013 and retail space demand is expected to be 43 msf. The residential segment is expected to auger a demand for 7.5 mn units during the same period.

### Work-in-progress

Particulars	Under-construction	2011-12
Office space	63.67 msf	21.64 msf
Retail segment	16.64 msf	6.3 msf
Residential segment	300 msf	120 msf

Source: Indian Infrastructure Research

The real estate commercial sector grew significantly on account of increased office space demand from IT/ITeS and banking and financial sectors. In quarter three of 2010, the IT/ITeS accounted for 48% of office space demand. The net absorption in office space is expected to grow at a 27% CAGR annually between 2009-2012F (Source: Jones Lang LaSalle report).

## D. Irrigation

The current industry size is estimated at Rs. 17 bn and is growing rapidly. Currently, about 3-3.5 mn hectares of around 70 mn hectares is covered under the country's micro and sprinkler irrigation.

Indian agriculture contributes 8% to the global agricultural GDP to support 18% of the world's population on only 9% of the world's arable land and 2.3% of geographical area. Available estimates reveal that nearly 120.72 mn hectares of India's land is degraded due to soil erosion and about 8.4 mn hectares have soil salinity and water-logging problems. Besides, huge quantities of nutrients are lost during crop production cycle. Annually, India loses nearly 0.8 mt of nitrogen, 1.8 mt of phosphorus and 26.3 mt of potassium, deteriorating the soil's quality and health, a trend that needs to be checked.

### SWOT analysis

#### Strengths

- Ranked 14th among India's top infrastructure companies
- Healthy order book of Rs. 3,501.1 cr as on 31st March 2011
- Assets worth Rs. 191.8 cr as on 31st March 2011
- Diversified portfolio covering major infrastructure areas
- Prominent customer base
- Proportionate revenues from private players
- Strong financials

#### Weakness

- Significant chunk of revenues from government clients, posing a threat to receivables
- Majority of revenue from the building vertical
- Concentration in West India

#### Opportunities

- Grown from an EPC contractor to a full-fledged infrastructure company – adding value and revenues

- Strong demand visible in the irrigation industry, to which the Company is significantly capitalising on
- Governments thrust on infrastructure development
- Overseas demand in Nepal and Bangladesh

#### Threats

- Change in government policies towards infrastructure sector
- Competition from prominent players in the industry
- Increase in raw material cost
- Rising interest cost for borrowed funds

### Risks and concerns

There are certain inherent risks associated with the construction and infrastructure business. For a detailed explanation, please refer to the risk management section incorporated elsewhere in this report.

### Internal control systems and their adequacy

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against any loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. The Company's internal control systems are supported by an adequate programme of internal audit, conducted by an external firm of chartered accountants and external auditors, periodically reviewed by the management together with the Audit Committee of the Board. The management also regularly reviews the operational efficiencies, utilisation of fiscal resources and compliance with laws so as to ensure optimum utilisation

of resources and achieve better efficiencies.

### Human resource development

The Company places a high emphasis on the empowerment and well-being of its employees. Training and developmental activities are identified and organised with progress continually monitored to enrich the people capital. Your Company aggressively focuses on attracting and retaining the best available talent. Adequate welfare measures are in place and the Company will continue to improve the same on an ongoing basis.

### Cautionary statement

This discussion contains certain forward-looking statements within the meaning of applicable securities laws. Readers are cautioned not to place undue reliance on these statements, which reflect the management's analysis describing the Company's objectives and expectations based on certain information and assumptions. The Company's operations are dependent on various internal and external factors within and outside the control of the management of the Company. The Company assumes no responsibility of forward-looking statements herein which may undergo changes in the future, on the basis of subsequent development, information or events.

# Directors' Report

Dear shareholders,

Your Directors take pleasure in presenting the 14th annual report and the audited accounts for the financial year ended 31<sup>st</sup> March 2011.

## 1. Financial results

The financial performance of the Company for the year ended March 31, 2011 is summarised below:

Particulars	<i>(Rs. in crore)</i>	
	Year ended March 31, 2011	Year ended March 31, 2010
<b>CONSTRUCTION INCOME</b>	<b>1,701.52</b>	<b>1,476.77</b>
Add: Share of profit from joint ventures and other income	2.29	2.20
<b>GROSS INCOME</b>	<b>1,703.81</b>	<b>1,491.18</b>
<b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>	<b>143.23</b>	<b>129.86</b>
Less: Provision for taxation	49.00	43.29
<b>PROFIT BEFORE PRIOR YEARS' TAX</b>	<b>94.42</b>	<b>86.57</b>
Less: share of firms tax	0.08	1.44
<b>PROFIT FOR THE YEAR</b>	<b>94.34</b>	<b>85.13</b>
Add: Balance brought forward from the previous year	236.05	168.19
Amount available for appropriation	330.40	253.32
<b>APPROPRIATIONS :</b>		
General reserve	9.50	8.60
Equity dividend (proposed)	7.41	7.41
Distribution tax on dividend	1.26	1.26
Balance carried forward	312.23	236.05

## 2. Dividend

The Directors are pleased to recommend a dividend of Rs. 1/- per equity share i.e. 50% for the year (previous year Rs.1/- per equity share, 50%). If approved by the shareholders at the Annual General Meeting, the dividend will absorb Rs.7.41 crores.

The dividend distribution tax, to be borne by the Company, will amount to Rs.1.26 crores.

## 3. Capital structure

During the year under review, there was no change in the Company's capital structure.

The ISIN number for face value of Rs. 2/- per share is

INE466H01028.

## 4. Operations

The turnover achieved by the Company increased 15.21% to Rs. 1,701.52 crores, compared with Rs. 1,476.77 crores in the previous year. Profit before tax increased 10.29% to Rs. 143.32 crores, compared with Rs.129.86 crores in the previous year. Profit after tax increased 10.81% to Rs. 94.34 crores, compared with Rs. 86.85 crores in the previous year. Earning per share stood at Rs. 12.73 compared with Rs. 11.49 in the previous year.

The Directors are pleased to note that the total balance value of work-on-hand, as on March 31, 2011, was Rs. 3,501 crores.

## 5. Subsidiary companies and consolidated financial statements

At the end of the financial year under review, your Company had the following subsidiaries:

Subsidiaries of Unity Infracore Limited	
1. Unity Infrastructure Assets Limited	
2. Unity Realty and Developers Limited	
3. Unity Natural Resources Pvt. Limited	
4. Unity Middle East ( FZE)	

### Step-down subsidiaries of Unity Infracore Limited

Parent company	Subsidiary	% Holding
Unity Infrastructure Assets Limited	1.Unity Telecom Infrastructure Limited	100% Holding
	2.Unity Integrated Roads Private Limited	100% Holding
	3. Unity Agriprojects Private Limited	100% Holding
Unity Realty and Developers Limited	1. Bengal URDL Housing Projects Ltd	100% Holding
	2. Bengal Unity Realtors Pvt. Ltd	100% Holding
	3. URDL Bangalore Developers Pvt. Ltd	100% Holding
	4. Unity Tourist Hospitality Pvt. Ltd	88% Holding
	5. Suburban Dairy Agriculture & Fisheries Pvt. Ltd	100% Holding
Unity Agriprojects Private Limited	1. Aura Greenport Private Limited	100% Holding

The Ministry of Corporate Affairs, vide General Circular No.2/1011 dated 8<sup>th</sup> February, 2011 granted exemption to companies under section 212 of the Companies Act, 1956 from attaching a copy of the Balance Sheet, Profit & Loss Account, Report of the Board Directors and the Report of the Auditors of subsidiary companies and hence the same have not been attached herein. The Board of Directors at its meeting held on 30th May, 2011 passed a resolution in that regard. Accordingly, the Company will publish the Consolidated Financial Statements and a summary of financial details of subsidiaries in the Annual Report of the Company. These documents will be made

available upon a written request by any member of the Company and/or any of its subsidiaries. Further, in line with the Listing Agreement and in accordance with the Accounting Standard 21 ( AS-21) Consolidated Financial Statements, prepared by the Company include financial information of its subsidiaries. The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the shareholder seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any shareholder at its registered office and that of the concerned subsidiary companies.

## 6. Awards and recognition

During the year under review, your Company was given the following awards and recognitions.

Award	Conferred to	Instituted By	Year
1 Leadership of the Year 2010	Kishore K Avarsekar - CMD	Infra 2011 Summit	2011
2 Best Infrastructure Corporate of the Year 2010	Unity Infraprojects Limited	Infra 2011 Summit	2011
3 Global India Achievers Award	Kishore K Avarsekar - CMD	Institute of Economic Society	2011
4 Infrastructure Company of the Year	Unity Infraprojects Limited	Price Water House Coopers & EPC World	2010
5 Infrastructure Personality of the Year	Abhijit K Avarsekar – VCMD & CEO	Price Water House Coopers & EPC World	2010
6 Young Entrepreneur of the Year 2010	Abhijit K Avarsekar – VCMD & CEO	Gill India Publication	2010
7 Udyog Rattan Award	Kishore K Avarsekar - CMD	Institute of Economic Society	2010
8 Essar Steel – Infrastructure Excellence Award for Railway Tunnel Project executed at Agartala	Unity Infraprojects Limited	CNBC, E18	2010
9 Life Time Achievement Award	Kishore K Avarsekar - CMD	Institute of Economic Society	2010
10 Best Professionally Managed Company	Unity Infraprojects Limited	CIDC – Autonomous Body of Indian Planning Commission	2010
11 Business Excellence Award	Kishore K Avarsekar - CMD	Institute of Economic Society	2010
12 Business Leadership Award	Kishore K Avarsekar - CMD	Institute of Economic Society	2010

## 7. Corporate Social Responsibility

UNITY's Corporate Social Responsibility (CSR) philosophy is focused on growing the business while ensuring that the environmental concerns are adequately and sustainably addressed. This encompasses the natural environment, as well as the people and communities that live in the areas where the Company operates its business.

Details of your Company's Corporate Social Responsibility (CSR) initiatives are given in a separate section, 'Sustainability' which forms part of the accompanying Management Discussion and Analysis and Annual Report.

## 8. Fixed deposits

Your Company did not accept any deposit from the public, under Section 58A and 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975..

## 9. Auditors

M/s. C. B. Chhajed & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuring Annual General Meeting and are eligible for re-appointment. The Company received a letter from them to the effect that, their re-appointment, if made, would be within prescribed limits under Section 224 (1B) of the Companies Act, 1956, and holding a valid certificate issued by the Peer Review Board of the ICAI. They are not disqualified for re-appointment under Section 226 of the said Act.

## 10. Directors

As per the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Mrs Pushpa K. Avarsekar and Shri Dinesh Joshi are liable to retire by rotation, and being eligible, offer themselves for re-appointment.

Your Directors recommend the re-appointment of the aforesaid Directors.

## 11. Particulars of employees

The information required on particulars of employees, as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 forms part of this report. As per the provisions of section 219(1) (b) (iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders, excluding the Statement of Particular of Employees. A shareholder interested in obtaining such information, may write to the Company Secretary at the Company's registered office.

## 12. Energy conservation, technology absorption and foreign exchange earnings and outgo

Particulars relating to energy conservation, technology absorption, and foreign exchange earnings and 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, is given by way of an annexure, forming part of this report.

## 13. Corporate Governance

Your Company conforms to the norms of Corporate Governance, as laid down in Clause 49 of the Listing Agreement with stock exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors and Chief Executive Officer /Chief Financial Officer, is provided by way of an annexure, forming part of this report.

## 14. Directors' responsibility statement

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, with regard to the Directors' responsibility statement, the Board of Directors confirms that:

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011, the applicable Accounting Standards have been followed and there has been no material departure;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that were reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2011 and of the profit of the Company for the year ended on that date.

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities

(d) the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2011 on a going concern basis

## 15. Acknowledgements

Your Directors would like to express their appreciation for the assistance and co-operation received from financial institutions, banks, government authorities, customers, vendors and members; and wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers at all levels.

For and on behalf of the Board of Directors,

Kishore K. Avarsekar  
Chairman & Managing Director

Abhijit K. Avarsekar  
Vice Chairman & Managing Director

Place: Mumbai  
Dated: 30<sup>th</sup> May, 2011

# Annexure- A to the Directors' report

Information 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, and forming part of the Directors' report for the year ended March 31, 2011

## I. 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.

## II. 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.

## III. Foreign exchange earnings and outgo

Information regarding foreign exchange earnings and outgo is contained in the note 5 (c) and 5 (d) of Schedule 14 B forming part of the accounts.

For and on behalf of the Board of Directors,

Kishore K. Avarsekar  
Chairman & Managing Director

Abhijit K. Avarsekar  
Vice Chairman & Managing Director

Place: Mumbai  
Dated: 30<sup>th</sup> May, 2011

# Corporate Governance Report

(Pursuant to Clause 49 of the Listing Agreement entered in to with Stock Exchanges)

## 1. Company's Philosophy on Code of Governance

The Company's philosophy of Corporate Governance is fair and transparent in its dealings with all its stake holders. The strong emphasis on quality, accountability and integrity while dealing with the stakeholders of the Company are the pillars of the Company's Governance Policy. The Company has adopted the Code of Conduct which is applicable to its employees which is in line with the best practices and meets all the relevant legal and regulatory requirements. All the employees are bound by a Code of Conduct that sets forth the Company's Policies on all important issues.

## 2. Board of Directors

### 2.1 Composition and size of the Board

The present strength of the Board is 8 Directors. The Board comprises Executive and Non-Executive Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. Four Promoter Directors, are Executive Directors. There are four Non-Executive Directors, all of whom are Independent Directors.

### 2.2 Board meetings and attendance

Four board meetings were held during the year ended 31st March, 2011 and the gap between two consecutive board meetings did not exceed four months.

### 2.3 The dates on which meetings were held are as follows :

Sr. No.	Date of Meeting	Board strength	No. of Directors present
1	28th May, 2010	8	8
2	31st July, 2010	8	8
3	12th November, 2010	8	8
4	12th February, 2011	8	8

Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of companies and committees where he is a Director/Member

Sr. No	Name of the Director	Board Meetings held	Board meetings attended	Whether present at last A.G.M.	Number of Directorships in other public companies	Number of Committee Memberships in other public companies	Chairmanship of Committee
1	Kishore K. Avarsekar	4	4	Yes	4	Nil	Nil
2	Pushpa K. Avarsekar	4	4	Yes	4	Nil	Nil
3	Abhijit K. Avarsekar	4	4	Yes	2	Nil	Nil
4	Ashish K. Avarsekar	4	4	Yes	4	Nil	Nil
5	Anil G. Joshi	4	4	Yes	3	2	2
6	Chaitanya Joshi	4	4	Yes	Nil	Nil	Nil
7	Girish Gokhale	4	4	Yes	Nil	Nil	1
8	Dinesh Joshi	4	4	No	Nil	Nil	Nil

### 2.4 Directors with materially pecuniary or business relationships with the Company

As mandated by Clause 49, the Independent Directors on UNITY's Board:

- Apart from receiving Director's remuneration, they do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect the independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an Executive of the Company in the immediately preceding three financial years.
- Are not partners or executive or were not partners or an executive during the preceding three years of the
  - a.) Statutory audit firm or the internal audit firm that is associated with the Company.
  - b.) Legal Firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect the independence of the Director.
- Are not substantial shareholders of the Company i.e do not own two percent or more of the block of voting shares.

Transactions with related parties are disclosed in Annexure to Schedule 14 of Notes forming part of the Account' annexed to the financial statements of the year. There has been no materially relevant pecuniary transactions or relationships between UNITY and its Non-Executive and/or Independent Directors during the year 2010-11.

### 2.5 Information supplied to the Board:

Among others, information supplied to the Board includes:

- Annual operating plans and budget and update thereof.
- Capital Budgets and any updates thereof.
- Quarterly results for the Company.
- Minutes of the meetings of the Audit Committee and other committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Details of any joint ventures or collaboration agreements.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Sale of the material nature of investment subsidiaries, assets, which is not in the normal course of business.
- Non-compliance of regulatory, statutory nature or listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, among others.

The Board of Directors are presented with detailed notes along with the agenda papers well in advance of the meeting. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

### 2.6 Code of Conduct

The Board of Unity Infraprojects Limited at its meeting held on 28th July, 2006, adopted and laid down a Code of Conduct applicable to all its Directors and the Senior Management Personnel of the Company and they have affirmed the compliance with the Code of Conduct applicable to them for the financial year ended 31st March 2011. A declaration to that effect duly signed by the CEO is annexed to this Report.

## 2.7 Directors with materially-significant related party transactions, pecuniary or business relationship with the Company

There have been no materially-significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interests of the Company at large.

## 2.8 Details of Directors being reappointed

Name of Director	Category of directorship	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the last AGM held on 3rd September, 2010	Number of Directorships in other Companies (excluding directorships in foreign and private companies)
Mrs. Pushpa K. Avarsekar	Executive Director	4	4	YES	4
Mr. Dinesh Joshi	Independent Director	4	4	YES	Nil

Mrs. Pushpa K. Avarsekar and, Mr. Dinesh Joshi retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

A brief resume of Directors appointed/eligible for reappointment along with the additional information required under Clause 49 (VI) of the Listing Agreement is as under:

Name of Director	Mrs. Pushpa K. Avarsekar	Mr. Dinesh Joshi
Date of Birth	05.10.1943	03.05.1970
Date of Appointment	09.04.1997	01.10.2008
Qualification	B.Sc. from Mumbai University	B.Com, MBA from Richmond College , London ( UK)
Expertise in Specific Functional Areas	Worked with RBI and has 30 years of experience.	Mr. Dinesh Joshi is Co-Chairman of Infrastructure Committee of Indian Merchants Chambers. Is the Managing Director of Enterprise Infrastructure Private Limited.
No. of shares held	8,83,310 Equity Shares of Rs. 2 each.	Nil
List of Public companies Directorships held	1. Unity Realty & Developers Limited 2. Unity Infrastructure Assets Limited 3. Unity Telecom Infrastructure Limited 4. Bengal URDL Housing Projects Limited.	Nil
Chairmanship/ Memberships of the Committees of the Board of other other Public Companies	Nil	Nil

Note: Pursuant to Clause 49 only two committees have been considered i.e Audit Committee and Shareholders/Investors Grievance Committee.

## 3. Audit Committee

### 3.1 Composition of the Audit Committee and attendance of Members at the Audit Committee Meetings are as follows:-

The Audit Committee comprises two Independent Directors Mr. Anil G. Joshi (Chairman) and Mr. Chaitanya Joshi. Mr. Abhijit K. Avarsekar, Executive Director, is also a member

Mr. Anil G. Joshi has the accounting and finance knowledge

### 3.2 Attendance at Audit Committee

Name of the Member	Designation	Audit Committee Meetings held	Attended
Anil G. Joshi (Chairman)	Independent Director	4	4
Abhijit K. Avarsekar			
Member	Executive Director	4	4
Chaitanya Joshi			
Member	Independent Director	4	4

The Chief Financial Officer (CFO) and a representative of the Internal Auditors are regularly invited by the Audit Committee to its meetings. Prakash B. Chavan Company Secretary is the Secretary to the Committee.

### 3.3 Terms of Reference of Audit Committee

The terms of reference of this Committee is wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements as well as in Section 292A of the Companies Act, 1956, and are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statement before submission to the Board for approval, with particular reference to:

and has retired from Dena Bank as the Chairman and Managing Director. Mr. Chaitanya Joshi and Mr. Abhijit Avarsekar are financially literate.

### 3.2 Attendance at Audit Committee

There were four Audit Committee meetings held during the year on 28th May, 2010, 31st July, 2010, 12th November, 2010 and 12th February, 2011 and other details as under:

- a. Matters required to be included in the Director's responsibility Statement to be included in the Boards' report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
- b. Changes, if any in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. Disclosure of any related party transactions.
- g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors of any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Reviewing the Company's risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositories, shareholders (in case of non-payment of declared dividends) and creditors.
13. Reviewing any changes in the accounting policies or practices as compared with the last completed financial year and commencing on any deviation from the Accounting Standard.
14. To review with the management the statement of uses/application of funds raised through an issue (Public/rights/preferential issue etc.), the statement of funds utilised for the purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a Public or Right Issue, and making appropriate recommendation to the Board to take steps in this matter.
15. To review policies and procedures with respect to Directors' and Officers' expense accounts, including their use of corporate assets and consider the results of any review of these areas by the internal auditors or the statutory auditors;

### 3.4 Mandatory Review by the Audit Committee

Carrying out any function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a) Investigate any activity within its terms of reference and seek any information it requires from any employee.

- b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transaction (as defined by the Audit Committee) submitted by the management;
- Management Letters/Letters of Internal control, weaknesses issued by Statutory Auditors;
- Internal Audit Reports relating to Internal Control weaknesses
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.
- Whenever applicable, the uses/applications of funds raised through public issues, right issues, and preferential issues by major category (capital expenditure, sales and marketing, working capital, etc.) as part of the quarterly declaration of financial results.
- If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised

Additionally, the Audit Committee of the Company is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies (if any) ,in view of the requirements under Clause 49 .

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of materials individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

### 4. Remuneration Committee

The Company has set up a Remuneration Committee. The Committee comprises the following Directors.

Name of the Member	Designation	Category of directorship
Anil G. Joshi	Chairman	Independent
Kishore K. Avarsekar	Director	Executive
Abhijit K. Avarsekar	Director	Executive

Prakash B. Chavan Company Secretary is the Secretary to the Committee.

No meeting of the Committee was held during the year.

Remuneration Committee reviews the performance of the Executive Directors and Senior Management Personnel, and discussed and suggested the appropriate compensation.

Independent Directors and a Non-Executive Director were paid sitting fees of Rs. 20,000 per Board meeting and Rs.10, 000 per Committee Meeting as remuneration.

The details of the remuneration paid to the Directors during the year ended 31st March, 2011 are given below:-

(Rs. In lacs)					
Executive Directors	Salary	Bonus	Perquisites and Allowances	Contribution to P.F. and Superannuation	Total
Kishore K. Avarsekar	120	10	-----	-----	130
Abhijit K. Avarsekar	72	6	-----	-----	78
Ashish K. Avarsekar	48	4	-----	-----	52
Pushpa K. Avarsekar	60	5	-----	-----	65

Non-Executive Independent Directors	Sitting Fees for Board Meetings attended (Rs.)	Sitting Fees for Committee Meetings Attended (Rs.)	Total (Rs.)
Anil G. Joshi	80,000	80,000	1,60,000
Chaitanya Joshi	80,000	40,000	1,20,000
Girish Gokhale	80,000	40,000	1,20,000
Dinesh Joshi	80,000	0	1,00,000
Total	3,20,000	1,60,000	4,80,000

As on 31st March, 2011 no Non-Executive Director holds any equity shares in Unity Infraprojects Limited.

### 5. Subsidiary companies:

Clause 49 defines a 'material non-listed Indian subsidiary as an unlisted subsidiary, incorporated in India, whose turnover or net worth ( paid-up capital and free reserve) exceeds 20% of consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As on 31st March, 2010 Unity Infraprojects Limited had no material non-listed Indian subsidiary.

### 6. Investors/Shareholders Grievance Committee

#### 6.1 Composition:

The Composition of the Investors/Shareholders Grievance Committee is as follows:

Name of the Member	Category of Directorship
Anil G. Joshi	Non-Executive, Independent
Pushpa K. Avarsekar	Executive
Ashish K. Avarsekar	Executive
Girish Gokhale (Chairman)	Non-Executive, Independent

Prakash B. Chavan Company Secretary is the Secretary to the Committee.

## 6.2 Attendance at Investors/Shareholders Grievance Committee:

There were four Investors/Shareholders Grievance Committee meetings held during the year on 28th May, 2010, 31st July, 2010, 20th October, 2010 and 12th February, 2011 and their meetings were held as detailed under;

Name of the Member	Designation	Investors/Shareholders Grievance Committee Meetings held	Attended
Pushpa K Avarsekar	Executive Director	4	4
Ashish K. Avarsekar	Executive Director	4	4
Anil G. Joshi	Independent Director	4	4
Girish Gokhale (Chairman)	Independent Director	4	4

## 6.3. Name, designation and address of the Compliance Officer:

Mr. Prakash B. Chavan - Company Secretary, 1252, Pushpanjali, Old Prabhadevi Road Prabhadevi, Mumbai 400025 Tel.No: (022) 6666 5500 Fax: (022) 6666 5599. Email address: info@unityinfa.com

## 6.4. The complaints received during the year are as follows:

Correspondence in the nature of complaints from	Received	Resolved	Pending
Securities and Exchange Board of India	3	3	0
Stock Exchanges	1	1	0
Shareholders	20	20	0
Total	24	24	0

## 7. Executive committee:

The Board had delegated restricted powers to Bank Account Committee and , Borrowing Committee . The Board of Directors at its meeting held on 12th November, 2010 dissolved both the Committees and reorganised an Executive Committee. The Board of Directors have delegated the authority to supervise and monitor the day-to-day activities of the Company. The Committee comprises Mr. Kishore K. Avarsekar, Mr. Abhijit K. Avarsekar, Mrs. Puspha K. Avarsekar and Mr. Ashish K. Avarsekar.

During the year under report Borrowing Committee met thirteen times, Bank Account Committee met seven times and the Executive Committee met five times.

Prakash B. Chavan, Company Secretary is the Secretary to the Committee.

## 8. General Body Meetings

### 8.1 Details of the location of the last three Annual General Meetings (AGM), including the Extra-ordinary General Meeting (EGM), and the details of the resolutions passed or to be passed by Postal Ballot:

Date	Financial Year	Type of Meeting	Time	Venue	Special Resolution
3rd September, 2010	2009-10	Annual General Meeting	3.30 P.M	Textile Committee Auditorium,Textile Committee Building, P.Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai 400025	No Special Business
24th September, 2009	2008-09	Annual General Meeting	3.30 P.M	Textile Committee Auditorium,Textile Committee Building, P.Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai 400025	Approval to raise an amount upto Rs. 250 crores through Qualified Institutional Placement to Qualified Institutional Buyers
27th August, 2008	2007-08	Annual General Meeting	3.30 P.M.	Textile Committee Auditorium,Textile Committee Building, P.Balu Road, Near Tata Press, Prabhadevi Chowk, Mumbai 400025	Altering the articles of Association of the Company to make the Chairman & Managing Director and Vice - Chairman & Managing Director of the Company to make them not liable to retire by rotation

Note: All the resolutions including special resolutions set out in the respective Notices were passed by the shareholders.

### 8.2 Passing of Resolutions by Postal Ballot

During the year 2010-11, no Postal Ballot was conducted.

## 9. Management

This annual report has a detailed report on Management Discussion and Analysis.

### 10. Disclosure:

#### 10.1 Disclosure by management to the Board:

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

#### 10.2 Disclosure of Accounting Treatment in preparation of Financial Statements:

Unity has followed the guidelines of Accounting Standard laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

#### 10.3 Code for prevention of Insider-trading practice:

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for its Directors, management and staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Mr. Prakash B. Chavan, Company Secretary is the Compliance Officer.

#### 10.4 CEO/CFO Certificate:

The CEO and CFO certification of the financial statements for



the year is enclosed at the end of the report.

#### 10.5 Investor Grievance & Shareholder Redressal:

The Company has appointed a Registrar and Share Transfer Agent, M/s Link Intime India Private Limited, which is fully-equipped to carry out share transfer activities and redress investor complaints. Mr. Prakash B. Chavan Company Secretary is the Compliance Officer for the redressal of all shareholders' grievances.

#### 10.6 Details of non-compliance by the Company:

Unity has complied with all the requirements of the regulatory authority. No penalties/ strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

#### 11. Means of Communication

The Company puts forth key information about the Company and its performance, including quarterly results, official news release, and presentations to analysts, on its website [www.unityinfra.com](http://www.unityinfra.com) regularly for the benefit of the public at large.

During the year, the quarterly results of the Company's performance have been published in leading newspapers such as 'Business Standard, in English and 'Sakal' in Marathi and also posted on its website. Hence, they are not separately sent to the shareholders, The Company, however, furnishes the quarterly results on receipt of a request from any shareholders.

#### 12. Compliance

##### 12.1 Mandatory Requirement

The Company is fully-compliant with the applicable mandatory requirement of Clause 49.

##### 12.2 Non-mandatory requirement:

The details of compliance of the non-mandatory requirements are listed below:

##### 12.3 Non-Executive Chairman's Office:

The Chairman of the Company is the Executive Chairman, hence, this provision is not applicable.

#### 12.4 Remuneration Committee:

Details of the composition and function of the Remuneration Committee are given in the section 'Committee of the Board.'

#### 12.5 Shareholders Rights – Furnishing Half-Yearly Results:

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'

#### 12.6 Audit Qualifications

During the current financial year, there were no audit qualifications in the financial statements, The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

#### 12.7 Whistle-Blower policy

Unity encourages an open policy, where employees have access to head of Business/head for Function. In terms of the Company's Code of Conduct, any instance of non-adherence to the Code or any observed unethical behavior is to be brought to the attention of the immediate reporting authority; the immediate reporting authority has to bring it to the notice of the Code of Conduct's Compliance Officer. Mr. Prakash B. Chavan Company Secretary is the Compliance Officer for Unity's Code of Conduct.

#### 12.8 Auditor's Certificate on Corporate Grievance

The Company has obtained a Certificate from Statutory Auditors regarding compliance of conditions of Corporate Governance, as mandated in Clause 49 of the Listing Agreement. The Certificate is annexed to this report.

#### 13 General Shareholder Information

##### 13.1 Annual General Meeting

Date : 12th September, 2011

Time : 3.30. p.m.

Venue: Textiles Committee Auditorium

P. Balu Road, Prabhadevi Chowk,  
Prabhadevi, Mumbai – 400025.

#### 13.2 Financial Calendar

1 April to 31 March

For the year ended 31st March 2011, results were announced on:

First quarter: Provisional (Un-audited)	28th May, 2010
Second quarter: Provisional (Un-audited)	31st July, 2010
Third quarter: Provisional (Un-audited)	12th November, 2010
Fourth quarter & Annual: Audited	30th May, 2011

For the year ended 31st March 2012, results will be announced on:

First quarter: Provisional (Un-audited)	On or Before 15th August, 2011
Second quarter: Provisional (Un-audited)	On or Before 15th November, 2011
Third quarter: Provisional (Un-audited)	On or Before 15th February, 2012
Fourth quarter & Annual: Audited	On or Before 30th May, 2012

#### 13.3 Date of Book Closure:

The Books will be closed from Monday, 5th September, 2011 to Monday, 12th September, 2011 (both days inclusive) as annual closure for the Annual General Meeting and declaration of equity dividend for the financial year ended 31st March, 2011 as recommended by the Board of Directors at its meeting held on 30th May, 2011.

#### 13.4 Dividend Payment date(s).

The Board has recommended equity dividend of 50% i.e. Rs. 1 per share for the financial year ended 31st March, 2011, subject to approval of the members at the Annual General Meeting.

#### 13.5 Listing on Stock Exchange:

Equity Shares of Unity Infraprojects Limited are listed on: The Bombay Stock Exchange Limited, Mumbai, The National Stock Exchange of India Limited. The Company has paid the listing for the year 2010-11

#### 13.6 Stock Code –

BSE :532746,  
NSE :UNITY  
ISIN No. :INE466H01028

#### 13.7 Market Price Data

High/Low Share Prices of the Company during each month of the financial year ended 31st March 2011

MONTH	UNITY INFRAPROJECTS LIMITED				(Amt. in Rs.)	
	NSE		BSE		LOW	
	HIGH	LOW	HIGH	LOW		
Apr-10	629	112	629			111.2
May-10	122.8	93.3	123			93
Jun-10	114.8	101	113.8			101.05
Jul-10	122	105.55	123.05			105
Aug-10	118.8	106.3	119			106.1
Sep-10	138	93	121			109.1
Oct-10	120	87	120			104
Nov-10	112.8	92.1	112.5			92.1
Dec-10	104	75	105			83.25
Jan-11	112	71.8	108			77.05
Feb-11	83	51.15	98			56.3
Mar-11	64.75	52.2	64.5			52.6

### 13.8 The distribution of shareholding as on 31st March 2011 is as follows:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	22761	97.98 %	49,78,008	99,56,016	6.72 %
5001 - 10000	234	1.01 %	8,67,284	17,34,568	1.18%
10001 - 20000	103	0.44 %	7,84,360	15,68,720	1.05%
20001 - 30000	33	0.14 %	4,10,290	8,20,580	0.55 %
30001 - 40000	21	0.09 %	3,82,105	7,64,210	0.51 %
40001 - 50000	19	0.08 %	4,41,877	8,83,754	0.59 %
50001 - 100000	19	0.08 %	6,63,346	13,26,692	0.90 %
100001 & Above	42	0.18 %	6,55,60,110	13,11,20,220	88.50 %
<b>Total</b>	<b>23232</b>	<b>100 %</b>	<b>7,40,87,380</b>	<b>14,81,74,760</b>	<b>100.00 %</b>

### 13.9 Shareholding pattern

Sr. No.	Shareholding Pattern Category	As on 31st March, 2011			As on 31st March, 2010			Variance 2011 over 2010
		No. of Shares	Members	% To Equity	No. of Shares	Members	% To Equity	
1	Promoters & Directors	4,64,43,000	5	62.68	92,88,600	5	62.68	Nil
2	Bodies Corporates	50,30,250	416	6.79	12,15,804	313	8.21	(17.29)
3	Foreign Institutional Investors	86,25,512	20	11.65	19,36,896	15	13.07	(10.86)
4	Mutual Funds	3,05,617	3	0.41	70,000	2	0.47	(12.76)
5	Indian Financial Institutions	44,09,488	2	5.96	9,06,539	2	6.12	(2.61)
6	Banks	1,45,245	2	0.19	28,106	2	0.19	Nil
7	Non Resident Indians	3,84,201	382	0.51	58,735	195	0.40	27.50
8	Directors And Relatives	21,500	3	0.03	4,300	3	0.03	Nil
9	Public	87,22,567	22,390	11.78	13,08,496	13,069	8.83	33.40
	<b>Total</b>	<b>7,40,87,380</b>	<b>23,223</b>	<b>100</b>	<b>1,48,17,476</b>	<b>13,606</b>	<b>100</b>	

#### 13.10 Share Transfer Agents and Share Transfer and Demat System:

UNITY executes share transfers through its share transfer agent, whose details are given below:

Link Intime India Private Limited  
C- 13 Pannalal Silk Mill Compound  
LBS Marg, Bhandup (West)  
Mumbai- 400078  
Tel: +9122-25963838  
Fax: +9122-25946969  
Email: isrl@linkintime.co.in

In compliance with SEBI circular dated 27th December, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point UNITY has established direct connection with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10-15 days from the date of receipt, subject to the documents being complete and valid in all respect. The Company has, as per SEBI guidelines offered the

facility for dematerialised trading.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and the Share Transfer Agent of the Company periodically receives data regarding the beneficiary holding, so as to enable them to update their records and send all corporate communications dividend warrant, etc.

As on March 31, 2011, dematerialised shares accounted for 99.96 % of the total equity.

There are no legal proceedings against UNITY on any share transfer matter.

#### 13.11 Outstanding GDRs/ADRs/Warrants:

The Company has not issued any convertible instruments

#### 13.12 Plant Locations

The Company does not have any plant, as the Company is in the construction and engineering businesses.

#### 13.13 Investor correspondence address:

For shares held in physical form	For shares held in dematerialized form	
Link Intime India Private Limited C- 13 Pannalal Silk Mill Compound LBS Marg, Bhandup (West) Mumbai- 400078 Tel: +9122-25963838 Fax: +9122-25946969 Email: isrl@linkintime.co.in	National Securities Depositories Limited. Trade World, 4th Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai-400013 Tel.: +91-22-24994200 Fax: +9122-24972993 Email: info@nsdl.co.in Website: www.nsdl.co.in	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 17th Floor, Dalal Street, Mumbai- 400023 Tel.: +91-22-2227 3333 Fax.: +91-22-2227 3199 Email: investor@cdslindia.com Website: www.cdslindia.com

#### 13.14 Compliance Officer for Investor Redressal

Prakash B. Chavan, Company Secretary  
Unity Infraprojects Limited  
1252, Pushpanjali Apartments, Old Prabhadevi Road, Prabhadevi, Mumbai- 400025  
Tel.No.022 – 6666 5500 • Fax: 022 – 5666 5599  
Email: prakashc@unityinfra.com • Website: www.unityinfra.com

#### 14. DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING AFFIRMATION TO THE CODE OF CONDUCT

In accordance with Clause 49 (1) (D) (ii) of the Listing Agreement with Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct of the Company as applicable to them for the Financial Year ended 31st March, 2011.

For Unity Infraprojects Limited,

Place: Mumbai  
Date: 30th May, 2011

**Abhijit K. Avarsekar**  
*Chief Executive Officer*

## C.E.O./C.F.O. CERTIFICATION

### CHIEF EXECUTIVE OFFICER (C.E.O.)/CHIEF FINANCIAL OFFICER (C.F.O.) CERTIFICATION

We, Abhijit K. Avarsekar – Vice Chairman and Managing Director deemed to be C.E.O. under Clause 49 and Madhav Nadkarni Chief Financial Officer (C.F.O.) of Unity Infraprojects Limited, certify to the Board that :

- a) We have reviewed financial statements and cash flow statement for the year and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have informed to the Auditors and the Audit Committee;
  - i. There has not been any significant change in internal control over financial reporting during the year;
  - ii. There has not been any significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and;
  - iii. We are not aware of any instance, during the year, of significant fraud with involvement therein, of the management or any employee having significant role in the Company's internal control system over financial reporting.

**Abhijit K. Avarsekar**  
*Chief Executive Officer*

**Madhav Nadkarni**  
*Chief Financial Officer*

Mumbai, Dated 30th May, 2011

## AUDITOR'S CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To,  
The Members of Unity Infraprojects Limited,

We have examined the compliance of conditions of Corporate Governance by Unity Infraprojects Limited for the financial year ended 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For C. B. Chhajer & Co.  
*Chartered Accountants*

**C. B. Chhajer**  
*Partner*

Membership No.: 9447

Mumbai: 30th May, 2011

# FINANCIAL SECTION

## Auditors' Report

To,  
The Members,  
UNITY INFRAPROJECTS LIMITED, Mumbai

1. We have audited the attached Balance Sheet of UNITY INFRAPROJECTS LIMITED as at March 31, 2011, and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956 of India (hereinafter referred to as the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We did not audit the financial statement of integrated joint ventures reflecting company's shares in profit of Rs 229.41 Lacs in these financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said audited ventures is based solely on the report of the other auditors.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
    - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
    - e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
    - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
      - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
      - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
      - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For C.B.Chhajed & Co.  
Chartered Accountants  
Firm Regn No. 101796W

C. B. Chhajed  
Partner  
Membership No. : 9447

Place: Mumbai  
Dated: May 30, 2011

## Annexure to the Auditors' Report

To,  
The Members of  
**UNITY INFRAPROJECTS LIMITED,**

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c) In our opinion and according to the information and explanations given to us, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
2. a) As per the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. a) According to the information and explanations given to us, the Company has granted unsecured loans, to twelve companies and two person covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is Rs.3,42,96.53 Lacs and the year-end balance of such loans aggregates to Rs.1,34,48.28 Lacs.
- b) According to the information and explanations given to us, the Company has taken unsecured loans, from one person covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year is Rs.155.00 Lacs and the year-end balance of such loans aggregates to Rs.140.00 Lacs.
- c) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- d) The principal amounts are repayable on demand and there is no repayment schedule. The interest, wherever applicable, is payable on demand.
- e) In respect of loans given to companies covered in the register maintained, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, wherever applicable, there are no overdue amounts.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly clause (vi) of paragraph 4 of the order is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company. Accordingly, clauses (viii) of paragraph 4 of the Order are not applicable to the Company for the year.
9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund / nidhi / mutual benefit fund / society. Accordingly, clause (xiii) of paragraph 4 of the order is not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, clauses (xiv) of paragraph 4 of the Order are not applicable to the Company for the year.
15. In our opinion and according to the information and explanations given to us, the term and conditions of the guarantees aggregating to Rs.1,000.00 Lacs given by the company for loans taken from other from bank during the year, are not prima facie prejudicial to the interest of the Company.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term purpose.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures. Accordingly, clause (xix) of Paragraph 4 of the order is not applicable.
20. The Company has not raised any money by public issues during the year. The management has disclosed the end use of money during the year, out of public raised in the earlier year (Refer note B (20) of schedule 14 annexed to and forming part of the financial statement ) and the same has been verified by us.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For C.B.Chhajer & Co.  
Chartered Accountants  
Firm Regn No. 101796W

C. B. Chhajer  
Partner  
Membership No. : 9447

Place: Mumbai  
Dated: May 30, 2011

## Balance Sheet As at 31st March, 2011

	Schedule	As at March 31, 2011	As at March 31, 2010
<i>(Rs. in Lacs)</i>			
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1,481.75	1,481.75
Reserves and Surplus	2	63,607.50	55,036.65
		<b>65,089.25</b>	<b>56,518.40</b>
<b>Loan Funds</b>			
Secured Loans	3	84,669.15	45,279.02
Unsecured Loans	4	140.00	23,355.46
		<b>84,809.15</b>	<b>68,634.48</b>
Deferred Tax Liability (Refer Note no.B(9) of schedule 14)		128.27	147.04
<b>Total</b>		<b>150,026.67</b>	<b>125,299.92</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	19,184.98	15,375.81
Less: Depreciation		7,040.17	5,346.23
<b>Net Block</b>		<b>12,144.81</b>	<b>10,029.58</b>
Capital Work in Progress		1,114.61	66.72
<b>Investments</b>	6	<b>6,230.01</b>	<b>3,420.63</b>
<b>Current Assets, Loans and Advances</b>			
Inventories		7,806.43	13,301.40
Trade Debtors		73,039.38	56,157.49
Cash and Bank balances		22,243.21	16,102.02
Loans and Advances	7	63,996.16	60,926.98
		<b>167,085.18</b>	<b>146,487.89</b>
<b>Less: Current Liabilities and Provisions</b>			
Current Liabilities	8	35,134.26	32,369.54
Provisions		1,413.67	2,335.36
		<b>36,547.93</b>	<b>34,704.90</b>
<b>Net Current Assets</b>		<b>130,537.25</b>	<b>111,782.99</b>
<b>Total</b>		<b>150,026.67</b>	<b>125,299.92</b>
Significant Accounting Policies and Notes to Account	14		

Schedules 1 to 14 annexed hereto form part of the Balance Sheet and Profit and Loss Account.

As per our attached report of even date.

For C.B.CHHAJED & CO.

Chartered Accountants

For and on behalf of the Board

C.B.Chhajed Partner	Kishore K.Avarsekar Chairman & Managing Director	Abhijit K.Avarsekar Vice Chairman & Managing Director	Pushpa K.Avarsekar Director
Place: Mumbai Date: 30 May, 2011	Ashish K.Avarsekar Director	Madhav G.Nadkarni Chief Financial Officer	Prakash Chavan Company Secretary

## Profit and Loss Account for the year ended 31st March, 2011

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
<i>(Rs. in Lacs)</i>			
<b>INCOME</b>			
Turnover		170,152.36	147,677.01
Share of profit - Joint ventures		229.41	219.81
Other income	9	1,500.95	1,221.01
		<b>171,882.72</b>	<b>149,117.83</b>
<b>EXPENDITURE</b>			
Construction expenses	10	138,013.12	119,433.49
Employees remuneration and welfare expenses	11	5,870.16	5,323.21
Office and establishment expenses	12	3,550.11	3,789.27
Finance charges	13	8,326.79	5,838.68
Depreciation		1,799.35	1,747.05
		<b>157,559.52</b>	<b>136,131.70</b>
<b>Profit Before Tax</b>		<b>14,323.21</b>	<b>12,986.13</b>
Less: Provision for tax		4,900.00	4,350.00
Deferred Tax Liability/(Asset)		(18.78)	(20.63)
		4,881.22	4,329.37
<b>Profit Before Prior Year's Tax</b>		<b>9,441.98</b>	<b>8,656.76</b>
Add / (Less) : Share of Firm Tax		(7.20)	(143.50)
<b>Profit for the Year</b>		<b>9,434.78</b>	<b>8,513.26</b>
Balance brought forward from previous year		23,605.09	16,818.61
<b>Profit Available for Appropriation</b>		<b>33,039.87</b>	<b>25,331.87</b>
<b>Appropriations</b>			
Proposed Dividend		740.87	740.87
Corporate Dividend Tax on above		123.06	125.91
Transfer to General Reserves		960.00	860.00
		<b>1,823.93</b>	<b>1,726.78</b>
<b>Balance carried to Balance Sheet</b>		<b>31,215.94</b>	<b>23,605.09</b>
Earning Per Share (Basic and Diluted)		12.73	11.49
(Refer note No. B (14) of Schedule 14)			
Significant Accounting Policies and Notes To Account	14		

Schedules 1 to 14 annexed hereto form part of the Balance Sheet and Profit and Loss Account.

As per our attached report of even date.

For C.B.CHHAJED & CO.

Chartered Accountants

For and on behalf of the Board

C.B.Chhajed Partner	Kishore K.Avarsekar Chairman & Managing Director	Abhijit K.Avarsekar Vice Chairman & Managing Director	Pushpa K.Avarsekar Director
Place: Mumbai Date: 30 May, 2011	Ashish K.Avarsekar Director	Madhav G.Nadkarni Chief Financial Officer	Prakash Chavan Company Secretary

## Schedules to Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
12,50,00,000 Equity Shares of Rs.2/- each	2,500.00	2,500.00
(Previous year 2,50,00,000 equity shares of Rs.10/- each)		
<b>Issued, Subscribed and Paid-up</b>		
74,087,380/- Equity shares of Rs.2/- each, fully paid up		
(Previous Year 1,48,17,476/- equity shares of Rs.10/- each fully paid up)	1,481.75	1,481.75
<b>Total</b>	<b>1,481.75</b>	<b>1,481.75</b>

**Note:** The Company has allotted 27,68,000 fully paid equity shares of Rs.10/- each at a premium of Rs.665/- per equity share to the public, during the financial year 2006/2007.

The Company has allotted 14,49,476 fully paid equity shares of Rs.10/- each at a premium of Rs. 496/- per equity share through Q.I.P., during the financial year 2009/2010.

The Company has sub-divided each Equity Share of the face value of Rs.10/- each in to 5(Five) Equity Shares of the face value of Rs.2/- each during the financial year 2010/2011.

**Schedule 2 RESERVES AND SURPLUS**

<b>Securities Premium account</b>		
Balance as per last account	28,321.56	21,419.66
Add: Received during the year	–	7,189.40
Less: Share issue expenses	–	287.50
<b>(a)</b>	<b>28,321.56</b>	<b>28,321.56</b>
<b>General Reserve</b>		
Balance as per last account	3,110.00	2,250.00
Add: Transferred from profit and loss account	960.00	860.00
<b>(b)</b>	<b>4,070.00</b>	<b>3,110.00</b>
<b>Profit and Loss account</b>		
Balance carried forward	31,215.94	23,605.09
<b>(c)</b>	<b>31,215.94</b>	<b>23,605.09</b>
<b>Total (a+b+c)</b>	<b>63,607.50</b>	<b>55,036.65</b>

**Schedule 3 SECURED LOANS**

<b>Working Capital Loan</b>	24,358.28	14,197.05
(Working Capital loans are secured by hypothecation of work-in-progress, stock, fixed deposits and book debts. State Bank of India cash credit limits further secured by mortgage of four flats of group company.)		
<b>Term Loan</b>	57,298.16	28,089.56
(Amount repayable within one year Rs.17,730.69 lacs (previous year Rs. 8,225.00 lacs))		
(Term loans are secured by hypothecation of existing and future fixed assets and current assets)		
<b>Vehicle and Equipment Loans</b>	3,012.71	2,992.41
(Secured against specific charge on Vehicles and Equipments.)		
<b>Total</b>	<b>84,669.15</b>	<b>45,279.02</b>

## Schedules to Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 4 UNSECURED LOANS</b>		
<b>Short Term Loan</b>		
From Directors	140.00	–
<b>From Banks/ Institutions</b>	–	23,355.46
(Amount repayable within one year Rs. NIL (previous year Rs. 23,355.46) lacs)		
<b>Total</b>	<b>140.00</b>	<b>23,355.46</b>

(Rs. in Lacs)

**Schedule 5 FIXED ASSETS AND DEPRECIATION THEREON**

Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Original Cost as at April 1, 2010	Additions	Deductions	Total as at March 31, 2011	Accumulated depreciation as at April 1, 2010	During the year	Deductions/ Adjustments	Total as at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Land and buildings	3.92	886.99	–	890.91	–	–	–	–	890.91	3.92
Plant and machineries	11,864.00	2,737.38	111.66	14,489.72	3,469.20	1,349.51	85.06	4,733.64	9,756.07	8,394.80
Furniture and fixtures	417.67	28.71	–	446.38	198.57	42.95	–	241.52	204.86	219.10
Office equipments	654.09	50.63	–	704.72	243.54	60.93	–	304.47	400.26	410.55
Computers	402.19	47.95	–	450.15	275.79	58.88	–	334.66	115.48	126.41
Software	12.23	11.92	–	24.15	0.20	3.72	–	3.92	20.23	12.03
Vehicles	2,021.71	179.93	22.70	2,178.94	1,158.94	283.36	20.35	1,421.95	756.99	862.77
<b>Total</b>	<b>15,375.81</b>	<b>3,943.52</b>	<b>134.36</b>	<b>19,184.98</b>	<b>5,346.23</b>	<b>1,799.35</b>	<b>105.41</b>	<b>7,040.17</b>	<b>12,144.81</b>	<b>10,029.58</b>
Previous year	14,364.89	1,056.53	45.62	15,375.81	3,631.24	1,747.05	32.06	5,346.23	10,029.58	10,733.65

**Note:** Land & Building (Flat at Talaja ) is not registered in the name of the Company.

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 6 INVESTMENTS (AT COST)</b>		
<b>Current Investments</b>		
<b>Trade Investments</b>		
Investment in various mutual funds (Quoted)	1,300.00	200.00
(Market value (Rs 1,329.55 lacs (Previous Year Rs. 210.49 lacs))		
Shares of UCO Bank Limited (Quoted)	0.23	0.23
(1,900 Shares (previous year 1,900 equity shares) of face value of Rs.10/- each fully paid up) (Market value of shares (Rs 2 lacs (previous year Rs.1 lacs))		
<b>Long Term Investments</b>		
<b>Non-Trade Investments</b>		
Investment In Subsidiaries		
Shares of Unity Infrastructure Assets Limited (Unquoted)	1,240.00	1,240.00
(62,25,000 (previous year 62,25,000) shares of face value of Rs.10/- each fully paid up)		
Shares of Unity Realty and Developers Limited (Unquoted)	980.00	980.00
(20,00,000 (previous year 20,00,000) shares of face value of Rs.10/- each fully paid up)		

## Schedules to Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 6 INVESTMENTS (AT COST) (Contd.)</b>		
Shares of Unity Natural Resources Pvt Limited (Unquoted) (5,100 (previous year 5,100) shares of face value of Rs.10/- each fully paid up)	0.51	0.51
Shares of Unity Kurahashi India Private Limited (Unquoted) (50,000 (previous year 50,000) shares of face value of Rs.10/- each fully paid up)	–	5.00
Shares of Unity Middle East (FZE) (Unquoted) (1 (previous year 1) shares of face value of Rs.- each fully paid up)	36.25	36.25
Shares Of Chomu Mahla Toll Road Private Limited (Unquoted) (5,100 (previous year NIL) shares of face value of Rs.10/- each fully paid up)	0.51	–
<b>Others</b>		
Shares of Abhyudaya Co-op Bank Limited (Unquoted) (54,945 (previous year 54,945) shares of face value of Rs.10/- each fully paid up)	5.49	5.49
Shares of Shye Unity Impex Private Limited (Unquoted) (5,000 (previous year 5,000 ) shares of face value of Rs.10/- each fully paid up)	0.50	0.50
Shares Of Unity Neelam Realcon Private Limited (Unquoted) (3,500 (previous year NIL) shares of face value of Rs.10/- each fully paid up)	0.35	–
National Savings Certificates (Unquoted)	7.85	7.85
Capital Account with Joint ventures	2,658.32	944.80
<b>Total</b>	<b>6,230.01</b>	<b>3,420.63</b>
<b>Schedule 7 CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Trade Debtors</b> (Unsecured, considered good)		
i) Outstanding over six months	13,957.04	16,191.57
ii) Others	59,082.34	39,965.92
<b>Total</b>	<b>73,039.38</b>	<b>56,157.49</b>
<b>Cash and Bank balances</b>		
Cash on hand (Including Sites)	323.33	316.26
Balance at Banks with Scheduled Bank		
– Fixed Deposits	12,239.79	12,710.77
– Current Account	9,608.30	3,074.53
Balance at Banks with Non Scheduled Bank		
– State Bank of India- Nepal	1.19	0.46
– HSBC Ltd - Dhaka	70.61	–
<b>Total</b>	<b>22,243.21</b>	<b>16,102.02</b>
<b>Loans and Advances</b> (Unsecured, considered good)		
<b>Interest Receivable - Fixed Deposits</b> (a)	2.84	13.21
<b>Deposits</b>		
– Tender	1,677.79	930.91
– Land, Building and Flat	2,292.20	2,291.89
– Labour	15.14	13.51
– Utility	331.39	366.17
– Securities	397.50	546.52
– Others	310.62	946.69
(b)	<b>5,024.65</b>	<b>5,095.69</b>

## Schedules to Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 7 CURRENT ASSETS, LOANS AND ADVANCES (Contd.)</b>		
<b>Advances Recoverable in cash or kind</b>		
– Contractors	19,009.52	7,153.02
– Suppliers	1,948.02	3,960.79
– Staff	33.77	16.15
– Subsidiaries	12,650.38	20,296.83
– Joint ventures	565.25	591.68
– Accrued NSC Interest	1.35	0.65
– Others	15,884.79	18,046.41
<b>Balance with Government Authorities</b>		
– Prepaid taxes	8,875.58	5,752.55
(c)	<b>58,968.67</b>	<b>55,818.08</b>
<b>Total (a+b+c)</b>	<b>63,996.16</b>	<b>60,926.98</b>
<b>Schedule 8 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors contractors	5,066.99	4,990.53
Sundry Creditors for materials	5,998.83	6,748.69
Sundry Creditors for expenses	19,319.52	16,965.90
Advances	–	–
– Mobilisation Advance	3,585.44	944.31
– Material Advance	141.96	701.33
– Machinery Advance	–	130.44
– Others	46.15	300.06
Bank Balances (Refer note B(7) of schedule 14)	–	141.28
Security Deposits	975.37	1,447.00
(a)	<b>35,134.26</b>	<b>32,369.54</b>
<b>Provisions</b>		
Proposed dividend	740.87	740.87
Corporate dividend tax	123.05	125.91
Provision for tax	549.75	1,468.58
(Net off Advance Taxes Rs. 3,287.40 lacs (previous year Rs.12,675.42 lacs))		
(b)	<b>1,413.67</b>	<b>2,335.36</b>
<b>Total (a+b)</b>	<b>36,547.93</b>	<b>34,704.90</b>



## Schedules to Profit and Loss Account

	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
<b>Schedule 9 OTHER INCOME</b>		
Interest - Fixed Deposits	933.24	815.47
(Tax deducted at source (Rs. 81.01 lacs (Previous Year Rs. 93.12 lacs)))		
Dividend	0.75	0.77
Dividend from mutual funds	-	13.16
Miscellaneous income	566.96	391.61
	<b>1,500.95</b>	<b>1,221.01</b>

### Schedule 10 CONSTRUCTION EXPENSES

Opening stock of stores, construction material at site and work in progress	13,301.40	11,034.35
Add:		
Purchases of materials	72,981.44	60,416.83
Sub-Contract charges	6,429.63	4,458.84
Labour charges	36,617.71	38,740.85
Project site expenses	9,862.58	11,434.85
Freight, transport and octroi expenses	4,116.60	3,633.33
Repair and Maintenance		
- Machinery	732.06	727.50
- Office Equipment	22.45	25.53
- Vehicles	46.60	54.23
- Others	52.13	25.41
Hiring charges	1,656.95	2,183.17
Less:		
Closing stock of stores, construction materials at site and work in progress	7,806.43	13,301.40
	<b>138,013.12</b>	<b>119,433.49</b>

### Schedule 11 EMPLOYEES REMUNERATION AND WELFARE EXPENSES

Salaries and allowances	5,102.51	4,671.05
Contribution to Employees Provident Fund	150.14	107.23
Contribution to Employees State Insurance Corporation	3.67	1.58
Staff welfare	395.02	339.30
Gratuity	218.82	204.05
	<b>5,870.16</b>	<b>5,323.21</b>

## Schedules to Profit and Loss Account

	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
<b>Schedule 12 OFFICE AND ESTABLISHMENT EXPENSES</b>		
Advertisement	38.16	50.15
Auditor's remuneration	42.50	35.00
Business promotion	137.09	140.35
Communication expenses	194.31	183.70
Electricity charges	330.64	449.45
Legal and professional fees	378.72	1,032.70
Office expenses	94.44	55.72
Printing and stationery	123.61	116.94
Processing fees	1,255.44	994.15
Tender fees	148.45	64.17
Travelling and conveyance	299.37	254.65
Other miscellaneous expenses	507.38	412.29
	<b>3,550.11</b>	<b>3,789.27</b>

### Schedule 13 FINANCE CHARGES

Interest (Refer note B(8) of schedule 14)	7,496.59	4,907.21
Bank charges and commission	830.20	931.47
	<b>8,326.79</b>	<b>5,838.68</b>

## Notes to Accounts

Schedules annexed to and Forming part of the Financial Statements

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A. Significant Accounting Policies:

##### 1. Basis of Accounting

The financial statements are prepared under historical cost convention, on going concern concept and in compliance with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 (the "Act"). The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting policies.

##### 2. Fixed Assets

Fixed Assets are stated at cost, inclusive of incidental expenses related thereto and are net of Cenvat Credit less accumulated depreciation. Cost of software includes license fees and implementation/ integration expenses.

##### 3. Borrowing Costs

Borrowing costs directly attributable to the acquisition/ construction of fixed assets are apportioned to the cost of the fixed assets up to the date on which the asset is put to use/ commissioned.

##### 4. Depreciation

a) Depreciation on Fixed Assets is provided on the written-down-value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act. Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/up to the date of such additions/ deletions.

b) Computer Software is amortized on the straight line method of five years.

c) Assets individually costing Rs. 0.05 Lakhs or less are fully depreciated in the year of purchase.

##### 5. Investments

Investments are classified as current and long term investments. Current Investments are valued at lower of cost or market value. Long term Investments are stated at cost. The decline in the value of Long term investments, other than temporary is provided for.

##### 6. Inventories

Inventories of stores and construction raw materials are valued at lower of cost or net realizable value on first-in-first-out basis. Works in progress on construction contracts reflects the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

##### 7. Taxes on Income

a) Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Act, 1961.

b) In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred tax resulting from timing differences between book and tax profits are accounted for at tax rate substantially enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

Deferred Tax Assets arising on account of carried forward losses and unabsorbed depreciation as per Income Tax Act, 1961 are recognised to the extent there is a virtual certainty supported by convincing evidence that such assets will be realized.

##### 8. Sales Tax / WCT / VAT:

Where the company has contractual right to claim equal amounts regarding the said liability from the clients, the same is not charged as expenditure.

Where the ultimate liability is on the Company, the same is accounted provisionally as per the information and the final adjustment for the same is done as and when the demand is raised by the concerned authorities on the Company. During the year under review, sales tax expenses include amount paid on account of assessment order during the year.

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### 9. Employee Benefits

##### a) Defined Contribution Plans

The Company contributes on a defined contribution basis to Employee's Provident Fund, Employee's State Insurance Fund towards post employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution, which is expensed in the year to which it pertains.

##### b) Defined Benefit Plans

The Company has a Defined Benefit Plan namely Gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation carried out by the insurer, HDFC Standard Life, from whom the Company has taken out Group Gratuity Policy.

Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Profit and Loss Account.

##### c) Employee Leave Entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilised leave balances is provided on the basis of an actuarial valuation carried out by the insurer, HDFC Standard Life, as at the year end and charged to the Profit and Loss Account.

#### 10. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.

#### 11. Revenue Recognition

a) Income from Construction is recognized as determined by the Project Manager by taking into consideration actual cost incurred and profit evaluated and duly certified by the client. All other income expenditure are recognized and accounted for on an accrual basis. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined. Insurance claims are accounted for on cash basis.

b) Turnover represents Work Certified as determined by the Project Managers by taking into consideration the actual cost incurred and profit evaluated and duly certified by the client and is inclusive of service tax.

c) Dividends are accounted for when the right to receive dividend is established.

d) Income from interest on deposits, loans and interest bearing securities is recognized on time proportionate method.

e) Share of profit/loss from firms, in which the company is a partner, is accounted for in the financial year ending on (or immediately before) the date of the balance sheet.

#### 12. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### 13. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed.

#### 14. Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

#### 15. Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rental under operating lease are charged off to the Profit and Loss Account, as incurred.

#### 16. Accounting for Joint Venture Contracts:

- Contracts executed in Joint Venture under work sharing arrangements (consortium) are accounted in accordance with the accounting policy followed by the company as that of an independent contract to the extent work is executed.
- In respect of contracts executed in Integrated Joint Ventures under profit sharing arrangements, the services rendered to the joint ventures are accounted as income on accrual basis. The profit/loss is accounted for, as and when it is determined by the Joint Ventures and the net investment in the Joint Ventures is reflected as investments.

### B. Notes to Accounts:

#### 1. Contingent Liabilities not provided for (As certified by the Management)

(Rs. in Lacs)

Particulars	As at	As at
	March 31, 2011	March 31, 2010
Guarantees given by banks on behalf of the Company	55,704.01	73,095.87
Corporate Guarantees given by the Company	1,000.00	2,000.00
Claims against the Company not acknowledged as debts in respect of		
a. Income Tax matters	1,512.86	Nil
b. Sales Tax matters	Nil	Nil
c. Excise Duty matters	Nil	Nil
d. Others	Nil	Nil
Letter of Credit	1,348.69	3,992.43
<b>Total</b>	<b>59,565.56</b>	<b>79,088.30</b>

#### 2. Capital Commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is Rs. Nil (Previous Year: Rs. Nil).

#### 3. a) Managerial Remuneration

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Salaries to Whole-time Directors (Including Chairman and Managing Director)	325.00	325.00
Contribution to Provident and Other Funds	Nil	Nil
Perquisites	Nil	Nil
Sitting Fees	4.80	5.70
<b>Total</b>	<b>329.80</b>	<b>330.70</b>

**Note:** Provisions for post retirement benefits which are based on actuarial valuations done on an overall company basis are excluded above.

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### b) Computation of Net Profit in accordance with Section 198 read with section 309(5) of the Companies Act, 1956:

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Net Profit Before Tax	14,323.21	12,986.14
<b>Add:</b>		
Managerial Remuneration	325.00	325.00
Sitting Fees	4.80	5.70
Depreciation as per the Profit and Loss Account	1,799.35	1,747.05
Provision for doubtful debts/ advances	Nil	Nil
Loss on sale/ discarding of fixed assets	8.16	1.42
Provision for diminution in value of Investments	Nil	Nil
<b>Less:</b>		
Profit on sale of assets	0.48	2.32
Provision for doubtful debts/ advances written back	Nil	Nil
Profit on redemption/ sale of units in Mutual Funds	Nil	6.83
Depreciation as per Section 350 of the Act	1,799.35	1,747.05
<b>Net profit in accordance with Section 198 of the Companies Act, 1956</b>	<b>14,660.69</b>	<b>13,309.11</b>
<b>Maximum Amount of Remuneration permissible to</b>		
Whole-time Directors (@10% of Net Profit)	1,466.07	1,330.91
Salary to Whole-time Director (including Chairman & Managing Director)	325.00	325.00

#### 4. Payment to Auditors

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Statutory Audit Fees	32.50	25.00
Tax Audit Fees	10.00	10.00
Profession Fees for Qualified Institutional Placement.	Nil	15.00
Certification and Other Matters	13.50	12.63
<b>Total</b>	<b>56.00</b>	<b>62.63</b>

#### 5. Additional Information Pursuant to the Paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956

##### a. Raw Material Consumed

(Rs. in Lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Qty	Rs.	Qty	Rs.
Raw Material Consumed	Unascertainable	75,026.51	Unascertainable	61,539.99

##### b. Value of Imported and Indigenous Raw Materials

(Rs. in Lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	%	Rs.	%	Rs.
1. Raw Materials				
Imported	0.42%	308.95	1.16%	612.41
Indigenous	99.58%	72,672.50	98.84%	52,023.07
<b>Total</b>	<b>100%</b>	<b>72,981.44</b>	<b>100%</b>	<b>52,635.48</b>

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### c. Expenditure in Foreign Currency

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Professional Fees	0.76	42.75
Insurance Charges	Nil	12.88
Traveling	15.92	33.66
Construction Material	308.95	612.41
Construction Expenses	841.00	Nil
Plant & Machinery	1,450.28	Nil
Interest on ECB	242.22	Nil

#### d. Earning in Foreign Currency

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Earning in foreign currency	Nil	Nil

#### e. Value of Imports on CIF Basis

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Raw Materials	308.95	612.41
Capital Goods & Maintenance Spares	1,450.28	Nil

#### 6. Disclosure as per Clause 32 of the Listing Agreement and as per Schedule VI of the Companies Act, 1956.

Loans and advances given to subsidiaries and Associates:

(Rs. in Lacs)

Sr. No.	Name of Company	Relationship	Outstanding Balances		Maximum balance during the year	
			As at	As at	F.Y. 2010-11	F.Y. 2009-10
			31.03.2011	31.03.2010		
1.	Unity Realty And Developers Ltd.	Subsidiary	11,440.27	19,570.17	26,838.37	20,326.13
2.	Unity Neelam Realcon Pvt. Ltd.	Associate	3.90	Nil	3.90	Nil
3.	Unity Natural Resources Pvt. Ltd.	Subsidiary	0.2	0.01	0.2	0.01
4.	Unity Middle East FZE-LLC	Subsidiary	14.09	4.09	14.09	4.09
5.	Unity infrastructure Assets Ltd.	Subsidiary	779.57	310.03	779.57	310.03
6.	Shye Unity Impex Pvt. Ltd.	Associate	412.53	412.53	412.53	412.53
	<b>Total</b>		<b>12,650.38</b>	<b>20,296.83</b>		

7. Bank balance under Current Liabilities represent credit balances in bank accounts as at the Balance Sheet date to book entries standing in bank reconciliation.

8. Interests under Finance Charges are net of Interest income amounting to Rs. 3,915.38 Lacs (Previous Year Rs. 2,557.84 Lacs). Tax Deducted at Source on Interest Income is Rs. 391.54 Lacs (Previous Year Rs. 521.58 Lacs).

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

#### 9. Deferred Tax Liability / (Asset)

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Depreciation as per books	1,799.35	1,747.05
Depreciation as per Income Tax Act	1,742.82	1,686.37
Excess of Income Tax Depreciation over Book Depreciation	(56.53)	(60.68)
<b>Deferred Tax / (Assets) Liability</b>	<b>(18.78)</b>	<b>(20.63)</b>
<b>Deferred Tax Liability as per beginning of the year</b>	<b>147.04</b>	<b>167.67</b>
Add / (Less): Other adjustments relating to sale of assets etc.	-	-
<b>Deferred Tax Liability as at end of the year</b>	<b>128.27</b>	<b>147.04</b>

#### 10. Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 could not be provided.

#### 11. Segment Information

In line with Accounting Standard 17 on 'Segment Reporting', taking into account organizational structure, product type as well as the differing risks and returns criterion, the Company is engaged in only one reportable segment viz., "Construction and Engineering".

#### 12. Related Party Disclosures

Refer Annexure attached.

#### 13. Operating Leases

Disclosure under Accounting Standard 19 (Leases) issued by the Institute of Chartered Accountants of India, the Company has taken various residential/ office premises (including Furniture and Fittings if any) under Lease and License agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on refundable security deposits. These payments are recognized in Profit and loss Account under Rent, Rates and Taxes.

#### 14. Earnings Per Share

(Rs. in Lacs)

Particulars	Year ended	Year ended
	March 31, 2011	March 31, 2010
Profit after Tax (Rs.)	9,441.98	8,513.26
Weighted Average Number of Equity Shares outstanding during the year (Numbers)	740.87	740.87*
Basic and Diluted Earnings Per Share (Rs.)	12.73	11.49
Nominal Value per Share (Rs.)	2	2

\* Adjusted for sub division of each equity share of the face value of Rs.10/- each into 5(Five) Equity Shares of the face value of Rs.2/- each during the financial year 2010/2011.

#### 15. Income Tax Assessment Status

The Income-Tax assessments of the Company have been completed up to Assessment Year 2008-09. The disputed demand outstanding from Assessment Year 2003-04 to Assessment Year 2008-09 is Rs.1,512.86 Lacs. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

16. In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least to the extent of amount stated in the Balance Sheet. No Confirmations have been obtained from Sundry Debtors, Sundry creditors and for Loans & Advances and Tender deposits outstanding. The amounts shown in the Balance Sheet are, therefore, as per books of accounts.

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

17. The interest has not been provided on Unsecured Loans received from Directors, since these are considered as interest free.

18. Financial Reporting of interests in Joint Venture Accounting Standard 27 (AS 27):

(Rs. in Lacs)

Sr. No.	Joint Venture	Proportion ownership	Company's Share as on 31st March 2011 in:			
			Assets	Liabilities	Incomes	Expenses
1	Thakur Mhatre – Unity Joint Venture	30%	71.16 (26.32)	34.32 (17.14)	75.09 (59.28)	38.07 (32.69)
2	Unity- Patel Joint Venture	99%	1,975.83 (880.82)	1,742.95 (649.81)	233.67 (336.92)	231.80 (327.18)
3	Unity- Chopra Joint Venture	80%	100.99 (107.47)	55.31 (56.50)	– (1.49)	0.17 (0.80)
4	Backbone- Unity Joint Venture	50%	376.34 (390.87)	297.86 (301.44)	– (0.29)	11.07 (1.06)
5	Unity- SMC Joint Venture	40%	723.58 (687.28)	706.63 (675.37)	225.69 (309.36)	218.40 (300.81)
6	Unity- Pratibha- Consortium	30%	409.62 (474.08)	186.39 (246.85)	95.37 (739.45)	108.45 (739.45)
7	Unity- SNB- Joint Venture	70%	461.99 (1,288.02)	382.35 (1,240.25)	1,556.56 (618.30)	1,499.25 (602.40)
8	UGCC- Unity Joint Venture	70%	517.01 (596.24)	499.60 (579.78)	65.62 (159.71)	64.26 (150.74)
9	Unity- BBEL Joint Venture	60%	1,881.31 (1,409.28)	1,684.86 (1,227.09)	4,007.53 (6,811.70)	3,986.90 (6,700.93)
10	Unity M & P WPK Consortium	100%	7,843.60 (4,030.46)	7,750.25 (4,003.93)	1,636.32 (2,345.43)	1,569.50 (2,331.20)
11	Unity Axelia Joint Venture	60%	3,383.39 (2,673.38)	3,322.43 (2,659.78)	4,308.80 (231.51)	4,228.63 (217.63)
12	NCC- SMC-Unity Joint Venture	25%	111.78 (193.78)	54.98 (137.42)	8.98 (346.43)	8.43 (336.54)
13	Unity IVRCL Joint Venture	50%	8,138.11 –	6,583.33 –	1,091.55 –	1,092.97 –
14	Axelia Unity Joint Venture	10%	– –	– –	– –	– –
15	Salcon Unity Joint Venture	40%	6.75 –	6.75 –	– –	– –
16	Unity Brahmputra Joint Venture	19%	– –	– –	– –	– –

Note: i) All the above Joint Ventures are jointly controlled entities as per AS-27;

ii) Figures in the brackets in above table refer to that of previous year

### 19. Impairment of Assets:

On a further assessment of the Impairment of Fixed Assets of the Company as at Balance Sheet date as required by Accounting Standard 28 (AS – 28): "Impairment of Assets" issued by the Institute of Chartered Accountants of India, company is of the view that no provision for impairment of Fixed Assets is required.

## Notes to Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

20. End Use of the Money raised through Qualified Institutional Placement during the Financial Year 2010-11: (Rs. in Lacs)

Sr. No.	Particulars	Year ended March 31, 2011
1	Money raised through Qualified Institutional Placement	7,334.35
2	Less: Share Issue Expenses	287.50
3	<b>Balance available for Utilisation</b>	<b>7,046.84</b>
4	<b>Utilised for :</b>	
	Capital Goods	762.12
	Working Capital	6,284.72

21. Disclosure pertaining to Accounting Standard 29 (AS 29) is as below:

(Rs. in Lacs)

Account	Balance as at 1st April, 2010	Provisions made during the year	Paid/Utilized/ W/Back during the year	Balance as at 31st March, 2011
Gratuity	204.05 (78.40)	501.27 (204.05)	204.05 (78.40)	501.27 (204.05)
Taxation	1,468.58 (1,001.37)	4,900.00 (4,350.00)	5,818.83 (3,882.80)	549.75 (1,468.58)
Proposed Dividend	740.87 (601.56)	740.87 (740.87)	740.87 (601.56)	740.87 (740.87)
Leave Encashment	134.88 (118.38)	115.98 (134.88)	140.40 (118.38)	110.47 (134.88)

Note: Figures in the bracket in above table indicates those of previous year.

22. The provision for income tax and deferred tax has been worked out on the basis of assumption that outstanding statutory liability will be paid on or before the due date of filing of income tax return.

### 23. Employee Benefits Disclosure

The Principal actuarial assumptions used in determining gratuity and leave encashment obligations for the Company's plans are given below:

I. Defined Benefit Plan	Gratuity	
	31st March, 2011	31st March, 2010
a. Major Assumptions	(% p.a.)	(% p.a.)
Discount Rate	7.50	6.25
Expected Rate of Return on Plan Assets	8.00	8.00
Salary Escalation Rate @	10.00	5.75
Attrition Rate	40.00	40.00

@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

b. Change in the Present Value of Obligation	(Rs. in Lacs)	(Rs. in Lacs)
Present Value of Obligation as at April 1, 2010	280.42	180.45
Current Service Cost	24.85	49.29
Interest Cost	17.53	9.92
Past Service Cost	–	57.56
Benefit paid	(3.47)	–
Actuarial (Gain) / Losses on Obligations	181.93	(16.80)
Present Value of Obligation as at March 31, 2011	501.27	280.42

## Notes to Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

Defined Benefit Plan	Gratuity	
	As at 31st March, 2011	As at 31st March, 2010
<b>c. Change in Fair Value of Plan Assets</b>	(Rs. in Lacs)	(Rs. in Lacs)
Fair Value of Plan Assets as at April 1, 2010	136.45	46.57
Expected Return on Plan Assets	10.92	3.73
Actuarial Gain / (Losses) on Plan Assets	(1.29)	7.76
Contributions	104.05	78.40
Benefits paid	(3.47)	–
Fair Value of Plan Assets as at March 31, 2011	246.65	136.45
<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>	(Rs. in Lacs)	(Rs. in Lacs)
Present Value of Funded Obligation as at March 31, 2011	501.27	280.42
Fair Value of Plan Assets as at March 31, 2011	246.65	136.45
Funded Status	(254.61)	(143.97)
Present Value of Unfunded Obligation as at March 31, 2011	–	–
Unfunded Net Liability Recognised in the Balance Sheet	(254.61)	(143.97)
<b>e. Amount recognised in the Balance Sheet</b>	(Rs. in Lacs)	(Rs. in Lacs)
Present Value of Obligation as at March 31, 2011	501.27	280.42
Fair Value of Plan Assets as at March 31, 2011	246.65	136.45
Liability Recognised in the Balance Sheet	(254.61)	(143.97)
<b>f. Expenses Recognised in the Profit and Loss Account</b>	(Rs. in Lacs)	(Rs. in Lacs)
Current Service Cost	24.85	49.29
Interest Cost	17.53	9.92
Expected Return on Plan Assets	(10.92)	(3.73)
Net Actuarial (Gain) / Losses Recognised in the period	183.22	(24.55)
Past Service Cost	–	57.56
Total expenses Recognised in the Profit and Loss Account	214.68	88.49
Actual Return on Plan Assets	9.63	11.48
<b>II. Defined Benefit Plan</b>	<b>Leave Encashment</b>	
	As at 31st March, 2011	As at 31st March, 2010
<b>a. Major Assumptions</b>	(% p.a.)	(% p.a.)
Discount Rate	7.50	6.25
Expected Rate of Return on Plan Assets	8.00	8.00
Salary Escalation Rate @	10.00	5.75
Attrition Rate	40.00	40.00
@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
<b>b. Change in the Present Value of Obligation</b>	(Rs. in Lacs)	(Rs. in Lacs)
Present Value of Obligation as at April 1, 2010	203.57	380.63
Current Service Cost	53.87	108.58
Interest Cost	12.72	20.93
Past Service Cost	–	–
Benefit paid	–	–
Actuarial (Gain) / Losses on Obligations	(154.34)	(306.57)
Present Value of Obligation as at March 31, 2011	115.83	203.57

## Notes to Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

II. Defined Benefit Plan	Leave Encashment	
	As at 31st March, 2011	As at 31st March, 2010
<b>c. Change in Fair Value of Plan Assets</b>	(Rs. in Lacs)	(Rs. in Lacs)
Fair Value of Plan Assets as at April 1, 2010	118.61	–
Expected Return on Plan Assets	9.49	–
Actuarial Gain / (Losses) on Plan Assets	(0.59)	0.22
Contributions	–	118.38
Benefits paid	–	–
Fair Value of Plan Assets as at March 31, 2011	127.50	118.61
<b>d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>	(Rs. in Lacs)	(Rs. in Lacs)
Present Value of Funded Obligation as at March 31, 2011	115.83	203.57
Fair Value of Plan Assets as at March 31, 2011	127.50	118.61
Funded Status	11.68	(84.96)
Present Value of Unfunded Obligation as at March 31, 2011	–	–
Unfunded Net Liability Recognised in the Balance Sheet	11.68	(84.96)
<b>e. Amount recognised in the Balance Sheet</b>	(Rs. in Lacs)	(Rs. in Lacs)
Present Value of Obligation as at March 31, 2011	115.83	203.57
Fair Value of Plan Assets as at March 31, 2011	127.50	118.61
Liability Recognised in the Balance Sheet	11.68	(84.96)
<b>f. Expenses Recognised in the Profit and Loss Account</b>	(Rs. in Lacs)	(Rs. in Lacs)
Current Service Cost	53.87	108.58
Interest Cost	12.72	20.93
Expected Return on Plan Assets	(9.49)	–
Net Actuarial (Gain) / Losses Recognised in the period	(153.74)	(306.79)
Past Service Cost	–	–
Total expenses Recognised in the Profit and Loss Account	(96.64)	(177.28)
Actual Return on Plan Assets	(0.59)	(0.22)

24. Prior year comparatives have been reclassified to confirm with the current year's presentation, wherever applicable.

As per our attached report of even date.

For C.B.CHHAJED &amp; CO.

Chartered Accountants

For and on behalf of the Board

 C.B.Chhajed  
Partner

 Kishore K.Avaresekar  
Chairman &  
Managing Director

 Abhijit K.Avaresekar  
Vice Chairman &  
Managing Director

 Pushpa K.Avaresekar  
Director

 Place: Mumbai  
Date: 30 May, 2011

 Ashish K.Avaresekar  
Director

 Madhav G.Nadkarni  
Chief Financial Officer

 Prakash Chavan  
Company Secretary

## Related Party Disclosures

Schedules annexed to and Forming part of the Financial Statements

(Rs. in Lacs)

Name of related party	Nature of Relationship	Nature of Transaction	As at March 31, 2011		As at March 31, 2010	
			Transaction Value	Closing Balance	Transaction Value	Closing Balance
<b>Associate and Group Companies:</b>						
VED PMC Ltd.	Group Company	Loans & advance given (Against debtors)	12.61	177.22	20.00	164.46
		Raw Material Purchase	285.55	(92.62)	105.06	-
		Transport Charges Paid	1.55	-	0.25	(7.54)
		Expenses Paid By UIL	0.15	177.22	-	-
		Hiring Charges Paid	2.67	(0.81)	-	-
		Labour Charges	9.43	(4.54)	0.66	(0.05)
Kairavi Agencies Pvt. Ltd.	Group Company	Labour Charges (Supply of Manpower)	364.52	-	-	-
		Expenses Paid By UIL	3.86	-	-	-
Avarsekar and Sons Pvt. Ltd.	Group Company	Expenses Paid By UIL (In Debtors)	3.07	74.83	-	-
		Construction Work	43.25	74.83	765.10	1,931.19
		Security Deposit	-	1,960.00	-	1,960.00
		Dividend	217.47	-	195.72	-
Avarsekar and Kejrival Constructions Pvt. Ltd.	Group Company	Loans & advance given	3.05	-	215.50	-
		Expenses Paid By UIL	0.05	-	0.02	543.50
Pathare Constructions and Investment Pvt. Ltd.	Group Company	Loans & advance given	328.20	(97.76)	439.04	439.04
		Construction Work	264.74	(459.72)	-	-
Krishnangi Fabrics Pvt. Ltd.	Group Company	Expenses Paid By UIL	0.07	0.22	0.03	0.15
Aishwarya Projects Ltd.	Group Company	Expenses Paid By UIL	0.15	0.45	0.11	0.30
Unity Concepts India Pvt. Ltd.	Group Company	Expenses Paid By UIL	0.10	0.38	0.02	0.28
Unity Construction Company	Associate Firm	Loans & advance given	0.64	(1,310.53)	1.83	(311.16)
Unity Asian (W) Construction Company	Associate Firm	Loans & advance given	3,342.19	2,152.38	1,796.25	-
		Construction Work	1,063.45	2,152.38	2,765.69	1,797.82
Avarsekar Developers	Associate Firm	Loans & advance given	188.00	496.77	1,100.00	-
Astra Concrete Products Pvt. Ltd.	Group Company	Loans & advance given	209.54	19.74	932.33	-
		Purchase of RMC	251.63	19.74	64.93	88.53
Aura Punjab Megafood Park Pvt. Ltd.	Group Company	Loans & advance given	-	2.84	0.25	2.84
Krish Interiors Developers	Associate Firm	S. Creditors Contractors	-	(21.95)	-	21.95
Chomu Mahla Toll Road Pvt. Ltd.	Subsidiary Company	Purchase of Share	0.51	0.51	-	-
Unity Neelam Realcon Pvt. Ltd.	Group Company	Purchase of Share	0.35	0.35	-	-
		Expenses Paid By UIL	0.02	3.90	-	-
Unity Infrastructure Assets Ltd.	Subsidiary Company	Loans & advance given	469.00	779.57	152.50	310.03

## Related Party Disclosures (Contd.)

(Rs. in Lacs)

Name of related party	Nature of Relationship	Nature of Transaction	As at March 31, 2011		As at March 31, 2010	
			Transaction Value	Closing Balance	Transaction Value	Closing Balance
Shye Unity Impex Private Ltd.	Associate Company	Loans & advance given	-	412.53	-	412.53
		Investment in Share	-	0.50	-	-
Unity Natural Resources Pvt. Ltd.	Subsidiary Company	Expenses Paid By UIL	0.02	0.02	0.01	0.01
		Investment in Share	-	0.51	-	-
Unity Kurahashi India Pvt. Ltd.	Subsidiary Company	Expenses Paid By UIL	0.15	0.15	-	-
Unity Middle East (FZE) Sharjah Dubai (UAE)	Subsidiary Company	Loans & advance given	10.00	14.09	-	4.09
Unity Realty and Developers Ltd.	Subsidiary Company	Loans & advance given	5,457.15	11,440.27	1,048.91	19,570.17
		Investment in Share	-	980.00	-	-
Unity Telecom Infrastructure Ltd.	Subsidiary Company	Loans & advance given	375.00	-	88.21	1,216.22
		Expenses Paid By UIL	0.01	-	-	-
B W Highway Star Pvt Ltd	Associate Company	Loans & advance given	-	189.02	1.01	189.02
		Debtors	-	893.70	-	-
<b>Key Management Personnel and Relatives :</b>						
Mr. Kishore K. Avarsekar	Chairman and Managing Director	Remuneration	130.00	-	130.00	-
		Loan taken	150.00	(140.00)	-	-
		Loan return	10.00	(140.00)	1,122.21	-
		Dividend	81.63	-	73.47	-
Mr. Abhijit K. Avarsekar	Vice Chairman and Managing Director	Remuneration	78.00	-	78.00	-
		Loan return	-	-	373.01	-
		Rent	29.93	-	0.60	-
		Dividend	122.43	-	110.19	-
Mr. Ashish K. Avarsekar	Executive Director	Remuneration	52.00	-	52.00	-
		Loan return	-	-	25.00	-
		Rent	-	-	0.60	-
		Dividend	34.06	-	30.66	-
Mrs. Pushpa K. Avarsekar	Executive Director	Remuneration	65.00	-	65.00	-
		Loan return	-	-	232.50	-
		Dividend	8.83	-	7.95	-
Mr. Anil G. Joshi	Director	Directors Sitting Fees	1.60	-	1.70	-
Mr. Chaitanya Joshi	Director	Directors Sitting Fees	1.20	-	0.80	-
Mr. Girish Gokhale	Director	Directors Sitting Fees	1.20	-	1.00	-
Mr. Dinesh Joshi	Director	Directors Sitting Fees	0.80	-	0.80	-

## Cash Flow Statement for the year ended 31st March, 2011

	(Rs. in Lacs)	
	2010-11	2009-10
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation, and extraordinary items	14,323.21	12,986.14
Adjustment for:		
Depreciation	1,799.35	1,747.05
(Profit)/ Loss on sale of Fixed Assets	7.68	(0.90)
Interest income	(3,915.38)	(815.47)
Dividend income	(0.75)	(13.93)
Interest expenses	7,496.59	4,907.21
<b>Operating profit before working capital changes</b>	<b>19,710.70</b>	<b>18,810.10</b>
(Increase)/Decrease in Sundry debtors	(16,881.89)	(15,138.76)
(Increase)/Decrease in Inventories	5,494.97	(1,467.05)
(Increase)/Decrease in Loans and advances	(8,895.20)	(12,177.50)
Increase/(Decrease) in Current liabilities	6,057.24	(3,037.40)
<b>Cash generated from operations</b>	<b>5,485.82</b>	<b>(13,641.61)</b>
Income tax paid	(3,292.52)	(3,935.17)
<b>Net Cash from operating activities</b>	<b>2,193.30</b>	<b>(17,576.78)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	(3,943.52)	(1,056.53)
(Increase)/Decrease in Capital WIP	(1,047.89)	(66.72)
Sale of Fixed assets	21.27	14.46
(Increase) / Decrease in Investments	3,915.38	(47.64)
Interest received	3,915.38	815.47
Dividend received	0.75	24.43
<b>Net cash from investing activities</b>	<b>(3,863.40)</b>	<b>(316.53)</b>

## Cash Flow Statement (Contd.) for the year ended 31st March, 2011

	(Rs. in Lacs)	
	2010-11	2009-10
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Share Capital	–	144.95
Increase in Securities Premium Account	–	6,901.90
Proceeds from long term & other borrowings	16,174.67	21,429.87
Interest paid	(7,496.59)	(4,907.21)
Dividend paid	(866.79)	(703.80)
<b>Net cash used in financial activities</b>	<b>7,811.29</b>	<b>22,865.71</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,141.15</b>	<b>4,972.40</b>
Cash and cash equivalents at beginning of period	16,102.02	11,129.62
Cash and cash equivalents at the end of period	22,243.17	16,102.00

### Notes:

- i) The above Cash Flow statement has been prepared under "Indirect Method" as set out in Accounting Standard -3 ' Cash Flow Statement.
- ii) Figures in Brackets Indicates outflows.
- iii) Cash and Cash equivalents at the end of period include Deposit With Banks aggregating to Rs 12,239.79 Lacs (Previous Year Rs.12,710.77 Lacs)
- iv) Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make comparable with those of current year.

As per our attached report of even date.

For **C.B.CHHAJED & CO.**

Chartered Accountants

For and on behalf of the Board

**C.B.Chhajed**  
Partner

**Kishore K.Avarekar**  
Chairman &  
Managing Director

**Abhijit K.Avarekar**  
Vice Chairman &  
Managing Director

**Pushpa K.Avarekar**  
Director

Place: Mumbai  
Date: 30 May, 2011

**Ashish K.Avarekar**  
Director

**Madhav G.Nadkarni**  
Chief Financial Officer

**Prakash Chavan**  
Company Secretary



Additional information as required under part IV to the Companies Act, 1956, Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/>	State Code	<input type="text" value="1"/> <input type="text" value="1"/>
Balance Sheet Date	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/>		
	Date                      Month                      Year		

II. Capital Raised during the year (Amount in Rs. Lacs)

Public Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Rights Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="6"/> <input type="text" value="7"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="."/> <input type="text" value="6"/> <input type="text" value="7"/>
Sources of Funds		Application of Funds	
Paid-up Capital	<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="7"/> <input type="text" value="4"/>	Net Fixed Assets	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="."/> <input type="text" value="8"/> <input type="text" value="0"/>
Reserve and Surplus	<input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="."/> <input type="text" value="5"/> <input type="text" value="0"/>	Net Current Assets	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="4"/>
Secured Loan	<input type="text" value="8"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="1"/> <input type="text" value="5"/>	Investments	<input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="1"/>
Unsecured Loan	<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>	Misc. Expenditure	<input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Deferred Tax Liability	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="8"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="6"/>		

IV. Performance of Company (Amount in Rs. Lacs)

Turnover	<input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="6"/>	Total Expenditure	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="."/> <input type="text" value="5"/> <input type="text" value="1"/>
Profit/Loss before Tax	<input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="2"/> <input type="text" value="0"/>	Profit/Loss after Tax	<input type="text" value="9"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="."/> <input type="text" value="7"/> <input type="text" value="8"/>
Earnings Per Share (Rs.)	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="7"/> <input type="text" value="3"/>	Dividend	<input type="text" value="5"/> <input type="text" value="0"/> <input <="" td="" type="text" value="%"/>

V. Generic Names of three Principal Products / Services of Company (as per monetary terms)

Product Description	Engineering and Construction
Item Code Number	Not Applicable

For and on behalf of the Board

Kishore K.Avarekar  
Chairman &  
Managing Director

Abhijit K.Avarekar  
Vice Chairman &  
Managing Director

Pushpa K.Avarekar  
Director

Ashish K.Avarekar  
Director

Madhav G.Nadkarni  
Chief Financial Officer

Prakash Chavan  
Company Secretary

## Consolidated Auditors' Report

To,  
The Board of Directors of  
UNITY INFRAPROJECTS LIMITED, Mumbai

- We have audited the attached Consolidated Balance Sheet of UNITY INFRAPROJECTS LIMITED (the Company) and its components (subsidiary, associate and joint venture companies), collectively the Group as at March 31, 2011, and the consolidated Profit and Loss Account and also the consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We did not audit the financial statement of integrated joint ventures reflecting company's shares in profit of Rs. 229.41 lacs in these financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the said audited ventures is based solely on the report of the other auditors, on which we have relied for the purposes for our examination of the consolidated financial statements.
- We report that the consolidated financial statements have been prepared by the Company's management in

accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements", Accounting Standard (AS) 27, "Financial Reporting of interests in Joint Ventures" notified under section 211(3C) of the Companies Act, 1956.

- Subject to the matter referred to in paragraph 4 above, based on the information and explanations given to us and on consideration of reports of other auditors on separate financial statements of joint ventures, we are of the opinion that the attached consolidated financial statements together with the notes thereon and attached thereto give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company as at March 31, 2011;
  - in the case of the Consolidated Profit and Loss Account, of the consolidated profit for the year ended on that date; and
  - in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For C.B.Chhajed & Co.  
Chartered Accountants  
Firm Regn No. 101796W

C. B. Chhajed  
Partner

Place: Mumbai  
Dated: - May 30, 2011

Membership No. : 9447

## Consolidated Balance Sheet As at 31st March, 2011

		(Rs. in Lacs)	
	Schedule	As at March 31, 2011	As at March 31, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1,481.75	1,481.75
Reserves and Surplus	2	63,755.23	55,137.94
		<b>65,236.98</b>	<b>56,619.69</b>
Minority Interest		0.48	0.26
<b>Loan Funds</b>			
Secured Loans	3	86,766.47	45,294.04
Unsecured Loans	4	138.39	23,369.46
		<b>86,904.86</b>	<b>68,663.50</b>
Deferred Tax Liability (Refer Note No.B (5) of schedule 14)		134.41	145.71
<b>Total</b>		<b>152,276.73</b>	<b>125,429.16</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	23,413.85	15,675.92
Less: Depreciation		7,147.05	5,428.89
Net Block		<b>16,266.80</b>	<b>10,247.03</b>
Capital Work-in-Progress		1,376.36	256.92
<b>Investments</b>	6	<b>4,529.10</b>	<b>4,590.19</b>
<b>Current Assets, Loans And Advances</b>			
Inventories		32,825.88	23,546.95
Trade Debtors		68,973.03	51,202.84
Cash and Bank balances		22,518.85	16,510.91
Loans and Advances		71,801.00	59,378.14
<b>Total A</b>		<b>196,118.76</b>	<b>150,638.84</b>
<b>Less: Current Liabilities And Provisions</b>			
Current Liabilities	8	64,379.22	38,498.81
Provisions		1,683.60	1,817.62
<b>Total B</b>		<b>66,062.82</b>	<b>40,316.43</b>
<b>Net Current Assets (A - B)</b>		<b>130,055.94</b>	<b>110,322.41</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)		48.53	12.61
<b>Total</b>		<b>152,276.73</b>	<b>125,429.16</b>
Significant Accounting Policies And Notes To Account	14		

Schedules 1 to 14 annexed hereto form part of the Balance Sheet and Profit and Loss Account.

As per our attached report of even date.

For C.B.CHHAJED & CO.

Chartered Accountants

For and on behalf of the Board

C.B.Chhajed  
Partner  
Membership No - 9447

Kishore K.Avarsekar  
Chairman &  
Managing Director

Abhijit K.Avarsekar  
Vice Chairman &  
Managing Director

Pushpa K.Avarsekar  
Director

Place: Mumbai  
Date: 30 May, 2011

Ashish K.Avarsekar  
Director

Madhav G.Nadkarni  
Chief Financial Officer

Prakash Chavan  
Company Secretary

## Consolidated Profit and Loss Account for the year ended 31st March, 2011

		(Rs. in Lacs)	
	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
<b>INCOME</b>			
Turnover		177,220.68	152,545.97
Other income	9	1,673.37	1,277.07
		<b>178,894.05</b>	<b>153,823.04</b>
<b>EXPENDITURE</b>			
Construction expenses	10	142,454.94	122,982.88
Employees remuneration and welfare expenses	11	6,381.74	5,614.88
Office and establishment expenses	12	4,102.88	4,211.51
Finance charges	13	9,429.35	6,052.13
Depreciation		1,871.08	1,785.33
		<b>164,239.99</b>	<b>140,646.73</b>
<b>Profit Before Tax</b>		<b>14,654.06</b>	<b>13,176.31</b>
Less: Fringe benefit tax			2.11
Provision for tax		5,058.07	4,481.18
Deferred Tax Liability/(Asset)		(11.30)	(13.25)
<b>Profit Before Prior Year's Tax</b>		<b>9,607.29</b>	<b>8,706.27</b>
Less : Prior Year's Tax			
Add / (Less) : Share of Firm Tax		(7.20)	(143.51)
Short provision for tax of earlier year's		9,600.09	8,562.76
Add: Appropriated towards prior year's tax from opening balance of profit & Loss A/c			
<b>Profit For The Year</b>		<b>9,600.09</b>	<b>8,562.76</b>
Less: Minority Interest			(1.01)
Balance brought forward from previous year		23,705.12	16,869.15
<b>Profit Available For Appropriation</b>		<b>33,304.20</b>	<b>25,431.91</b>
<b>Appropriations</b>			
Proposed Dividend		840.87	740.87
Corporate Dividend Tax on above		139.66	125.91
Transfer to General Reserves		968.00	860.00
Balance carried to Balance Sheet		<b>31,355.67</b>	<b>23,705.13</b>
Earning Per Share (in Rupees - Basic and Diluted)		12.96	11.56
(Refer note no. B(7) of Schedule 14)			
Significant Accounting Policies And Notes To Account	14		

Schedules 1 to 14 annexed hereto form part of the Balance Sheet and Profit and Loss Account.

As per our attached report of even date.

For C.B.CHHAJED & CO.

Chartered Accountants

For and on behalf of the Board

C.B.Chhajed  
Partner  
Membership No - 9447

Kishore K.Avarsekar  
Chairman &  
Managing Director

Abhijit K.Avarsekar  
Vice Chairman &  
Managing Director

Pushpa K.Avarsekar  
Director

Place: Mumbai  
Date: 30 May, 2011

Ashish K.Avarsekar  
Director

Madhav G.Nadkarni  
Chief Financial Officer

Prakash Chavan  
Company Secretary

## Schedules to Consolidated Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
12,50,00,000 Equity Shares of Rs. 2/- each (Previous year 2,50,00,000 equity shares of Rs.10/- each)	2,500.00	2,500.00
<b>Issued, Subscribed and Paid-up</b>		
74,087,380/- Equity shares of Rs. 2/- each, fully paid up (Previous Year 1,48,17,476/- equity shares of Rs.10/- each fully paid up)	1,481.75	1,481.75
<b>Total</b>	<b>1,481.75</b>	<b>1,481.75</b>

Note: The Company has allotted 27,68,000 fully paid equity shares of Rs.10/- each at a premium of Rs.665/- per equity share to the public, during the financial year 2006/2007.

The Company has allotted 14,49,476 fully paid equity shares of Rs.10/- each at a premium of Rs 496/- per equity share through Q.I.P., during the financial year 2009/2010.

The Company has sub-divided each Equity Share of the face value of Rs.10/- each in to 5(Five) Equity Shares of the face value of Rs. 2/- each during the financial year 2010/2011.

## Schedule 2 RESERVES AND SURPLUS

<b>Securities Premium account</b>		
Balance as per last account	28,321.56	21,419.66
Add: Received during the year	-	7,189.40
Less: Share issue expenses	-	287.50
<b>(a)</b>	<b>28,321.56</b>	<b>28,321.56</b>
<b>General Reserve</b>		
Balance as per last account	3,110.00	2,250.00
Add: Transferred from profit and loss account	968.00	860.00
<b>(b)</b>	<b>4,078.00</b>	<b>3,110.00</b>
<b>Profit and Loss account</b>		
Balance carried forward	31,355.67	23,705.13
Less : Appropriated towards prior year's tax.	-	-
<b>(c)</b>	<b>31,355.67</b>	<b>23,705.13</b>
Foreign Currency Translation Reserve	-	1.25
<b>(d)</b>	<b>-</b>	<b>1.25</b>
<b>Total (a+b+c+d)</b>	<b>63,755.23</b>	<b>55,137.94</b>

## Schedule 3 SECURED LOANS

<b>Working Capital Loan</b>	25,096.92	14,212.07
(Working Capital loans are secured by hypothecation of work-in-progress, stock, fixed deposits and book debts. State Bank of India cash credit limits further secured by mortgage of four flats of group company.)		
<b>Term Loan</b>	58,653.16	28,089.55
(Amount repayable within one year Rs.17,730.69 Lakhs (previous year Rs. 8,225.00 Lakhs) (Term loan are secured by hypothecation of existing and future fixed assets and current assets)		
<b>Vehicle and Equipment Loans</b>	3,016.39	2,992.42
(Secured against specific charge on Vehicles and Equipments.)		
<b>Total (a+b+c)</b>	<b>86,766.47</b>	<b>45,294.04</b>

## Schedules to Consolidated Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 4 UNSECURED LOANS</b>		
<b>Short Term Loan</b>		
From Directors	138.39	
<b>From Banks/ Institutions</b>		23,355.46
(Amount repayable within one year Rs. NIL (previous year Rs. 23,355.46 Lakhs))		
From Others	-	14.00
	<b>138.39</b>	<b>23,369.46</b>

## Schedule 5 FIXED ASSETS AND DEPRECIATION THEREON

Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost as at April, 2010	Additions	Deductions	Total as at March 31, 2011	Accumulated depreciation as at April 1, 2010	During the year	Deductions/ Adjustments	Total as at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Goodwill	-	986.25	-	986.25	-	-	-	-	986.25	-
Land and buildings	3.92	2,804.51	-	2,808.43	-	15.12	-	15.12	2,793.31	3.92
Plant and machineries	12,047.29	3,435.67	111.66	15,371.30	3,474.26	1,388.39	85.06	4,777.59	10,593.71	8,534.02
Furniture and fixtures	425.79	30.62	-	456.41	199.88	44.02	-	243.90	212.51	225.58
Office equipments	702.57	57.19	-	759.76	253.02	66.14	-	319.16	440.60	448.81
Computers	431.91	55.94	-	487.85	294.90	66.44	-	361.34	126.51	136.98
Software	12.23	11.92	-	24.15	0.20	3.72	-	3.92	20.23	12.03
Vehicles	2,052.21	188.57	22.70	2,218.08	1,158.94	287.25	20.17	1,426.02	792.06	885.69
Work In Progress	-	301.62	-	301.62	-	-	-	-	301.62	-
<b>Total</b>	<b>15,675.92</b>	<b>7,872.29</b>	<b>134.36</b>	<b>23,413.85</b>	<b>5,381.20</b>	<b>1,871.08</b>	<b>105.23</b>	<b>7,147.05</b>	<b>16,266.80</b>	<b>10,247.03</b>
Previous year	14,662.03	1,059.51	45.62	15,675.92	3,675.61	1,785.33	32.05	5,428.89	10,247.03	10,986.42

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010

## Schedule 6 INVESTMENTS

<b>Current Investments</b>		
<b>Trade Investments</b>		
Investment in various mutual funds (Quoted) (Market value Rs. 1,329.55 Lakhs (Previous Year Rs. 210.50 Lakhs ))	1,300.00	242.45
Shares Of UCO Bank Limited (Quoted) (1,900 Shares (previous year 1,900 equity shares) of face value of Rs.10/- each fully paid up) (Market value of shares Rs. 2.03 Lakhs (previous year Rs.1.08 Lakhs))	0.23	0.23
<b>Long Term Investments</b>		
<b>Non-Trade Investments</b>		
<b>Investment In Subsidiaries</b>		
Shares Of Chomu Mahla Toll Road Private Limited (Unquoted) (5100 (previous year NIL) shares of face value of Rs.10/- each fully paid up)	1.00	-
Shares of B W Highway Star Private Limited 24,50,980 (Previous Year - 29,41,176) Shares of Face Value of Rs.10/- Fully Paid	1,421.57	1,705.88
D.G.Malls Multiplex Private Limited 6,33,000 (Previous year - 6,33,000) Shares of face value of Rs.10/- fully paid up	458.50	458.50

## Schedules to Consolidated Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 6 INVESTMENTS (Contd.)</b>		
G.P.Concept Hotel and Mall Private Limited	117.40	117.40
1,78,200 (Previous year - 1,78,200) Shares of face value of Rs.10/- fully paid up		
Goa Tech Parks Private Limited	463.00	463.00
6,39,000 (Previous year - 6,39,000) Shares of face value of Rs.10/- fully paid up		
J.P.Shopping Mall and Hotel Private Limited	129.70	129.70
1,94,600 (Previous year - 1,94,600) Shares of face value of Rs.10/- fully paid up		
P.P.Shoppers Mall and Hotel Private Limited	177.70	177.70
2,58,800 (Previous year -25,000) Shares of face value of Rs.10/- each fully paid up		
S.B.Concept Hotel and Mall Private Limited	84.70	84.70
1,34,600 (Previous year -25,000) Shares of face value of Rs.10/- each fully paid up		
S.B. Shopping Mall and Hotel Private Limited	160.60	160.60
2,35,800 (Previous year -25,000) Shares of face value of Rs.10/- each fully paid up		
Suburban Agriculture Diary and Fisheries Private limited	-	987.15
900 (Previous Year - 900) Shares of face value of Rs.100/- Fully Paid		
Remaking Of Mumbai Unity Developers Private Limited	0.50	-
5000 (Previous Year - Nil) Shares of face value of Rs.10/- Fully Paid		
Goa Minerals	0.60	0.60
Unity Mining Enterprises	0.20	0.20
<b>Others</b>		
Shares of Abhyudaya Co-op Bank Limited	5.49	5.49
(54,945 (previous year 54,945) shares of face value of Rs.10/- each fully paid up)		
Shares of Shye Unity Impex Pvt Ltd	0.50	0.50
(5,000 (previous year 5,000 ) shares of face value of Rs.10/- each fully paid up)		
Shares Of Unity Neelam Realcon Pvt. Ltd.	0.35	
(3500 (previous year NIL) shares of face value of Rs.10/- each fully paid up)		
National Savings Certificates (Unquoted)	7.90	7.92
Capital Account with Other Companies	199.16	48.17
	<b>4,529.10</b>	<b>4,590.19</b>

**Schedule 7 CURRENT ASSETS, LOANS AND ADVANCES**

	As at March 31, 2011	As at March 31, 2010
<b>Trade Debtors</b>		
(Unsecured, considered good)		
I) Outstanding over six months	14,443.71	16,672.82
II) Others	54,529.32	34,530.02
	<b>68,973.03</b>	<b>51,202.84</b>
<b>Cash and Bank balances</b>		
Cash on hand (Including Sites)	362.39	345.85
Balance at Banks with Scheduled Bank		
– Fixed Deposits	12,274.60	12,710.77
– Current Account	9,808.38	3,453.83
Balance at Banks with Non Scheduled Bank		
– HSBC Ltd - Dhaka	70.60	
– State Bank of India - Nepal	2.88	0.46
	<b>22,518.85</b>	<b>16,510.91</b>

## Schedules to Consolidated Balance Sheet

	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
<b>Schedule 7 CURRENT ASSETS, LOANS AND ADVANCES (Contd.)</b>		
<b>Loans and Advances</b>		
(Unsecured, considered good)		
Interest Receivable - Fixed Deposits (a)	3.44	13.50
<b>Deposits</b>		
– Tender	1,942.41	1,009.11
– Land, Building and Flat	2,292.20	2,301.18
– Labour	15.14	13.51
– Utility	443.00	368.22
– Securities	445.38	1,317.30
– Others	311.45	1,255.32
	<b>(b)</b>	<b>6,264.64</b>
<b>Advances</b>		
– Against Plots / Projects	12,635.87	17,748.18
– Contractors	22,684.02	7,154.10
– Suppliers	1,957.57	3,960.67
– Staff	33.78	16.15
– Accrued NSC Interest	1.38	0.70
– Others	17,906.50	16,704.05
<b>Balance with Government Authorities</b>		
– Prepaid taxes	11,128.86	7,516.15
	<b>(c)</b>	<b>53,100.00</b>
<b>Total (a+b+c)</b>	<b>71,801.00</b>	<b>59,378.14</b>

**Schedule 8 CURRENT LIABILITIES AND PROVISIONS**

	As at March 31, 2011	As at March 31, 2010
<b>Current Liabilities</b>		
Sundry Creditors contractors	5,948.05	4,855.79
Sundry Creditors for materials	6,163.86	6,535.33
Sundry Creditors for expenses	19,637.28	17,778.25
<b>Advances</b>		
– Mobilisation Advance	8,923.16	4,341.88
– Material Advance	141.96	701.33
– Machinery Advance	34.31	130.44
– Others	15,771.83	2,562.74
Bank Balances (Refer note B(7) of Schedule 14 )	6,783.40	146.05
Security Deposits	975.37	1,447.00
	<b>(a)</b>	<b>38,498.81</b>
<b>Provisions</b>		
Proposed dividend	840.87	740.87
Corporate dividend tax	139.66	125.91
Provision for tax	703.07	950.84
(Net off Advance Taxes Rs. 4,479.84 Lakhs (previous year Rs.13,352.07 Lakhs)		
	<b>(b)</b>	<b>1,817.62</b>
<b>Total (a+b)</b>	<b>66,062.82</b>	<b>40,316.43</b>

## Schedules to Consolidated Profit and Loss Account

	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 9 OTHER INCOME		
Interest - Fixed Deposits	934.37	816.46
(Tax deducted at source Rs. 93.29 Lakhs (Previous Year Rs. 107.80 Lakhs)) –	–	
Dividend	0.80	0.77
Dividend from mutual funds	–	13.18
Interest on Bonds	–	0.01
Profit on sale of securities	–	–
Miscellaneous income	738.20	446.65
	<b>1,673.37</b>	<b>1,277.07</b>

Schedule 10 CONSTRUCTION EXPENSES		
Opening stock of stores, construction material at site and work in progress	22,420.98	17,548.33
Add:		
Purchases of materials	72,602.81	61,794.30
Sub-Contract charges	14,645.73	8,342.36
Labour charges	44,570.25	39,373.65
Project site expenses	14,129.31	11,659.14
Freight, transport and octroi expenses	4,241.79	3,648.76
Repair and Maintenance		
– Machinery	733.59	728.29
– Office Equipment	22.58	25.53
– Vehicles	48.26	54.61
– Others	66.56	28.62
Hiring charges	1,744.14	2,200.27
Less:		
Closing stock of stores, construction materials at site and work in progress	32,771.06	22,420.98
	<b>142,454.94</b>	<b>122,982.88</b>

Schedule 11 EMPLOYEES REMUNERATION AND WELFARE EXPENSES		
Salaries and allowances	5,572.71	4,942.45
Contribution to Employees Provident Fund	157.98	114.34
Contribution to Employees State Insurance Corporation	7.22	1.70
Staff welfare	425.01	352.34
Gratuity	218.82	204.05
	<b>6,381.74</b>	<b>5,614.88</b>

## Schedules to Consolidated Profit and Loss Account

	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 12 OFFICE AND ESTABLISHMENT EXPENSES		
Advertisement	38.16	50.15
Arbitration Fees	32.48	–
Auditor's remuneration	51.43	38.65
Books & Periodicals	0.11	2.26
Brokerage	1.28	0.47
Business promotion	139.26	140.34
Communication expenses	208.12	203.55
Computer & Pheripherals (Repair)	0.99	–
Donation	0.01	0.10
Electricity charges	338.29	487.91
Guest House Expenses	–	8.77
Income tax appeal filing fees	0.05	–
Interest On Mobilisation / Material Advance	130.67	139.93
Legal and professional fees	518.66	1,080.75
Liasoning Fees	114.00	–
Office expenses	116.65	103.62
Other miscellaneous expenses	555.92	414.09
Postage & Courier Charges	3.61	–
Preliminary expenses written off	3.50	0.42
Printing and stationery	125.39	116.99
Processing fees	1,255.44	994.15
Reimbursement of Pocket Expenses	1.35	–
Tender fees	148.45	64.18
Travelling and conveyance	319.06	297.06
Workmen Compensation Fund	–	68.12
	<b>4,102.88</b>	<b>4,211.51</b>

Schedule 13 FINANCE CHARGES		
Interest (Ref note B(4) of schedule 14)	8,463.19	5,118.29
Bank charges and commission	966.16	933.84
	<b>9,429.35</b>	<b>6,052.13</b>

## Notes to Consolidated Accounts

Schedules annexed to and Forming part of the Financial Statements

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A. Significant Accounting Policies:

##### 1. Basis of Accounting

The financial statements are prepared under historical cost convention, on going concern concept and in compliance with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956 (the "Act"). The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realisation in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting policies.

##### 2. Principles of Consolidation

The financial statements of the Company and its subsidiaries are consolidated on line by line basis by adding together the book value of like items of assets, liabilities, income, expenses, after eliminating intra-group transactions and any unrealized gain or losses on the balances remaining within the group in accordance with the Accounting Standard 21 on "Consolidated Financial Statements."

The financial statements of joint ventures are consolidated on the same basis by using the proportionate consolidated method laid down in Accounting Standard 27 on "Financial Reporting of Interest in Joint Venture."

Share of minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated financial statements separately.

For the purpose of consolidation, the financial statements of subsidiaries and joint ventures are drawn up to and as at 31st March, 2011.

##### 3. Fixed Assets

Fixed Assets are stated at cost, inclusive of incidental expenses related thereto and are net of Cenvat Credit less accumulated depreciation. Cost of software includes license fees and implementation/ integration expenses.

##### 4. Borrowing Costs

Borrowing costs directly attributable to the acquisition/ construction of fixed assets are apportioned to the cost of the fixed assets up to the date on which the asset is put to use/ commissioned.

##### 5. Depreciation

a) Depreciation on Fixed Assets is provided on the written-down-value method at the rates and in the manner prescribed under Schedule XIV to the Companies Act. Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/up to the date of such additions/ deletions.

b) Computer Software is amortized on the straight line method of five years

c) Assets individually costing Rs. 5000 or less are fully depreciated in the year of purchase.

##### 6. Investments

Investments are classified as current and long term investments. Current Investments are valued at lower of cost or market value. Long term Investments are stated at cost. The decline in the value of Long term investments, other than temporary is provided for.

##### 7. Inventories

Inventories of stores and construction raw materials are valued at lower of cost or net realizable value on first-in-first-out basis. Works in progress on construction contracts reflects the value of material inputs and expenses including appropriate overheads incurred on such contracts, at cost.

##### 8. Taxes on Income

a) Provision for current tax is made considering various allowances and benefits available to the Company under the provisions of Income Tax Act, 1961.

## Notes to Consolidated Accounts

### Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

b) In accordance with Accounting Standard AS-22 "Accounting for Taxes on Income", deferred tax resulting from timing differences between book and tax profits are accounted for at tax rate substantially enacted by the Balance Sheet date to the extent the timing differences are expected to be crystallized.

Deferred Tax Assets arising on account of carried forward losses and unabsorbed depreciation as per Income Tax Act, 1961 are recognised to the extent there is a virtual certainty supported by convincing evidence that such assets will be realized.

##### 9. Sales Tax / WCT / VAT:

Where the company has contractual right to claim equal amounts regarding the said liability from the clients, the same is not charged as expenditure.

Where the ultimate liability is on the Company, the same is accounted provisionally as per the information and the final adjustment for the same is done as and when the demand is raised by the concerned authorities on the Company. During the year under review, sales tax expenses include amount paid on account of assessment order during the year.

##### 10. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Profit and Loss Account. Non-monetary foreign currency items are carried at cost.

##### 11. Revenue Recognition

a) Income from Construction is recognized as determined by the Project Manager by taking into consideration actual cost incurred and profit evaluated and duly certified by the client. All other income expenditure are recognized and accounted for on an accrual basis. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined. Insurance claims are accounted for on cash basis.

b) Turnover represents Work Certified as determined by the Project Managers by taking into consideration the actual cost incurred and profit evaluated and duly certified by the client and is inclusive of service tax.

c) Dividends are accounted for when the right to receive dividend is established.

d) Income from interest on deposits, loans and interest bearing securities is recognized on time proportionate method.

e) Share of profit/loss from firms, in which the company is a partner, is accounted for in the financial year ending on (or immediately before) the date of the balance sheet.

##### 12. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

##### 13. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed.

## Notes to Consolidated Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

### 14. Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

### B. Notes to Accounts:

#### 1. Contingent Liabilities not provided for (As certified by the Management)

Particulars	(Rs. in Lacs)	
	As at March 31, 2011	As at March 31, 2010
Guarantees given by banks on behalf of the Company	55,704.01	73,095.87
Corporate Guarantees given by the Company	1,000.00	2,000.00
Claims against the Company not acknowledged as debts in respect of		
a. Income Tax matters	1,512.86	Nil
b. Sales Tax matters	Nil	Nil
c. Excise Duty matters	Nil	Nil
d. Others	Nil	Nil
Letter of Credit	1,348.69	3,992.43
<b>Total</b>	<b>59,565.56</b>	<b>79,088.30</b>

#### 2. Managerial Remuneration

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Salaries to Whole-time Directors (Including Chairman and Managing Director)	325.00	325.00
Contribution to Provident and Other Funds	Nil	Nil
Perquisites	Nil	Nil
Sitting Fees	4.80	4.30
<b>Total</b>	<b>329.80</b>	<b>329.30</b>

Note: Provisions for post-retirement benefits, which are based on actuarial valuations done on an overall company basis, are excluded above.

#### 3. Payment to Auditors

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Statutory Audit Fees	51.43	38.64
Tax Audit Fees	10.00	10.00
Profession Fees for Qualified Institutional Placement.	Nil	15.00
Certification and Other Matters	13.50	12.63
<b>Total</b>	<b>74.93</b>	<b>76.27</b>

#### 4. Interests under Finance Charges are net of Interest income amounting to Rs. 3,915.38 lacs (Previous Year Rs. 2,557.84 lacs). Tax Deducted at Source on Interest Income is Rs. 391.54 lacs (Previous Year Rs. 521.58 lacs).

## Notes to Consolidated Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

### 5. Deferred Tax Liability / (Asset)

Particulars	(Rs. in Lacs)	
	F. Y. 2010-11	F. Y. 2009-10
Depreciation as per books	1814.07	1,759.61
Depreciation as per Income Tax Act	1,781.72	1,695.99
Excess of Income Tax Depreciation over Book Depreciation	(32.34)	(63.61)
Deferred Tax / (Assets) Liability	(11.30)	(21.53)
Deferred tax assets on accounts of timing difference due to disallowance of expenses in current year	NIL	8.28
Deferred Tax Liability as per beginning of the year	145.71	158.96
Add / (Less): Other adjustments relating to sale of assets etc.	-	-
Deferred Tax Liability as at end of the year	134.41	145.71

### 6. Related Party Disclosures

Refer Annexure attached.

### 7. Bank balance under Current Liabilities represent credit balances in bank accounts as at the Balance Sheet date to book entries standing in bank reconciliation.

### 8. Operating Leases

Disclosure under Accounting Standard 19 (Leases) issued by the Institute of Chartered Accountants of India, the Company has taken various residential/ office premises (including Furniture and Fittings if any) under Lease and License agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on refundable security deposits. These payments are recognized in Profit and loss Account under Rent, Rates and Taxes.

### 9. Earnings Per Share

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Profit after Tax (Rs.)	9,603.72	8,562.76
Equity Shares outstanding during the year (Numbers)	7,40,87,380	7,40,87,380*
Basic and Diluted Earnings Per Share (Rs.)	12.96	11.56
Nominal Value per Share (Rs.)	2	2

\* Adjusted for sub division of each equity share of the face value of Rs.10/- each into 5(Five) Equity Shares of the face value of Rs. 2/- each during the financial year 2010/2011.

### 10. The interest has not been provided on Unsecured Loans received from Directors, since these are considered as interest free.

## Notes to Consolidated Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

11. The Consolidated Financial Statements consist of the financial statements of the following subsidiaries: (Rs. in Lacs)

Sr. No.	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2011	Proportion of ownership as at March 31, 2010
1	Unity Realty and Developers Limited.	India	100%	100%
2	Unity Infrastructure Assets Limited.	India	100%	100%
3	Unity Agriprojects Private Limited.	India	100%	100%
4	Aura Greenport Private Limited.	India	100%	100%
5	Unity Integrated Roads Private Limited.	India	100%	100%
6	Unity Telecom Infrastructure Limited.	India	100%	100%
7	Unity Middle East (FZE)	U.A.E.	100%	100%
8	Unity Kurahashi India Private Limited.	India	100%	100%
9	URDL Bangalore Developers Private Limited.	India	100%	100%
10	Bengal Unity Realtors Private Limited.	India	100%	100%
11	Bengal URDL Housing Projects Limited.	India	100%	100%
12	Unity Natural Resources Pvt. Ltd.	India	74%	74%
13	Unity Tourist Hospitality Pvt. Ltd.	India	88%	88%
14	Suburban Agriculture Diary and Fisheries Pvt. Limited.	India	90%	100%
15	Chomu Mahla Toll Road Pvt. Limited.	India	51%	-

12. Consolidated Financial Reporting of interests in Joint Venture Accounting Standard 27 (AS 27): (Rs. in Lacs)

Sr. No.	Joint Venture	Proportion of ownership	Company's Share as on 31 st March 2011 (Rs.)			
			Assets	Liabilities	Income	Expenses
1	Thakur Mhatre – Unity Joint Venture	30%	71.16 (65.47)	34.31 (20.65)	75.09 (59.27)	38.07 (32.68)
2	Unity- Patel Joint Venture	99%	1,975.83 (880.82)	1,742.94 (649.81)	233.67 (336.92)	231.79 (327.18)
3	Unity- Chopra Joint Venture	80%	100.98 (107.46)	55.30 (56.49)	- (1.48)	0.17 (0.80)
4	Backbone- Unity Joint Venture	50%	376.34 (390.87)	297.85 (301.44)	- (0.29)	11.06 (1.06)
5	Unity- SMC Joint Venture	40%	723.57 (687.27)	706.63 (675.36)	225.69 (309.36)	218.40 (300.81)
6	Unity- Pratibha- Consortium	30%	409.62 (474.08)	186.38 (246.85)	95.36 (739.45)	108.45 (739.45)
7	Unity- SNB- Joint Venture	70%	461.99 (1,288.02)	382.35 (1,240.25)	1,556.56 (618.30)	1,499.24 (602.39)
8	UGCC- Unity Joint Venture	70%	517.00 (596.23)	499.60 (579.77)	65.61 (159.70)	64.25 (150.74)
9	Unity- BBEL Joint Venture	60%	1,881.31 (1,409.28)	1,684.85 (1,227.08)	4,007.53 (6,811.70)	3,986.89 (6,700.92)

## Notes to Consolidated Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

12. Consolidated Financial Reporting of interests in Joint Venture Accounting Standard 27 (AS 27) (Contd.): (Rs. in Lacs)

Sr. No.	Joint Venture	Proportion of ownership	Company's Share as on 31 st March 2011 (Rs.)			
			Assets	Liabilities	Income	Expenses
10	Unity M & P WPK Consortium	100%	7,843.59 (4,030.45)	7,750.24 (4,003.92)	1,636.31 (2,345.42)	1,569.49 (2,331.19)
11	Unity Axelia Joint Venture	60%	3,383.38 (2,673.38)	3,322.43 (2,659.78)	4,308.80 (231.50)	4,228.62 (217.63)
12	NCC- SMC-Unity Joint Venture	25%	111.78 (193.78)	54.97 (137.41)	8.97 (346.42)	8.42 (336.53)
13	Unity IVRCL Joint Venture	50%	8,138.10 -	6,583.33 -	1,091.55 -	1,092.97 -
14	Axelia Unity Joint Venture	10%	- -	- -	- -	- -
15	Salcon Unity Joint Venture	40%	6.75 -	6.75 -	- -	- -
16	Unity Brahmaputra Joint Venture	19%	- -	- -	- -	- -

Note: i) All the above Joint Ventures are jointly controlled entities as per AS-27;

ii) Figures in the brackets in above table refer to that of previous year.

13. Impairment of Assets:

On a further assessment of the Impairment of Fixed Assets of the Company as at Balance Sheet date as required by Accounting Standard 28 (AS – 28): "Impairment of Assets" issued by the Institute of Chartered Accountants of India, company is of the view that no provision for impairment of Fixed Assets is required.

14. End Use of the Money raised through Qualified Institutional Placement during the Financial Year 2009-10:

Sr. No.	Particulars	Rs.
1	Money raised through Qualified Institutional Placement	7,334.35
2	Less: Share Issue Expenses	287.50
3	Balance available for Utilisation	7,046.84
4	Utilised for :	
	Capital Goods	762.12
	Working Capital	6,284.72

15. Prior year comparatives have been reclassified to confirm with the current year's presentation, wherever applicable.

As per our attached report of even date.

For C.B.CHHAJED & CO.  
Chartered Accountants

For and on behalf of the Board

C.B.Chhajed  
Partner  
Membership No - 9447

Kishore K.Avarekar  
Chairman &  
Managing Director

Abhijit K.Avarekar  
Vice Chairman &  
Managing Director

Pushpa K.Avarekar  
Director

Place: Mumbai  
Date: 30 May, 2011

Ashish K.Avarekar  
Director

Madhav G.Nadkarni  
Chief Financial Officer

Prakash Chavan  
Company Secretary



## Notes to Consolidated Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

(Rs. in Lacs)

Name of related party	Nature of Relationship	Nature of Transaction	As at March 31, 2011		As at March 31, 2010	
			Transaction Value	Closing Balance	Transaction Value	Closing Balance
<b>Associate and Group Companies:</b>						
VED PMC Ltd.	Group Company	Loans & advance given (Against debtors)	12.61	177.22	20.00	164.46
		Raw Material Purchase	285.55	(92.62)	105.06	–
		Transport Charges Paid	1.55	–	0.25	(7.54)
		Expenses Paid By UIL	0.15	177.22	–	–
		Hiring Charges Paid	2.67	(0.81)	–	–
		Labour Charges	9.43	(4.54)	6.00	0.05
Kairavi Agencies Pvt. Ltd.	Group Company	Labour Charges (Supply of Manpower)	364.52	–	–	–
		Expenses Paid By UIL	3.86	–	–	–
Avarekar and Sons Pvt Ltd.	Group Company	Expenses Paid By UIL (In Debtors)	3.07	74.83	–	–
		Construction Work	43.25	74.83	765.10	1,931.19
		Security Deposit	–	1,960.00	–	1,960.00
		Dividend	217.47	–	195.72	–
Avarekar and Kejriwal Constructions Pvt. Ltd.	Group Company	Loans & advance given	3.05	–	215.50	–
		Expenses Paid By UIL	0.05	–	0.02	543.50
Pathare Constructions and Investment Pvt. Ltd.	Group Company	Loans & advance given	328.20	(97.76)	439.04	439.04
		Construction Work	264.74	(459.72)	–	–
Krishnangi Fabrics Pvt. Ltd.	Group Company	Expenses Paid By UIL	0.07	0.22	0.03	0.15
Aishwarya Projects Pvt. Ltd.	Group Company	Expenses Paid By UIL	0.15	0.45	0.11	0.30
Unity Concepts India Pvt. Ltd.	Group Company	Expenses Paid By UIL	0.10	0.38	0.02	0.28
Unity Construction Company	Associate Firm	Loans & advance given	0.64	(1,310.53)	1.83	(311.16)
Unity Asian (W) Construction Company	Associate Firm	Loans & advance given	3,342.19	2,152.38	1,796.25	–
		Construction Work	1,063.45	2,152.38	2,765.69	1,797.82
Avarekar Developers	Associate Firm	Loans & advance given	188.00	496.77	1,100.00	–
Astra Concrete Products Pvt.Ltd	Group Company	Loans & advance given	209.54	19.74	932.33	–
		Purchase of RMC	251.63	19.74	64.93	88.53
Aura Punjab Megafood Park Pvt. Ltd	Group Company	Loans & advance given	–	2.84	0.24	194.06
Krish Interiors Developers	Associate Firm	S. Creditors Contractors	–	(21.95)	–	(21.95)
Chomu Mahla Toll Road Pvt.Ltd.	Subsidiary Company	Purchase of Share	0.51	0.51	–	–
Unity Neelam Realcon Pvt.Ltd.	Group Company	Purchase of Share	0.35	0.35	–	–
		Expenses Paid By UIL	0.02	3.90	–	–
Unity Infrastructure Assets Ltd.	Subsidiary Company	Loans & advance given	469.00	779.57	152.50	310.03
Shye Unity Impex Private Ltd.	Associate Company	Loans & advance given	–	412.53	–	412.53
		Investment in Share	–	0.50	–	–
Unity Natural Resources Pvt.Ltd.	Subsidiary Company	Expenses Paid By UIL	0.02	0.02	0.01	0.01
		Investment in Share	–	0.51	–	–

## Notes to Consolidated Accounts

Schedule 14 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (Contd.)

(Rs. in Lacs)

Name of related party	Nature of Relationship	Nature of Transaction	As at March 31, 2011		As at March 31, 2010	
			Transaction Value	Closing Balance	Transaction Value	Closing Balance
Unity Kurahashi India Pvt.Ltd.	Subsidiary Company	Expenses Paid By UIL	0.15	0.15	–	–
Unity Middle East	Subsidiary Company	Loans & advance given	10.00	14.09	–	4.09
Unity Realty and Developers Ltd.	Subsidiary Company	Loans & advance given	5,457.15	11,440.27	1,048.91	19,570.17
		Investment in Share	–	980.00	–	–
Unity Telecom Infrastructure Ltd.	Subsidiary Company	Loans & advance given	375.00	–	88.21	1,216.22
		Expenses Paid By UIL	0.01	–	–	–
B W Highway Star Pvt Ltd	Associate Company	Loans & advance given	–	189.02	1.10	189.02
		Debtors	–	893.70	–	–
<b>Key Management Personnel and Relatives :</b>						
Mr. Kishore K. Avarekar	Chairman and Managing Director	Remuneration	130.00	–	130.00	–
		Loan taken	150.00	(140.00)	–	–
		Loan return	10.00	(140.00)	1,122.21	–
		Dividend	81.63	–	73.47	–
Mr. Abhijit K. Avarekar	Vice Chairman and Managing Director	Remuneration	78.00	–	78.00	–
		Loan return	–	–	373.01	–
		Rent	29.93	–	0.60	–
		Dividend	122.43	–	110.19	–
Mr. Ashish Avarekar	Executive Director	Remuneration	52.00	–	52.00	–
		Loan return	–	–	25.00	–
		Rent	–	–	0.60	–
		Dividend	34.06	–	30.66	–
Mrs. Pushpa K. Avarekar	Executive Director	Remuneration	65.00	–	65.00	–
		Loan return	–	–	232.50	–
		Dividend	8.83	–	7.95	–
Mr. Anil G. Joshi	Director	Directors Sitting Fees	1.60	–	1.70	–
Mr. Chaitanya Joshi	Director	Directors Sitting Fees	1.20	–	0.80	–
Mr. Girish Gokhale	Director	Directors Sitting Fees	1.20	–	1.00	–
Mr. Dinesh Joshi	Director	Directors Sitting Fees	0.80	–	0.80	–

## Consolidated Cash Flow Statement for the year ended 31st March, 2011

(Rs. in Lacs)

	2010-11	2009-10	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before taxation, and extraordinary items	14,654.06	13,176.31	
Adjustment for:	-	-	
Depreciation	1,871.08	1,785.33	
(Profit)/ Loss on sale of Fixed Assets	7.68	(0.90)	
Interest income	(934.37)	(816.47)	
Dividend income	(0.80)	(13.95)	
Preliminary Expenses Written Off	(3.50)	-	
Interest expenses	8,463.18	6,052.13	
<b>Operating profit before working capital changes</b>	<b>24,057.33</b>	<b>20,182.45</b>	
(Increase)/Decrease in Sundry debtors	(17,770.18)	(13,270.75)	
(Increase)/Decrease in Inventories	(9,278.94)	(5,133.46)	
(Increase)/Decrease in Loans and advances	(13,956.30)	(5,044.70)	
Increase/(Decrease) in Current liabilities	25,880.41	(5,551.96)	
<b>Cash generated from operations</b>	<b>8,932.32</b>	<b>(8,818.42)</b>	
Income tax paid	(3,815.52)	(4,683.72)	
<b>Net Cash from operating activities</b>	<b>5,116.80</b>	<b>(13,502.14)</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed assets	(7,872.29)	(1,059.51)	
(Increase)/Decrease in Capital WIP	(1,119.44)	(104.82)	
Sale of Fixed assets	21.45	14.46	
(Increase) / Decrease in Investments	61.09	(2,092.54)	
Interest received	934.37	816.47	
Dividend received	0.80	13.95	
<b>Net cash from investing activities</b>	<b>(7,974.02)</b>	<b>(2,411.99)</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase in Share Capital	-	144.95	
Increase in Securities Premium Account	-	6,901.90	
Proceeds from long term & other borrowings	18,195.12	20,456.06	
Interest paid	(8,463.17)	(6,052.13)	
Dividend paid	(866.79)	(703.80)	
<b>Net cash used in financial activities</b>	<b>8,865.16</b>	<b>20,746.98</b>	
<b>Net increase in cash and cash equivalents</b>	<b>6,007.94</b>	<b>4,832.85</b>	
<b>Cash and cash equivalents at beginning of period</b>	<b>16,510.91</b>	<b>11,678.06</b>	
<b>Cash and cash equivalents at the end of period</b>	<b>22,518.85</b>	<b>16,510.91</b>	

**Notes:**

- The above Cash Flow statement has been prepared under "Indirect Method" as set out in Accounting Standard -3' Cash Flow Statement.
- Figures in Brackets Indicates outflows.
- Cash and Cash equivalents at the end of period include Deposit With Banks aggregating to Rs. 12274.60 Lacs (Previous Year Rs.12710.77 lacs)
- Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make comparable with those of current year.

As per our attached report of even date.

For C.B.CHHAJED &amp; CO.

Chartered Accountants

For and on behalf of the Board

C.B.Chhajed  
Partner  
Membership No - 9447

Kishore K.Avarekar  
Chairman &  
Managing Director

Abhijit K.Avarekar  
Vice Chairman &  
Managing Director

Pushpa K.Avarekar  
Director

Place: Mumbai  
Date: 30 May, 2011

Ashish K.Avarekar  
Director

Madhav G.Nadkarni  
Chief Financial Officer

Prakash Chavan  
Company Secretary

## Financial details of Subsidiaries as required by the approval under section 212 of the Companies Act, 1956

(Rs. in Lacs)

Sr. No.	Name of Subsidiary	Paid-up Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) Before Tax	Provision for Tax	Profit/(Loss) After Tax	Proposed Dividend
1.	Unity Realty And Developers Ltd.	200.00	888.86	28,696.67	28,696.67	4,008.70	115.69	9,993.17	6.83	108.86	-
2.	Unity Infrastructure Assets Ltd.	622.50	617.50	2,052.08	2,052.08	1,341.37	-	-	-	-	-
3.	Unity Middle East (FZE) Sharjah Dubai (U.A.E.)	36.67	-	52.23	52.23	-	-	(7.78)	-	(7.78)	-
4.	URDL Bangalore Developers Pvt Ltd	1.00	-	1.49	1.49	-	-	(0.39)	-	(0.39)	-
5.	Bengal Unity Realtors Pvt Ltd	1.00	-	1.38	1.38	-	-	(0.28)	-	(0.28)	-
6.	Bengal URDL Housing Projects Ltd	5.00	-	5.53	5.53	-	-	(0.30)	-	(0.30)	-
7.	Suburban Agriculture Dairy and Fisheries Pvt Ltd	1.00	-	65.03	65.03	-	0.05	-	-	(10.20)	-
8.	Unity Telecom Infrastructure Ltd	735.00	314.78	4,048.27	4,048.27	17.32	5,910.38	117.46	31.00	78.98	100.00
9.	Unity Natural Resource Pvt Limited	1.00	-	1.18	1.18	0.65	-	-	-	-	-
10.	Aura Greenport Pvt Ltd	41.00	-	68.47	68.47	-	-	-	-	-	-
11.	Unity Agriprojects Pvt Ltd	41.00	-	59.46	59.46	41.00	-	-	-	-	-
12.	Unity Integrated Roads Pvt Ltd	1.00	-	3.61	3.61	-	-	-	-	-	-
13.	Unity Tourist Hospitality Pvt Ltd	1.00	-	5.94	5.94	-	-	-	-	-	-

# Corporate Information

## Board of Director

### Chairman & Managing Director

Kishore K. Avarsekar

### Vice Chairman & Managing Director

Abhijit K. Avarsekar

### Executive Directors

Pushpa K. Avarsekar

Ashish K. Avarsekar

### Directors

Anil G. Joshi

Chaitanya Joshi

Girish Gokhale

Dinesh Joshi

## Bankers

1. State Bank of India
2. Exim Bank Limited
3. State Bank of Patiala
4. State Bank of Mysore
5. ICICI Bank Limited
6. IDBI Bank Limited
7. AXIS Bank Limited
8. Bank of Bahrain & Kuwait
9. DBS Bank Limited
10. RBS Banl N.V.
11. Standard Chartered Bank
12. ING Vysya Bank Limited
13. IndusInd Bank Limited
14. YES Bank Limited
15. UCO Bank
16. Oriental Bank of Commerce
17. Canara Bank
18. Federal Bank Limited

## Auditors

C.B. Chhajed & Co.

## Corporate Management

### Chief Financial Officer

Madhav Nadkarni

### Company Secretary

Prakash Chavan

### Chief Operating Officer - Building Vertical

Ujjwal Gupte

### Sr. Vice President - Transport Vertical

Iftekar Ahmed

### General Manager - Water Vertical

Avinash Gunde

## Registrar & Share Transfer Agents

### Link Intime India Private Limited

c/13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W), Mumbai - 400 078  
Telephone: +91 - 22 - 2596 3838  
Fax: +91 - 22 - 2594 6969  
Email: [isrl@linkintime.co.in](mailto:isrl@linkintime.co.in)

## Solicitors

Kadam & Co.

## Registered Office

1252, Pushpanjali Apartments,  
Old Prabhadevi Road, Prabhadevi, Mumbai - 400 025  
Telephone: +91 - 22 - 6666 5500  
Fax: +91 - 22 - 6666 5599  
Website: [www.unityinfra.com](http://www.unityinfra.com)

# Notes

## Unity Infraprojects Limited

1252, Pushpanjali Apartments, Old Prabhadevi Road, Prabhadevi, Mumbai- 400025

### NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Unity Infraprojects Limited will be held on Monday, 12th September, 2011 at 3.30 p.m. at Textile Committee Auditorium, Textile Committee Building P. Balu Road, Near Tata Press, Prabhadevi Chowk, Old Prabhadevi Road, Mumbai -- 400025, to transact the following businesses:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended on that date together with the Directors and Auditor's Reports thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2011.
3. To appoint a Director in place of Mrs. Pushpa K. Avarsekar who retires by rotation and being eligible offers herself for reappointment.
4. To appoint a Director in place of Mr. Dinesh Joshi who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s. C. B. Chhajed & Co. Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT M/s. C. B. Chhajed & Co., Chartered Accountants, be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and the Chairman and Managing Director or Vice Chairman and Managing Director of the Company be and is hereby authorised to fix their remuneration, plus applicable Service tax and reimbursement of out of pocket expenses incurred by them for the purpose of audit."

#### Special Business:

6. To consider and, if thought fit, to pass, the following resolution with or without modification(s), as an "Ordinary Resolution".

"RESOLVED THAT in super session to all resolutions passed in this regard and pursuant to the provisions of Section 293 (1) (d), other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of such other authority/institution as may be required, the Board of Directors of the Company be and are hereby authorised to raise or borrow, for and on behalf of Company, any sum or sums of moneys from time to time from state or central government or one or more bodies corporate or banks or financial institutions or overseas corporate bodies or foreign financial institutions or any other entity, either domestic or foreign or the public either Resident/Non-Resident by way of cash credit, advances, deposits or term loans or any other loans either in Indian currency or in foreign currency, whether unsecured or secured by mortgage, charge, hypothecation or pledge of the Company's assets and properties whether movable and/or immovable or stock-in-trade (including book debts, bills, raw materials, stores and spare parts and components in stock or in transit) and debts and advances, notwithstanding that sum or sums so borrowed, together with the sums, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of its business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, so that, the total amount upto which the moneys may be so borrowed in excess of the paid-up capital and free reserves shall not at any point of time exceed Rs. 5,000 crore (Rupees Five thousand crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board or Committee thereof or officers authorised by the Board in this regard be and are hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be

required and to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages /charges as aforesaid.”

7. To consider and, if thought fit, to pass, the following resolution with or without modification(s), as an “Ordinary Resolution”

“RESOLVED THAT in super cession to all resolutions passed in this regard, the consent of the Company be and is hereby accorded to the Board of Directors of the Company pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approval(s), if any, as may be required from such other authority/ institution, to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company in such form and in such a manner and with such ranking and at such times and on such terms as the Board may determine, on all or any of the moveable/immovable properties wherever situated both present or future and /or whole or any part of undertaking(s) of the Company in favour of any persons, banks and /or financial institutions for securing the borrowing of the Company availed / to be availed by way of loan(s), in foreign currency and/or rupee currency and /or by way of debt instruments issued /to be issued by the Company from time to time together with interest at the respective agreed rate, additional interest /compound interest if any, and all other costs, charges and expenses as may be payable by the

Company in terms of Loan Agreement(s) or any other documents entered into /to be entered into between the Company and the Lenders in respect of said loans /borrowings agreed between the Board of Directors or Committee thereof and Lenders such that at any point of time the amount borrowed together with amount already borrowed shall not exceed Rs. 5,000 crore (Rupees Five thousand crore only).

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board or Committee thereof or officers authorised by the Board in this regard be and are hereby authorised to finalise, settle and execute such documents /deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages/charges as aforesaid.”

By Order of the Board of Directors

**Prakash Chavan**  
Company Secretary

Registered office:  
1252, Pushpanjali,  
Old Prabhadevi Road,  
Prabhadevi, Mumbai - 400025.

Place: Mumbai  
Date: 30th May, 2011

**NOTES:**

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING AND IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send

a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The Register of Members and Share Transfer Books will be closed from Monday, 5th September, 2011 to Monday, 12th September, 2011 (both days inclusive).
4. If the dividend on shares, as recommended by the Board of Directors, is declared at the meeting, the payment thereof will be made:
  - (i) To those members whose names appear on the Register of Members after giving effect to all valid shares transfer

in physical form lodged with the Company's Registrar and Share Transfer Agent (R & TA) M/s Link Intime India private Limited (Formerly known as Intime Spectrum Registry Limited) as on 12th September, 2011.

- (ii) In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as on 12th September, 2011 in case of shares held in demat form.

5. Members are requested to notify immediately any change in their address:

- (a) To their Depository Participant (DPs) in respect of their electronic shares account, and
- (b) To the Company at its Registered Office address or Link Intime (India) Private Limited, the Registrar and Transfer Agent of the Company at C-13, Pannalal Silk Mills, Compound, LBS Marg, Bhandup ( West ), Mumbai-400078, India Te: +91 22 2596 3838, Fax: +91 22 2594 6969, in respect of their physical shares, if any, quoting their folio nos.

6. Members are advised to submit their Electronic Clearing Service (ECS) mandates to the Company's R&TA at their aforesaid address to facilitate remittance by means of ECS.

7. Members are requested to bring their copy of the Annual Report to the Meeting and produce the Attendance Slip at the entrance where the Annual General Meeting will be held.

8. Members may avail themselves of the facility of nomination in terms of Section 109A of the Companies Act, 1956, by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's R & TA at the aforesaid address.

9. **Reappointment of Directors:**  
At the forthcoming Annual General Meeting Mrs. Pushpa K. Avarsekar and Mr. Dinesh Joshi, retire by rotation and being eligible offer themselves for reappointment. The information /details pertaining to the above two Directors

that is to be provided in terms of Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges are furnished in the Statement of Corporate Governance published elsewhere in this Annual Report.

10. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to send their queries in writing so as to reach to the Company at least 10 days before the date of the meeting, to enable the Company to keep the information ready.

11. The Ministry of Corporate Affairs, vide General Circular No.2/1011 dated 8th February, 2011 have granted exemption to companies under section 212 of the Companies Act, 1956. The Board of Directors at its meeting held on 30th May, 2011 has passed a resolution in that regard. Accordingly, the Company shall publish the Consolidated Financial Statements and summary of financial details of subsidiaries in the Annual Report of the Company. Any shareholder interested in the financial statements of subsidiary companies may visit with prior appointment to inspect the same at the registered office of the Company between 11. 00 A.M. and 5.00 P.M. on all working days except Saturdays.

12. Members are requested to note that 1,365 shares are held by the Company in the suspense account in respect of IPO dropped cases, the Company would transfer the shares from the suspense Account to the rightful owners as and when they approach the Company after proper verification of the identity of the allottee in the maiden IPO of the Company in the year 2006.

By Order of the Board of Directors

**Prakash Chavan**  
Company Secretary

Registered office:  
1252, Pushpanjali,  
Old Prabhadevi Road,  
Prabhadevi, Mumbai - 400025.

Place: Mumbai  
Date: 30th May, 2011

## EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

### SETTING OUT ALL THE MATERIAL FACTS AND THE REASONS NECESSITATING THE RESOLUTIONS

#### Item No. 6

Pursuant to Section 293(1) (d) of the Companies Act, 1956 the Board of Directors of the Company cannot, except with the permission of the members in General Meeting, borrow money (apart from temporary loan taken from the bankers of the Company) in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company, necessitates enhancement of the borrowing limits by authorising the Board of Directors to borrow money which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding an aggregate of Rs. 5,000 crore (Rupees Five thousand crore only).

None of the Director of the Company is, in any way, concerned or interested in the proposed Ordinary Resolution.

Your Directors recommend this Ordinary resolution set out in the Notice for your approval.

#### Item No. 7

Keeping in view, the diversified business interests of the Company in the infrastructure sector posing the huge requirement of funds the Company may be required to borrow huge amounts and it would be necessary for the Company to create a security or charge on the assets of the Company for the purposes of the borrowings. The mortgage and /or charge by

the Company of its movable and /or immovable properties and /or the whole or any part of the undertaking (s) of the Company in favour of the Lender(s) may be regarded as disposal of the Company's undertaking (s) within the meaning of Section 293(1)(a) of the Companies Act, 1956. Therefore out of abundant caution it is considered necessary for the Members to authorise the Board to create mortgage/charge on Company's assets in the manner proposed in the resolution to secure funds borrowed by the Company from time to time not exceeding an aggregate of Rs. 5,000 crore (Rupees Five thousand crore only).

Your Directors recommend the resolution as set out in the Notice for your approval.

None of the Director of the Company is, in any way, concerned or interested in the proposed Ordinary resolution.

By Order of the Board of Directors

**Prakash Chavan**  
Company Secretary

Registered office:  
1252, Pushpanjali,  
Old Prabhadevi Road,  
Prabhadevi, Mumbai - 400025.

Place: Mumbai  
Date: 30th May, 2011

## Unity Infraprojects Limited

Regd. Office: 1252, Pushpanjali, Old Prabhadevi Road, Prabhadevi, Mumbai - 400025

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain an additional Slip at the venue of the meeting

Full Name of the Member attending (IN BLOCK LETTERS) : \_\_\_\_\_

Full Name of the Proxy (IN BLOCK LETTERS) : \_\_\_\_\_

(To be filled in if Proxy attends instead of the Member)

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Old Prabhadevi Road, Mumbai-400025 on Monday, 12th September, 2011, at 3.30p.m

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011. Ledger Folio No. \_\_\_\_\_

DP ID\* \_\_\_\_\_ CLIENTID\* \_\_\_\_\_

No. of shares held \_\_\_\_\_

(To be signed at the time of handing over this slip)

\* Applicable for members holding shares in electronic form

Member's / Proxy's Signature

## Unity Infraprojects Limited

Regd. Office: 1252, Pushpanjali, Old Prabhadevi Road, Prabhadevi, Mumbai - 400025

### PROXY FORM

I/We \_\_\_\_\_ being a member of Unity

Infraprojects Limited, hereby appoint \_\_\_\_\_ of

\_\_\_\_\_ or failing him / her \_\_\_\_\_

as my/our proxy to attend and vote for me on my behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at Textile Committee Auditorium, Textile Committee Building, P. Balu Road, Near Tata Press, Prabhadevi Chowk, Old Prabhadevi Road, Mumbai-400025 on Monday, 12th September, 2011, at 3.30p.m..and at any adjournment thereof.

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution	For	Against
1. Adoption of Accounts, Report of the Board of Directors and Auditor		
2. Declaration of Dividend on Equity Shares		
3. Re-appointment of Mrs. Pushpa K. Avarsekar, Director retiring by rotation		
4. Re-appointment of Mr. Dinesh Joshi, Director retiring by rotation		
5. Appointment of Auditors		
6. Authority to Board to Borrow up to Rs. 5000 Crore		
7. Authority to Board to create charge on the assets of the Company upto Rs. 5000 Crore		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011. Ledger Folio No. \_\_\_\_\_

DP ID\* \_\_\_\_\_ CLIENTID\* \_\_\_\_\_

No. of shares held \_\_\_\_\_

\* Applicable for members holding shares in electronic form

Affix  
Revenue  
Stamp  
Rs. 1/-

(Signature across the stamp)

**Note:** This proxy form duly completed must be deposited at the Company's Registered Office at least 48 hours before the meeting.

“

Small opportunities are often the  
beginning of great enterprises.

Demosthenes

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