January 10, 2013

Unity Infraprojects

Cruising on order inflow

Unity Infraprojects (UIP) is one of the fastest growing mid-cap company in the infrastructure space with focus on civil construction segment (residential, commercial and industrial structure portfolio) and infrastructure projects in irrigation & water and transportation segments. The company has a healthy order book of ₹4,495cr as of 2QFY2013. Given the strong bid pipeline and L1 status for projects worth ₹1,400cr, we estimate UIP to report a revenue CAGR of 11.5% over FY2012-FY2014E. Its focus on high growth buildings and water/irrigation segment provides confidence on future growth. **We initiate coverage with a Buy rating and a SOTP target price of ₹59.**

Comfortable order book-to-sales provides revenue visibility: The company's order book stands at ₹4,495cr (excluding L1 orders worth ₹1,400cr) as on 2QFY2013, thereby translating into a book-to-bill ratio of 2.2x trailing revenues. This gives a comfortable revenue visibility for the next two years given the short execution period of 24-30 months. The order book mix comprises of projects in the civil (52%), irrigation & WS (21%) and transportation (27%) segments.

Well diversified order book with pan - India presence: UIP initially started off with a presence in Maharashtra and historically remained skewed towards projects in and around Maharashtra. It has come a long way in the last decade, making its presence felt across India by diversifying into new verticals and bidding for new projects across the country. As on 30th September 2012, 59.1% of UIP's order book catered to the North, South and East regions of the country.

Foray into asset ownership model: From being a mere EPC player, UIP has forayed into asset ownership model through its wholly owned subsidiary Unity Infrastructure Assets Ltd and has bagged 3 BOT projects under its portfolio. The company has started construction activity in one of its road BOT project – the Chomu-Mahla project and is in an advanced stage of achieving financial closure for the other two projects.

Valuation & recommendation: On the back of healthy order book and growth potential, we believe the company would clock revenue CAGR of 11.5% over FY2012-2014E. The stock is currently trading at a P/E of 3.5x and 3.1x our FY2013 and FY2014 diluted earnings estimates. We have used sum-of-the-parts (SOTP) method to value the stock. We value the construction business at a P/E of 3.5x FY2014E earnings (~30% discount to larger companies under coverage) and UIP's BOT projects on a DCF basis at a CoE of 16%. **We initiate coverage on the stock with a Buy rating and target price of ₹59, indicating an upside of 27%.**

Key Financials (Standalone)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
Net Sales	1,702	1,973	2,180	2,455
% chg	*15.2*	*15.9*	*10.5*	*12.6*
Adj.Net Profit	94	104	99	111
% chg	*10.8*	*9.7*	*(4.7)*	*12.4*
EBITDA (%)	13.4	13.8	13.7	13.4
FDEPS (₹)	12.7	14.0	13.3	15.0
P/E (x)	3.6	3.3	3.5	3.1
P/BV (x)	0.5	0.5	0.4	0.4
RoE (%)	15.5	14.8	12.5	12.5
RoCE (%)	15.1	15.9	15.5	14.9
EV/Sales (x)	0.6	0.5	0.5	0.5
EV/EBITDA (x)	4.5	3.8	3.8	3.6
OB/Sales (x)	2.1	2.1	2.2	2.4
Order Inflows	1,725	2,676	2,879	3,353
% chg	*(23.7)*	*55.1*	*7.6*	*16.5*

Source: Company, Angel Research

BUY

CMP	₹46
Target Price	₹59
Investment Period	12 Months

Stock Info	
Sector	Infrastructure
Market Cap (₹ cr)	342
Net debt (₹ cr)	539
Beta	1.5
52 Week High / Low	56/34
Avg. Daily Volume	59,385
Face Value (₹)	2
BSE Sensex	19,664
Nifty	5,969
Reuters Code	UTIL.BO
Bloomberg Code	UIP@IN

Shareholding Pattern (%)	
Promoters	62.7
MF / Banks / Indian FIs	6.4
FII / NRIs / OCBs	2.4
Indian Public / Others	28.5

Abs. (%)	3m	1yr	3yr
Sensex	5.5	21.6	12.2
Uip	(5.7)	20.0	(60.7)

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Investment Arguments

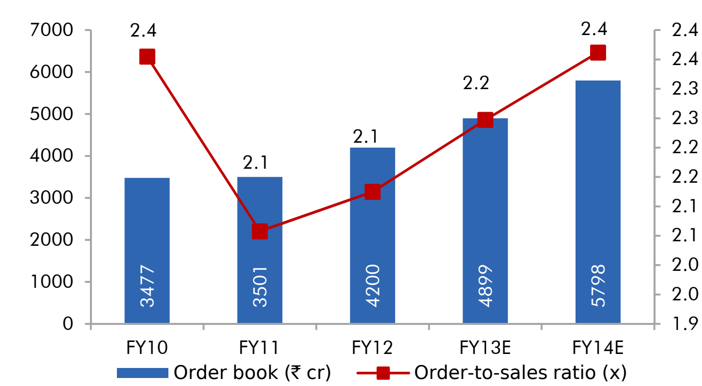
Comfortable order book-to-sales provides revenue visibility

Comfortable order book-to-sales ratio of 2.2x trailing revenues, gives comfortable visibility for the next two years' revenues given the short execution period of 24-30months.

UIP has a presence across three verticals namely-(a) civil construction (residential, commercial and industrial structure portfolio), (b) water and irrigation and (c) transportation. UIP has seen its order book swell from ₹2,410cr in FY2008 to ~₹4,200cr by FY2012 end, indicating a five-year CAGR of 15%. The company's order book currently stands at ~₹4,495cr (excluding L1 orders of ~₹1,400cr) which translate into a book-to-bill ratio of 2.2x trailing revenues. The civil construction segment contributes 52% and transportation segment contributes 27% of the total order book. Going forward, we expect the civil and transportation segments to be the growth drivers for the company.

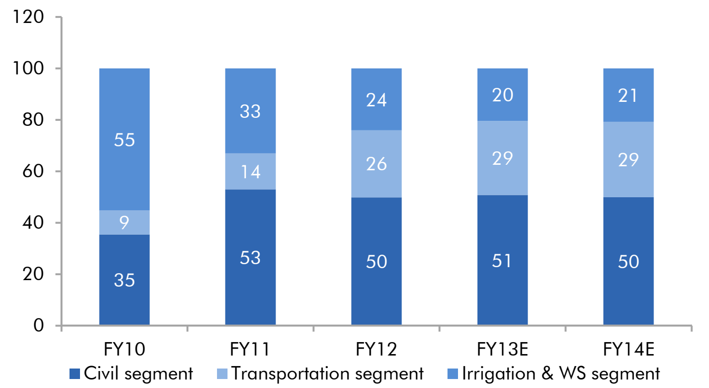
UIP has a comfortable order book-to-sales ratio of 2.2x trailing revenues, which gives comfortable visibility for the next two years' revenues given the short execution period of 24-30 months. Given the strong bid pipeline and L1 status of projects worth ₹1,400cr, we estimate the company would see order inflows of ₹2,879cr and ₹3,353cr in FY2013 and FY2014 respectively. Thus, we expect the company's order book to stand at ₹4,898cr and ₹5,798cr in FY2013 and FY2014 respectively with the civil and transportation segment contributing a major share.

Exhibit 1: Order book trend and OB-to-sales



Source: Company, Angel Research

Exhibit 2: Transportation segment gains momentum



Source: Company, Angel Research

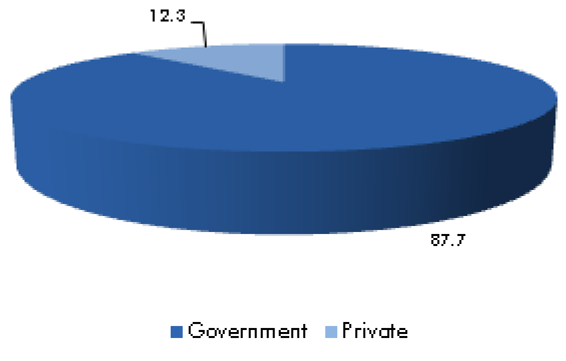
Well diversified order book with pan-India presence

As on 2QFY2013, UIP's 59.1% of order book caters to regions (North, South and East) apart from the Western region.

UIP initially started off with a presence in Maharashtra and historically remained skewed towards projects in and around Maharashtra. It has come a long way in the last decade, making its presence felt across India by diversifying into new verticals and bidding for new projects across the country. As on 30th September 2012, 59.1% of UIP's order book catered to regions (North, South and East) other than the Western region.

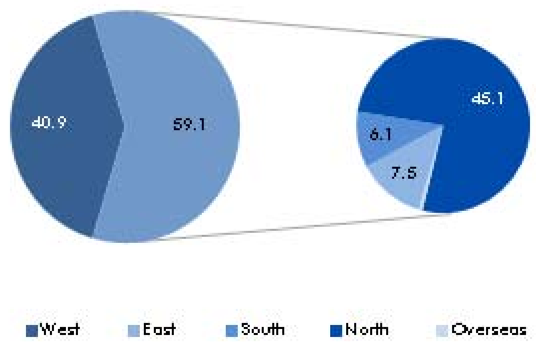
Over a period, UIP has built a strong and esteemed clientele, especially comprising government clients. Of the total order book, 87.7% comprises of government orders while private client orders account for the balance 12.3%. We believe, strong and timely execution by the company has enabled it to develop a strong relationship with its clientele which has resulted in it getting repetitive orders from both - government as well as private clients.

Exhibit 3: Order book break up - client wise



Source: Company, Angel Research

Exhibit 4: Diversified order book with pan India presence



Source: Company, Angel Research

Moving up the chain by foraying into asset ownership model through its wholly owned subsidiary Unity Infrastructure Assets Ltd. However, EPC is going to remain the prime focus for the company.

Foray into asset ownership model

From being a mere EPC player, UIP has forayed into the asset ownership model through its wholly owned subsidiary Unity Infrastructure Assets Ltd and has bagged 3 BOT projects under its portfolio. The company has started construction activity in one of its road BOT project, ie the Chomu-Mahla project and is in an advanced stage of achieving financial closure for other two projects-(a) Suratgarh-Sriganganagar BOT project and (b) Punjab/Haryana border BOT project. The company expects to achieve financial closure by 4QFY2013, post which it would start construction activity on the projects.

Exhibit 5: BOT Project details

Project	Chomu-Mahala	Punjab Haryana	Suratgarh-Sriganganagar
Type	Toll	Toll	Toll
Status	Under Dev.	FC awaited	FC awaited
km	70	68	76
State	Rajasthan	Punjab/Haryana	Rajasthan
Concession (Yrs)	25	27	11
TPC(₹ cr)	198	510	330
Equity(₹ cr)	34	153	93
Debt(₹ cr)	146	357	231
Grant(₹ cr)	18	0	5.7
Traffic growth (%)	6%	7%	6%
Toll growth (%)	5%	5%	6%
Interest Rate (%)	12.5%	12.0%	12.0%

Source: Company, Angel Research

Real estate investment to yield value in the long run

UIP made a slow and small foray into the real estate development business through its wholly owned subsidiary-Unity Realty Developers Ltd for undertaking all real estate projects. UIP has a total land bank of 40acres in Bangalore and Kolkata and also has 0.8mn sqft and 2.67mn sqft of developmental land in Goa and Nagpur respectively. UIP has sold its stake (19%) in the 400 hotel room project in Pune to Kamat Hotels for ₹46cr. Out of this amount, the company has already received ₹35cr till date; while the remaining ₹11cr is expected to be received by February 2013.

Exhibit 6: Summary of real estate projects

Projects	Area	Type	Investment in (₹ cr)
Nagpur	2.67mn sqft	Commercial	36
Goa	0.8mn sqft	Commercial	10
Kolkata	25 acres	Commercial + Residential	60
Bangalore	15 acres	Commercial + Residential	77

Source: Company, Angel Research

UIP made a slow and small foray into the real estate development business through its wholly owned subsidiary-Unity Realty Developers Ltd for undertaking all real estate projects.

After venturing into commercial real estate, the company is planning to develop residential real estate in Bangalore and Kolkata. Initially, the management plans to start construction in Bangalore and then foray into the Kolkata market. The company is planning to launch its Bangalore real estate project towards 4QFY2013 end as it is expecting to receive necessary clearances within the next two to three months. In phase-I, the company is planning to construct 0.7mn sqft of commercial cum residential space and expects the realisation from this project to be in the range of ₹3,500-4,000 per sqft.

As far as the Nagpur project is concerned, no significant progress has been made in the last six months. The company has received 3 land parcels till date and is expecting to receive the remaining land parcels within the next two to three months from Nagpur Municipal Corporation. Once the entire land parcel is available the company is expected to start construction activity.

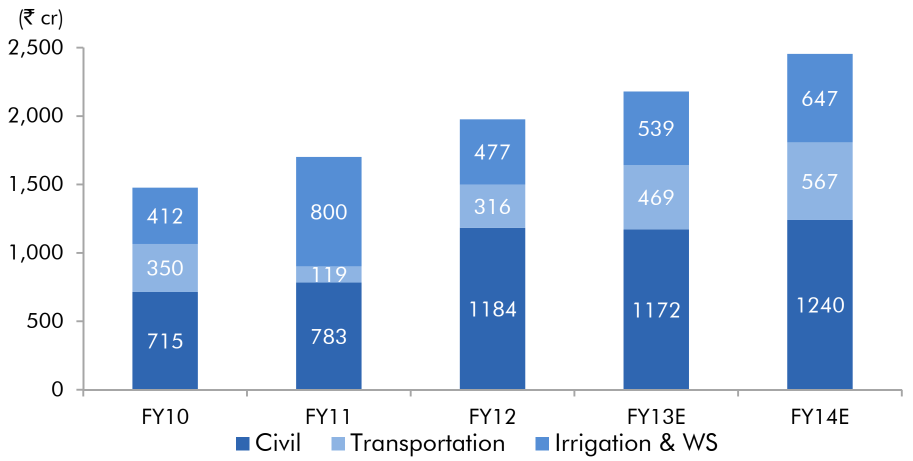
However, owing to significant delay in start of construction activity and in the absence of clarity on the exact development schedule for all four projects, we have not assigned any value to the real estate investments.

Financial analysis

Strong order book to drive revenue growth

The company's order book stood at ₹4,495cr (excluding L1 orders of ₹1,400cr) in 2QFY2013, thereby converting into order book-to-sales ratio of 2.2x trailing revenues. This provides comfortable revenue visibility over the next two to three years. Given the healthy order book, we expect revenues to clock a CAGR of 11.5% over FY2012-FY2014E. Thus, we estimate revenues to increase from ₹1,973cr in FY2012 to ₹2,455cr in FY2014. On the back of recently awarded BOT projects and shorter execution cycle we believe the civil construction and transportation segment would contribute the most to UIP's revenue growth in the medium term. However, going forward, we expect the water and irrigation segment to drive revenue growth over a long period.

Exhibit 7: Revenues to clock a CAGR of 11.5% over FY2012-2014E

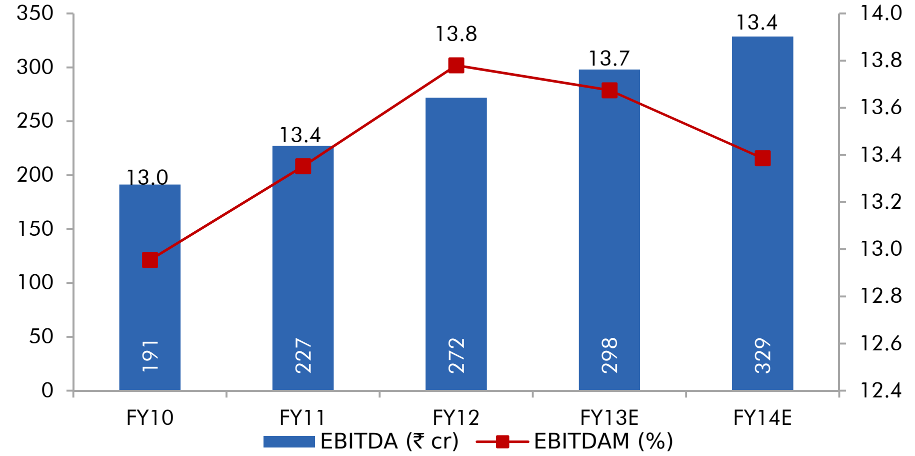


Source: Company, Angel Research

Margins to sustain at current levels

Historically UIP has enjoyed one of the highest operating margins among its peers. Going forward, on the back of its current order book mix we believe the company will sustain EBITDA margins in the range of 13-14% over the next few years. This is mainly owing to the order book mix; of the total order book, more than 70% is accounted by the civil and water segments, which enjoy relatively better margins compared to projects in the road segment. In our view, owing to a high proportion of revenue coming from the high margin accretive segments, the company would be able to deliver robust profits.

Exhibit 8: Healthy margins to continue

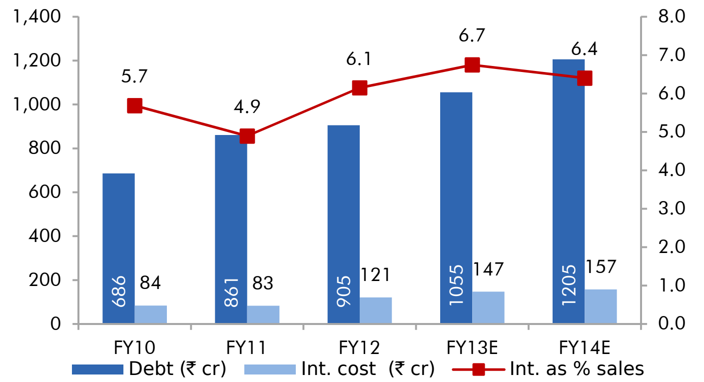


Source: Company, Angel Research

Earnings growth to be under pressure due to high interest cost

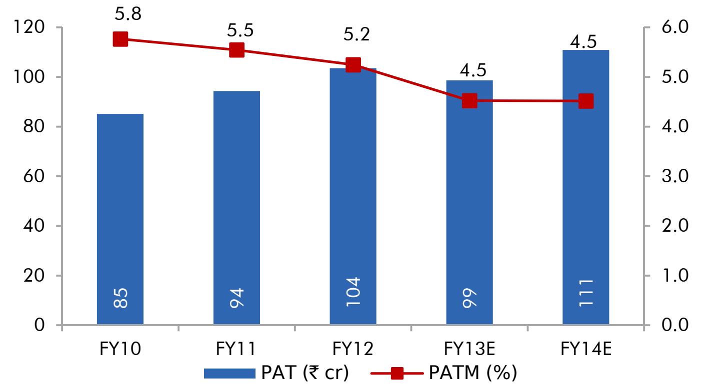
On the bottom-line front, we expect UIP to register earnings of ₹99cr and ₹111cr for FY2013 and FY2014 respectively. The lower earnings are mainly due to a higher interest expense which continues to remain a concern, with the net interest at 5.9% of net revenues. For FY2013 and FY2014 we are factoring in an interest cost of ₹147cr and ₹157cr respectively. We expect UIP's debt to bloat to ₹1,205cr in FY2014 from ₹905cr in FY2012 (owing to elongated working capital cycle).

Exhibit 9: Debt level to increase substantially over FY2012-14E



Source: Company, Angel Research

Exhibit 10: High interest cost dents PAT growth



Source: Company, Angel Research

Equity requirement to the tune of ~₹175cr

The company has a total equity requirement to the tune of ₹225cr for its three BOT projects. It has already invested ~₹50cr-60cr in under-development BOT portfolio till 1HFY2013 and would require an incremental equity investment of ~₹175cr over the next two to three years. According to the management, the company is looking to dilute 14% stake in its wholly owned subsidiary Unity Infrastructure Assets Ltd and is in an advanced stage of negotiation with some PE investors for raising ₹175cr. We believe this would help the company fund its equity requirements.

Peer comparison

UIP is a dominant player with more than a decade of experience in civil construction and infrastructure development space and has a unique business model. Therefore identical comparison with other players in this segment is not possible. However, we have considered other companies that are present in the construction business and bid for similar projects. From the table below, it can be referred that UIP has decent return ratios and enjoys higher margins as compared to other companies.

Exhibit 11: Relative valuation table

	Mcap	P/E		P/BV		P/Sales		EV/EBITDA		EV/Sales		EBITDA Margin (%)		PAT Margin (%)		RoE (%)
	(₹ cr)	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY14E
Simplex Infra	1,121	9.8	7.2	0.9	0.8	0.2	0.1	7.7	5.0	0.7	0.5	9.1	9.1	1.7	1.9	11.2
Unity Infra	**342**	**3.5**	**3.1**	**0.4**	**0.4**	**0.2**	**0.1**	**5.5**	**3.6**	**0.7**	**0.5**	**13.7**	**13.4**	**4.5**	**4.5**	**12.5**
J. Kumar Infra	640	8.0	6.5	1.2	1.0	0.6	0.5	4.1	3.4	0.6	0.5	15.4	15.4	6.8	6.9	17.1
JMC Projects	301	12.4	9.9	0.7	0.7	0.1	0.1	5.0	4.0	0.3	0.2	5.2	6.1	1.0	1.2	6.7
Pratibha Ind	556	5.8	4.3	0.9	0.7	0.3	0.2	4.9	4.2	0.7	0.6	13.7	13.7	4.6	4.8	18.4

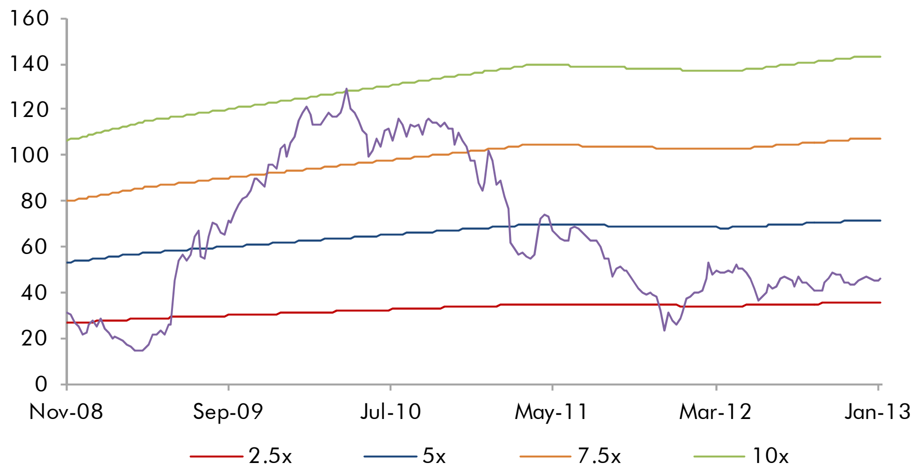
*Source: Company, Angel Research Note: *Figures are Bloomberg estimates; CMP is as on 10th January 2013.*

Valuation and Outlook

On the back of a healthy order book and growth potential, we expect the company to clock a revenue CAGR of 11.5% over FY2012-2014. Going forward, we believe the company would sustain EBITDA margins in the range of 13-14% over the next few years, based on the current order book mix. Due to this, we expect the diluted earnings per share to improve from ₹14 in FY2012 to ₹15 in FY2014, indicating a CAGR of 3.5%.

The stock is currently trading at a P/E of 3.5x and 3.1x our FY2013 and FY2014 diluted earnings estimates. We have used SOTP method to value the stock. We value the construction business at a P/E of 3.5x FY2014 earnings estimate (~30% discount to larger companies under coverage) and UIP's BOT projects on a DCF basis at a CoE of 16%. However, we have not assigned any value to the real estate investments owing to significant delay in start of construction activity and in the absence of clarity on the exact development schedule for all (four) of its projects. **We initiate coverage on the stock with a Buy rating and target price of ₹59, indicating an upside of 27%.**

Exhibit 12: P/E Band



Source: Company, Angel Research

Exhibit 13: Angel EPS forecast vs consensus

	Angel forecast	Bloomberg consensus	*Variation (%)*
FY2013E	13.3	12.7	*4.8*
FY2014E	15.0	15.0	*(0.1)*

Source: Company, Angel Research

Concerns

Execution risk

Any delay in under construction BOT projects would adversely impact our NPV valuations.

Execution risk could be for various reasons such as delay in land acquisition by NHAI/state and thus the delay in providing Right of Way, and delay in clearances from authorities such as environment, forest and railways etc in the road sector. Such delay has a greater impact in a BOT project as compared to an EPC project. Hence, any delay in under construction BOT projects would adversely impact our NPV valuations.

Slowdown in award of new projects

Order inflow acts as a catalyst for EPC arm; any slowdown in awarding of projects would negatively impact the company's performance.

The company's order book mainly comprises of orders from the Western (40.9%) and Northern (45.1%) regions. Therefore, any slowdown in award of projects from the government or/and private client would negatively impact the company's performance.

Interest rate risks

Any hike in the interest rates could increase its interest costs.

The inherent nature of the EPC business requires high working capital cycle. As on 2QFY2013, the company has a high interest expense at 9.8% of revenues. Going forward, any hike in the interest rates could increase the company's interest costs and affect its earnings growth.

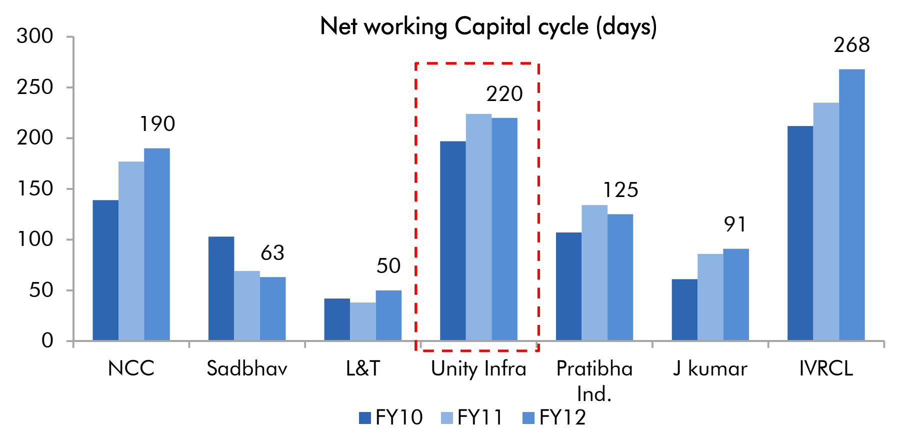
Commodity risks

All EPC players are facing pressures from the recent price inflation in commodities such as aggregates, cement, sand, bitumen and steel, which directly affect margins. However, the company has mitigated risk as most of the company's order book has a price escalation clause.

High working capital cycle

Most infrastructure companies are witnessing high working capital cycles, high interest rates and stretched balance sheets. However, as compared to its peers, UIP has an even higher net working capital cycle (220 days in FY2012). This is mainly due to high government orders which make for 87.7% of the total order book.

Exhibit 14: High working capital cycle

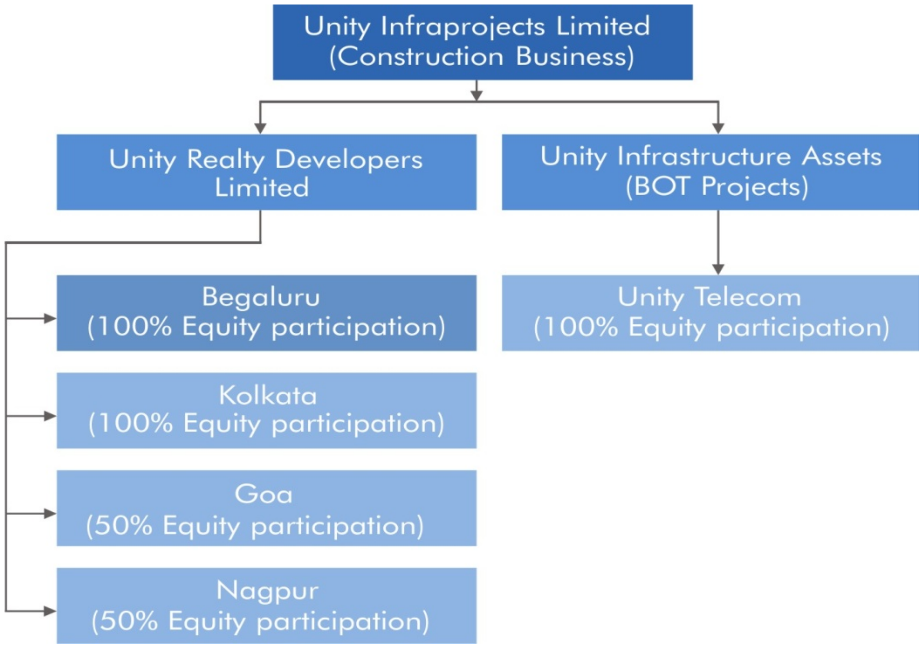


Source: Company, Angel Research

Company background

Unity Infraprojects Ltd (UIP) is a mid-size engineering and construction company with focus on civil construction and infrastructure development in India. The company is the flagship unit of the Mumbai based KK Group of Companies. The company is focused in areas, such as civil construction and infrastructure development projects. The company has three subsidiaries, namely Unity Realty and Developers Ltd, Unity Infrastructure Assets Ltd and Unity Telecom Ltd. UIP was incorporated as Unity Builders Ltd on April 9, 1997. The company changed its name to Unity Infraprojects Ltd on January 14, 2000. The company has gained credibility owing to its quick turnaround time, in-time and within-cost deliveries, organizational strength and financial stability and above all, international standards.

Exhibit 15: Company Structure



Source: Company, Angel Research

Annexure - I

Exhibit 16: Key projects under execution as on November 2012

Particulars	(₹ cr)
Civil Construction segment	
Redevelopment of Lady Hardinge Hospital, New Delhi	414
Director General of the Married Accommodation Project, Delhi	299
Redevelopment of R.N. Cooper Hospital at Vile Parle, Mumbai	265
Shantigram Township, Ahmedabad	184
Construction of Assam Hills Medical College & Research Institute, Assam	157
Prison Complex i/c housing at Mandoli, New Delhi	154
Township Project for Rail Coach Factory, Raebareli, Uttar Pradesh	145
Construction of Chemical Laboratory Building, Delhi University, Delhi	122
Construction of NIFT Campus at Kharghar, Navi Mumbai	103
Construction of Indian High Commission Complex, Dhaka, Bangladesh	100
Township for DAE – Anushakti Nagar, Mumbai	97
Transportation segment	
Construction of 4 –laning of Punjab/ Haryana Border - Jind Section of NH- 71 (DBFOT)	510
Widening & up gradation Mardha Village to Antela Village in Rajasthan	340
Construction of Suratgarh- Sriganganagar Section of NH-15 (DBFOT)	310
Chomu Mahla Road Project (DBFOT)	198
Irrigation & Water Supply segment	
Supply, Installation & Maintenance of AMR Water meters - Mumbai	633
Construction of long tunnel from Kapurbawadi to Bhandup Complex, Mumbai	573
Replacement of existing riveted Tansa Mains from Tansa to Tarali – Thane District	325
Diversion of Water Mains by Micro-tunneling in Eastern & Western Suburbs, Mumbai	88

Source: Company, Angel Research

Profit and Loss (Standalone)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Net Sales	1,131	1,477	1,702	1,973	2,180	2,455
Other operating income	-	-	-	-	-	-
Total operating income	1,131	1,477	1,702	1,973	2,180	2,455
% chg	*33.1*	*30.6*	*15.2*	*15.9*	*10.5*	*12.6*
Total Expenditure	988	1,285	1,474	1,701	1,882	2,126
R.M. consumed	473	581	825	964	1,003	1,127
Construction expenses	445	613	505	575	693	781
Employee expenses	43	53	59	61	77	96
SG&A	26	38	85	101	109	123
EBITDA	143	191	227	272	298	329
% chg	*34.4*	*34.0*	*18.8*	*19.7*	*9.7*	*10.2*
(% of Net Sales)	*12.6*	*13.0*	*13.4*	*13.8*	*13.7*	*13.4*
Depreciation & Amortisation	16	17	18	20	23	28
EBIT	127	174	209	252	275	301
% chg	*28.3*	*37.0*	*20.3*	*20.4*	*9.1*	*9.4*
(% of Net Sales)	*11.2*	*11.8*	*12.3*	*12.8*	*12.6*	*12.2*
Interest & other Charges	58	84	83	121	147	157
Other Income	35	40	17	20	20	22
(% of PBT)	34.0	30.8	12.1	13.3	13.3	13.4
Share in profit of Asso.	-	-	-	-	-	-
Recurring PBT	104	130	143	150	147	165
% chg	*14.1*	*25.0*	*10.3*	*5.0*	*(2.2)*	*12.4*
Extraordinary Expense/(Inc.)	-	-	-	-	-	-
PBT (reported)	104	130	143	150	147	165
Tax	34.3	44.7	48.9	46.9	48.6	54.6
(% of PBT)	*33.0*	*34.4*	*34.1*	*31.2*	*33.0*	*33.0*
PAT (reported)	70	85	94	104	99	111
Add: Share of earnings of asso	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
Prior period items	-	-	-	-	-	-
PAT after MI (reported)	70	85	94	104	99	111
ADJ. PAT	70	85	94	104	99	111
% chg	*16.0*	*22.2*	*10.8*	*9.7*	*(4.7)*	*12.4*
(% of Net Sales)	*6.2*	*5.8*	*5.5*	*5.2*	*4.5*	*4.5*
Basic EPS (₹)	9.4	11.5	12.7	14.0	13.3	15.0
Fully Diluted EPS (₹)	9.4	11.5	12.7	14.0	13.3	15.0
% chg	*16.0*	*22.2*	*10.8*	*9.7*	*(4.7)*	*12.4*

Balance Sheet (Standalone)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
SOURCES OF FUNDS						
Equity Share Capital	13	15	15	15	15	15
Share App Money - warrants	-	-	-	-	-	-
Reserves & Surplus	405	550	636	731	820	921
Shareholders Funds	**418**	**565**	**651**	**746**	**835**	**936**
Minority Interest	-	-	-	-	-	-
Total Loans	472	686	861	905	1,055	1,205
Deferred Tax Liability	2	1	1	(2)	(2)	(2)
Total Liabilities	**892**	**1,253**	**1,513**	**1,650**	**1,889**	**2,139**
APPLICATION OF FUNDS						
Gross Block	144	154	186	222	282	342
Less: Acc. Depreciation	36	53	70	90	114	142
Net Block	**107**	**100**	**116**	**132**	**168**	**200**
Capital Work-in-Progress	-	1	11	-	-	-
Goodwill	-	-	-	-	-	-
Investments	**34**	**34**	**68**	**54**	**104**	**179**
Current Assets	**1,247**	**1,465**	**1,762**	**1,956**	**2,171**	**2,379**
Inventories	110	133	78	200	232	256
Sundry Debtors	410	562	807	890	944	1,009
Cash	111	161	189	218	278	354
Loans & Advances	615	609	680	642	710	754
Other	-	-	7	7	7	7
Current liabilities	496	347	444	493	555	620
Net Current Assets	**751**	**1,118**	**1,318**	**1,463**	**1,616**	**1,760**
Mis. Exp. not written off	-	-	-	-	-	-
Total Assets	**892**	**1,253**	**1,513**	**1,650**	**1,889**	**2,139**

Cash Flow (Standalone)

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Profit before tax	104	130	143	150	147	165
Depreciation	16	17	17	20	23	28
Change in Working Capital	(210)	(317)	(172)	(117)	(92)	(68)
Less: Other income	(35)	(40)	(17)	(20)	(20)	(22)
Direct taxes paid	(34)	(45)	(49)	(47)	(49)	(55)
Cash Flow from Operations	**(160)**	**(255)**	**(78)**	**(13)**	**10**	**49**
(Inc.)/ Dec. in Fixed Assets	(66)	(11)	(43)	(25)	(60)	(60)
(Inc.)/ Dec. in Investments	10	(0)	(34)	14	(50)	(75)
Other income	35	40	17	20	20	22
Cash Flow from Investing	**(20)**	**29**	**(59)**	**9**	**(90)**	**(113)**
Issue of Equity	-	1	-	-	-	-
Inc./(Dec.) in loans	193	214	174	45	150	150
Dividend Paid (Incl. Tax)	(7)	(9)	(9)	(9)	(9)	(10)
Others	1	69	(0)	(3)	0	(0)
Cash Flow from Financing	**186**	**276**	**165**	**33**	**141**	**140**
Inc./(Dec.) in Cash	6	50	28	29	61	75
Opening Cash balances	**105**	**111**	**161**	**189**	**218**	**278**
Closing Cash balances	**111**	**161**	**189**	**218**	**278**	**354**

Key Ratios

Y/E March	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Valuation Ratio (x)						
P/E (on FDEPS)	4.9	4.0	3.6	3.3	3.5	3.1
P/CEPS	4.0	3.3	3.0	2.8	2.8	2.5
P/BV	0.8	0.6	0.5	0.5	0.4	0.4
Dividend yield (%)	1.8	2.2	2.2	2.2	2.4	2.6
EV/Sales	0.6	0.6	0.6	0.5	0.5	0.5
EV/EBITDA	4.9	4.5	4.5	3.8	3.8	3.6
EV / Total Assets	0.8	0.7	0.7	0.6	0.6	0.6
Per Share Data (₹)						
EPS (Basic)	9.4	11.5	12.7	14.0	13.3	15.0
EPS (fully diluted)	9.4	11.5	12.7	14.0	13.3	15.0
Cash EPS	11.5	13.8	15.2	16.7	16.5	18.8
DPS	0.8	1.0	1.0	1.0	1.1	1.2
Book Value	56.5	76.3	87.9	100.7	112.7	126.3
Dupont Analysis						
EBIT margin	11.2	11.8	12.3	12.8	12.6	12.2
Tax retention ratio	67.0	65.6	65.9	68.8	67.0	67.0
Asset turnover (x)	1.7	1.6	1.4	1.4	1.4	1.4
ROIC (Post-tax)	13.0	12.2	11.4	12.6	12.1	11.9
Cost of Debt (Post Tax)	10.4	9.5	7.1	9.5	10.1	9.3
Leverage (x)	0.7	0.9	1.0	1.0	0.9	0.9
Operating ROE	14.7	14.6	15.6	15.6	14.0	14.2
Returns (%)						
ROCE (Pre-tax)	16.6	16.2	15.1	15.9	15.5	14.9
Angel ROIC (Pre-tax)	19.3	18.6	17.4	18.4	18.1	17.7
ROE	18.0	17.3	15.5	14.8	12.5	12.5
Turnover ratios (x)						
Asset Turnover (Gross Block)	10.2	9.9	10.0	9.7	8.6	7.9
Inventory / Sales (days)	24	30	23	26	36	36
Receivables (days)	123	120	147	157	153	145
Payables (days)	156	120	98	100	102	101
Wcap cycle (ex-cash) (days)	173	197	224	220	216	204
Solvency ratios (x)						
Net debt to equity	0.9	0.9	1.0	0.9	0.9	0.9
Net debt to EBITDA	2.5	2.7	3.0	2.5	2.6	2.6
Interest Coverage	2.2	2.1	2.5	2.1	1.9	1.9

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DISCLAIMER

Disclosure of Interest Statement	Unity Infraprojects
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors.

Ratings (Returns):	*Buy (> 15%)*	*Accumulate (5% to 15%)*	*Neutral (-5 to 5%)*
	Reduce (-5% to -15%)	*Sell (< -15%)*	

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