

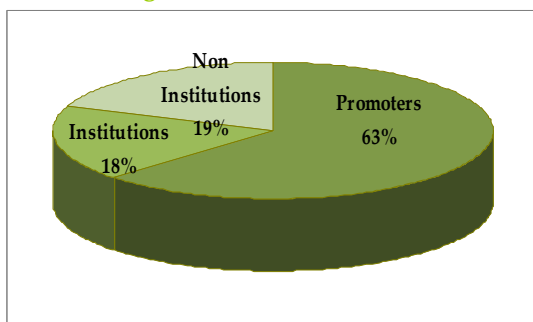
Unity Infraprojects Ltd

1 June 2011

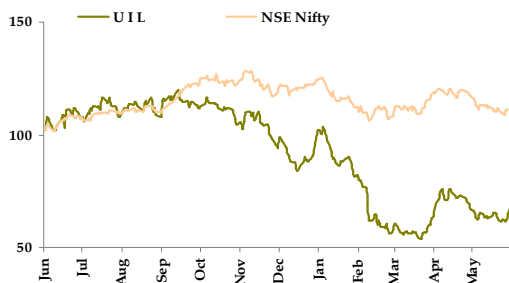
Accumulate

Industry	Constructions
CMP (INR)	69
Target (INR)	88
Upside / Downside (%)	15
52 week High/Low (INR)	123 / 53
Market Cap(INR mn)	5,086
3M Avg. Daily Vol. ('000)	145.3
P/E (FY13e)	3.9

Shareholding Pattern (%)



Stock Performance



Performance (%)

	1 Month	3 Months	1 Year
Unity	8.0%	21.4%	-33.3%
NIFTY	-0.1%	4.8%	11.9%

(INR in mn)

Particulars	Actual	Estimates
Total Income	5,703	4,095
EBIDTA	785	512
Reported PAT	307	201

* Source: Bloomberg, Unicon Research

Q4FY11 Result Highlights

Unity Infraprojects Ltd. (UIL) result for Q4FY11 came above Unicon's estimates.

While Income from operation at INR 5,703Mn grew by 15.6% YoY, its operating profit grew by 25.9% on yearly basis to INR 785Mn. Higher operating profit was outcome of judicious project selection, effective cost control and good project management. As a result, the operating profit margin improved by 113bps to 13.8% during the quarter under review.

Depreciation for Q4FY11 increased by 23% to INR 57Mn and interest charge surged to INR 301Mn, +87% YoY. Due to higher depreciation and interest charge for the quarter, net profit grew less than growth in sales and operating profit. Net profit after tax at INR 307Mn was higher by 11% on YoY basis but operating profit margin fell by 23bps to 5.4%.

Order-book and other update

In line with its peers, UIL also faces challenges in terms of a) managing its working capital cycle while keeping its funding cost low and b) get higher orders to improve its revenue visibility. UIL's current order book stands at INR 35bn. This is ~2x its FY11 revenue. For its real-estate venture, no material development has taken place during the quarter under review.

Valuation & Outlook

At the current market price, stock trades at 4x its price to earning of FY13e. Management guides for about 20-25% growth in its top-line for FY12. Accumulate for price target of INR 80/share, (4.5x its FY13e).



Unity Infraprojects Ltd

Financials

(INR in mn)

Particulars	Q4FY11	Q4FY10	YoY
Income From Operations	5,703	4,933	15.6
Operating Expenditure	4,918	4,310	14.1
EBITDA	785	623	25.9
EBITDA (%)	13.8	12.6	113 bps
Depreciation	57	46	23.0
EBIT	728	577	26.2
EBIT (%)	12.8	11.7	107 bps
Other Income	75	24	207.6
Interest	301	161	87.7
PBT	501	441	13.7
Tax	194	164	18.4
Tax (%)	39	37	4.1
PAT	307	277	11.0
PAT (%)	5.4	5.6	-23 bps

* Source: Acequity, Unicon Research

Standalone Financials



Unity Infraprojects Ltd

Unicon Investment Ranking Methodology

Rating	Buy	Accumulate	Hold	Reduce	Sell
Return Range	>= 20%	10% to 20%	-10% to 10%	-10% to -20%	<= -20%

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