

bright future



Nila Infrastructures Limited



What indicates good performance of a company?

Its vision and vigour.

Vision of promoters.

Vigour of people and policies.

All built into Nila Infrastructures.

The following pages attempt to bring out such vital signs of the company

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chairman's perspective

The economy may rise or fall. But, performance is a constant at Nila Infrastructures. It is our preoccupation with performance that has seen us rising above the industry. Posting decent growth amidst the downturn; promising higher returns in the future.

We are sure our novel infrastructure and housing projects will help build a brighter future for all our stakeholders like our shareholders, Ahmedabad Municipal Corporation, BRTS (Bus Rapid Transit System) commuters, homeowners, suppliers and employees.

Manoj B. Vadodaria
Chairman & Managing Director

about nila infrastructures

Nila Infrastructures is an Ahmedabad-based company operating broadly in the real estate and infrastructure sectors. Part of the Sambhaav Group, Nila is a public limited company incorporated on 26th February, 1990 and listed on India's premier bourse, the Bombay Stock Exchange (BSE), in the year 1995.

Astute identification of profitable business projects and more efficient work practices have seen the company's turnover shoot up by 384.3% - from Rs. 9.15 crore during 2007-08 to Rs. 44.31 crore during 2008-09, and the Profit After Tax jump by 41.4% - from Rs. 1.98 crore during 2007-08 to Rs. 2.80 crore during 2008-09.

vision

To become a key real estate and infrastructure player with excellence at its core

values

Passion | Reliability | Dedication

Passion for ideas and innovations

Reliability of processes and practices

Dedication to goals and targets

**Sound fundamentals:
Sound performance**



performance in a nutshell

financial highlights

Turnover (Rs. Lac)

2006-07	653.17
2007-08	914.61
2008-09	4430.91

Profit Before Tax (Rs. Lac)

2006-07	254.96
2007-08	319.47
2008-09	438.29

Profit After Tax (Rs. Lac)

2006-07	141.42
2007-08	197.72
2008-09	279.72

TOL / TNW Ratio

2006-07	0.78
2007-08	1.4
2008-09	0.84

Current Ratio

2006-07	2.01
2007-08	1.69
2008-09	2.85

Debt Equity Ratio

2006-07	0.004
2007-08	0.002
2008-09	0.44

performance in a nutshell

business highlights

Projects

- In the real estate space, Nila is presently developing a 325-flat residential scheme in the affordable housing category with capital value of Rs. 15-20 lac per unit
- The above scheme, christened Asmaakam, has been a runaway success with 76% of flats booked in just 65 days for the first phase of 180 flats (as at 20th Apr '09)
- In an infrastructure project awarded by Ahmedabad Municipal Corporation, Nila Infrastructures is setting up 28 BRTS (Bus Rapid Transit System) Bus Shelters
- Seeing the fast pace of progress of 28 BRTS Bus Shelters, another contract has been awarded by Ahmedabad Municipal Corporation for an additional 40 BRTS Bus Shelters, which are likely to be commissioned in 2009-10
- The company is also developing landscaping, parking, tree guard and railing project on BRTS route at Ahmedabad
- Nila Infrastructures has developed 100 Decorative Bus Shelters in Rajkot, Gujarat

Processes

- Quality system and processes at Nila Infrastructures certified with ISO 9001:2000 by UKAS Quality Management
- Enterprise-wide Integrated System, Financial Accounting System (FAS), covering Booking (of flats), Projects and Purchases being implemented in phases
- Booking module already operational and being used productively to help customers choose and book flats under the Asmaakam housing scheme



The core businesses of Nila Infrastructures are in real estate and infrastructure. Within their broad contours, the company has identified and developed specific niches. This article is an attempt to throw light on the scope and prospects for such segments, especially in the company's operational region - Gujarat.

Signs of recovery

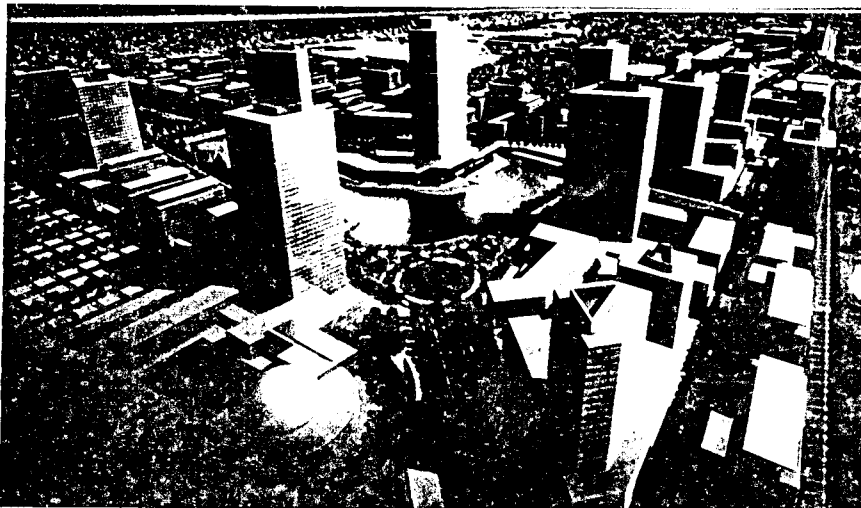
Given the worldwide slump of recent times, there could be widespread misgivings about India's growth prospects. Before surrendering to the fear and hysteria, it would be prudent to consider certain facts.

1. India has grown on an average at a sustained pace of over 9% for three consecutive years for the first time. Such a high growth does not lose steam so fast. Some estimates,⁽¹⁾ including

that of RBI and Planning Commission, peg India's growth for 2008-09 at about 6%. This is much above IMF's estimate for global growth in 2009, -1% to -0.5%⁽²⁾. In fact, India's Interim Budget for 2009-10 expects growth for 2008-09 to be of the order of 7.1%. This would make India the second fastest growing economy in the world⁽³⁾.

2. The economy seems to be on the upswing. Bellwether sectors like cement and steel, which indicate macroeconomic activity, have grown 9% and 3.8% respectively in the last quarter of 2008-09 due to increased government spending on infrastructure. Consumption of petroleum products jumped 6.9% in March '09⁽⁴⁾. If such a spurt in core sectors continues throughout the year, the country could very well post higher growths than currently projected.
3. Indian investors are more upbeat about their country, according to a survey by Dutch financial services firm, ING. India's score in the ING

Investor Dashboard Sentiment Index for the Jan-Mar '09 quarter was the highest in Asia Pacific⁽⁵⁾. As recession is a socio-psychological phenomenon, such a positive sentiment, if sustained, could put the economy on a higher growth trajectory.



Gujarat: India's growth engine

Gujarat is being seen as an 'island of growth' despite the global contraction, foreign and domestic investors flocked to the Vibrant Gujarat Global Investors' Summit held during January '09 and inked investment MoUs worth a staggering Rs. 12 Lac Crore - an amount more than double the investments drawn by the three earlier editions of the Summit⁽⁶⁾. No wonder, it is the most preferred destination for entrepreneurs nationwide, according to a perception survey titled 'Entrepreneurial India' by KPMG International and The Indus Entrepreneurs (TiE).

In fact, Gujarat is being seen as an 'island of growth.' Despite the global contraction, foreign and domestic investors flocked to the Vibrant Gujarat Global Investors' Summit held during January '09 and inked investment MoUs worth a staggering Rs. 12 Lac Crore - an amount more than double the investments drawn by the three earlier editions of the Summit⁽⁶⁾.

Real estate: long-term prospects

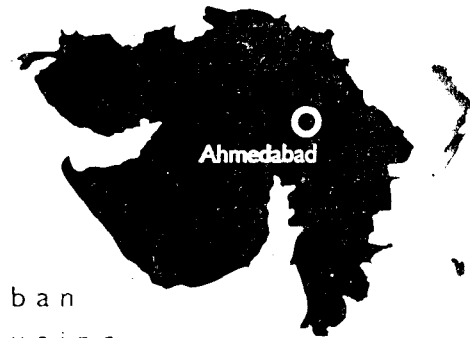
Globally, real estate investments are expected to go up substantially in 2009, according to the latest annual survey of Association of Foreign Investors in Real Estate (AFIRE), a pre-eminent global real estate organisation. The survey, conducted among foreign real estate investors in the US during the October '08 to December '08 quarter, brings out their actual and expected investments in the US and the rest of the world. Thus, it is considered an accurate barometer of global real estate trends.

India features prominently in the plans of such real estate investors. The country was ranked 5th among countries that offered the best

opportunity for capital appreciation in 2008.

Entrepreneurial India survey ranked India as the most preferred country for investment (ahead of China and USA).

Most of India's real estate action is happening in the housing segment.



Urban housing

shortage was calculated to the extent of 24.71 million units in 2007.

The total housing requirement during the 11th Five Year Plan Period (2007-12) is expected to be 26.53 million units⁽⁶⁾.

Gujarat's realty: happy reality

Gujarat's urban housing shortage in 2007 was among the highest in the country with 1.66 million units⁽⁶⁾. Add to that, greater employment resulting from big-ticket investments happening in the state, increased nuclearisation of families, much higher share of urban population (37.4%)⁽⁶⁾, more convenient home loans and government initiatives like abolition of service tax on sale of new houses - and the growth potential of Gujarat's real estate sector becomes clear.

Being a crucial hub of Gujarat, the current

operating area for Nila Infrastructures - Ahmedabad, stands to gain a lot from the real estate developments.

Infrastructure: local cure for a global ill

Besides tax reliefs to boost the sagging economy of India, the central government embarked on accelerated spending on infrastructure. For instance, approval was accorded to 37 projects worth Rs. 70,000 crore from Aug '08 to Jan '09 alone⁽¹⁾. The logic is that besides resulting in higher employment and income figures, infrastructure spending also reinforces the 'growth pillars' of the economy, spurring higher growth in future.

Gujarat's infrastructure: in the big league

Gujarat's infrastructure emulates world standards, acting as a strong magnet for business as well as infrastructure investors. Out of the MoUs signed during the Global Investors' Summit of January '09, 47.8% of total value, i.e. Rs. 5,85,285 crore has been

committed to infrastructure and urban development⁽²⁾.

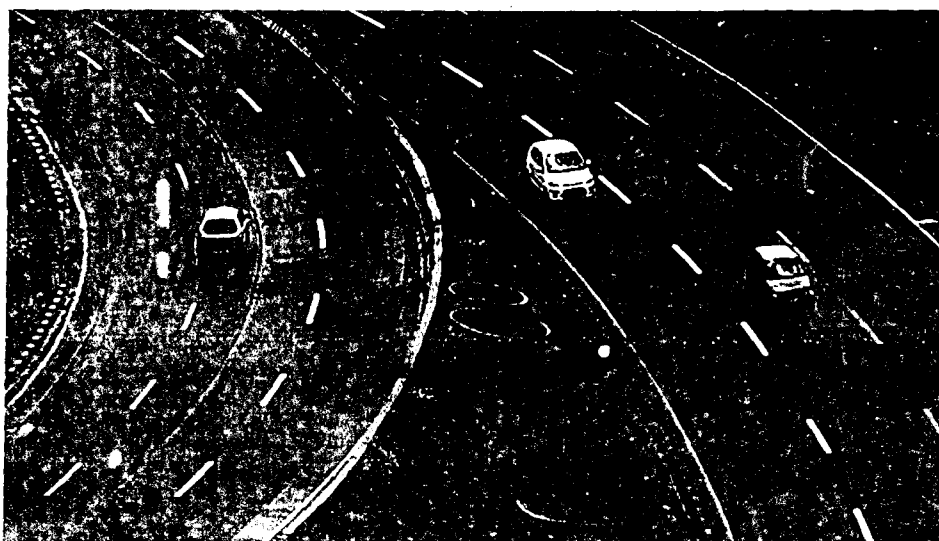
In fact, the primary business focus of Nila Infrastructures, the Urban Development sector, drew MoUs worth a total of Rs. 1,02,909 crore during the Summit⁽²⁾.

Gujarat has also been able to garner the lion's share of JNNURM (Jawaharlal Nehru National Urban Renewal Mission) projects with the country's second highest number (66) and value (Rs. 5030.84 crore) of total projects sanctioned till 13 Feb '09⁽³⁾.

Out of the above, Ahmedabad has secured 25 JNNURM projects worth Rs. 2316.37 crore. At 46% of the total value approved for Gujarat, this constitutes the biggest chunk of JNNURM projects for a city. Other cities in Gujarat securing JNNURM projects are Surat, Rajkot and Vadodara⁽³⁾.

What does all this mean for Nila Infrastructures?

Credible facts and no-nonsense projections about the real estate and infrastructure sectors in India, Gujarat and Ahmedabad city point to one thing: Nila's business segments have robust fundamentals that cannot be shaken easily: in fact, they

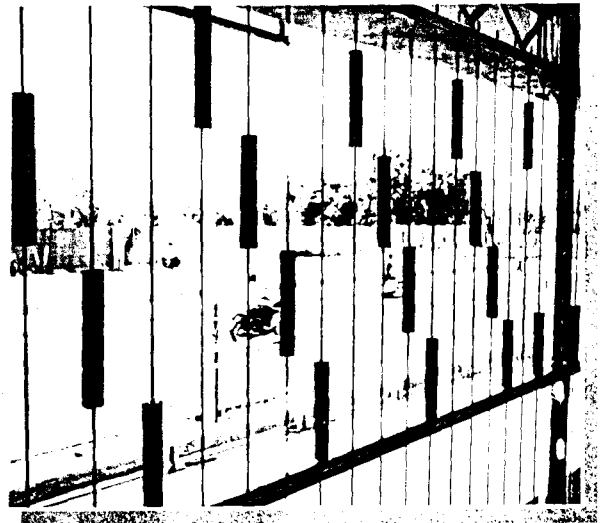


can be stirred to greater heights with only the slightest improvement in the economic situation. Plus, there is an unbeatable economic logic.

Affordable housing and urban infrastructure: the imperative

In the real estate landscape, Nila Infrastructures has set foot in the affordable housing niche. A category driven more by end-user need than investor sentiment. Such a characteristic means that the segment, being relatively immune from investor-generated fluctuations, would exhibit steady demand growth. This would go a long way towards offsetting any recessionary trend in the segment.

In the infrastructure sector, Nila is currently focussing on urban infrastructure. This is an area being aggressively pursued at present by the central and state governments as a counter-deflationary measure. Rather than slow down, government spending on urban



infrastructure will in fact increase in the face of a meltdown.

Thus, Nila Infrastructures finds itself in a happy position. Both its business niches are not only recession-proof, but also growing.

- (1) Outlook.com article dated 27 Apr '09, India Likely to Grow at 6 %; Ahluwalia and Forbes.com article dated 13 Mar '09, India's economic prospects, by Rajiv Kumar, chief executive of Indian Council for Research on International Economic Relations (ICRIER)
- (2) Speech by Dr. D Subbarao, RBI Governor, at the CII's National Conference and Annual Session 2009 on March 26, 2009 (from RBI Bulletin, Apr '09)
- (3) Union Budget Interim 2009-10 from <http://indiabudget.nic.in>
- (4) Times of India article dated 18 Apr 2009, Economy showing signs of recovery, and Business Standard article dated 17 Apr '09, Petroleum product consumption grows 6.9% in March
- (5) Economic Times article dated 17 Apr '09, Indian investors most optimistic in Asia-Pac
- (6) Ernst & Young profile on www.vibrantgujarat.com
- (7) BS Reporter article dated 17 Dec '08, Entrepreneurs prefer Gujarat most for new ventures: KPMG
- (8) Economic Times article dated 14 Jan '09, Vibrant Gujarat nets Rs 12 lakh crore
- (9) 17th Annual AFIRE Foreign Investment Survey from www.afire.org
- (10) Ministry of Housing and Urban Poverty Alleviation - GOI: Report of the Technical Group (11th Five Year Plan:2007-12) on Estimation of Housing Shortage
- (11) Times of India article dated 31 Jan '09, Service tax on sale of flats, residences to go
- (12) Summary of MoUs - www.vibrantgujarat.com
- (13) <http://jnnurm.nic.in>

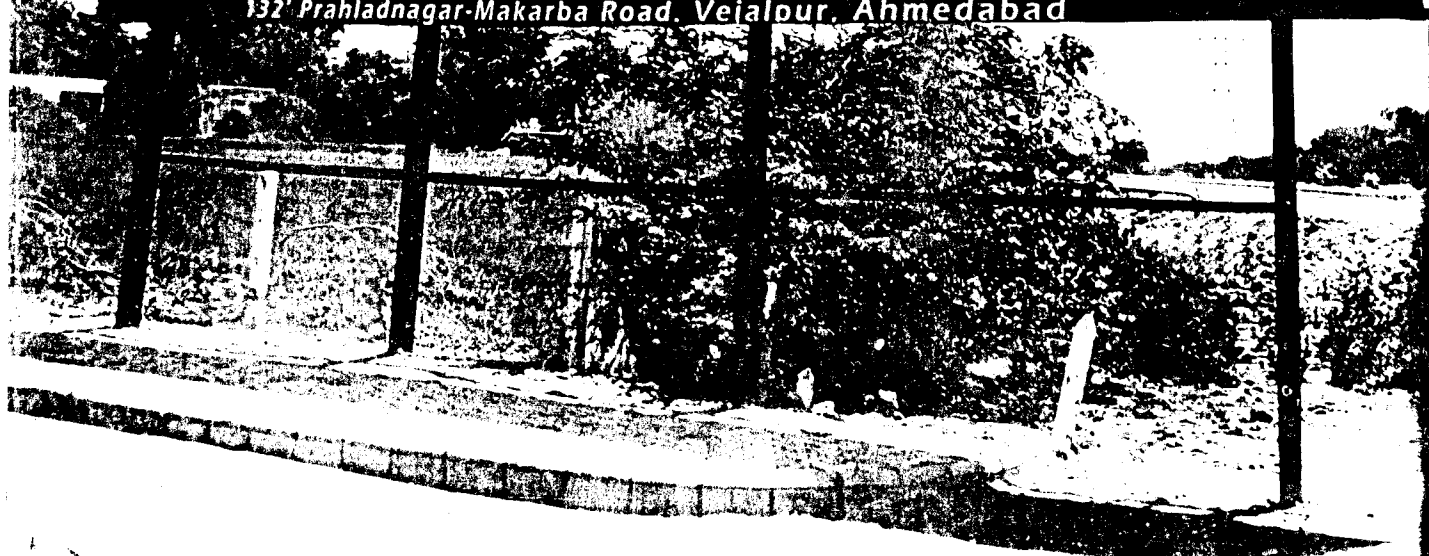




site for
great
ideas



132 Prahladnagar-Makarba Road, Vejalpur, Ahmedabad





The CEO's Desk

Dear Reader,

'Resilience' is a word I like a lot; when put into action, it works in wonderful ways.

Take the pine tree, which thrives under the harshest conditions of a cold winter. Or, take the oyster, which produces a thing of immense beauty, the pearl, out of a problem - the sand particle that gets into its body. The pine tree and the oyster symbolize resilience - the spirit of winning, against the odds; come what may.

When things are down, it is not necessary we are too. A resilient spirit will always discover the light amidst the gloom, the desire to beat the odds and the opportunity to get ahead - before everyone else.

I truly believe our company is Resilient. As well as Robust and Ready. I also believe these Three Rs are more than enough to fight the dreaded R - Recession. And I have a happy R - Results (of our company), this year as proof.

In absolute contrast to the

slackening of the economy, Nila's turnover and profit have increased up to 100% over the last 12 months. Turnover growth of 384.3% during 2008-09 was way above the CAGR of 160.38% for the three-year period from 2006-07 to 2008-09. Similarly, the PAT growth of 41.4% during 2008-09 was above the CAGR of 40.64% for the three-year period from 2006-07 to 2008-09 (from *Financial Highlights on Page 05*).

How did we pull it off? Well, in short - by recourse to the Three Rs mentioned above. In this write-up, I will dwell a little on what I mean by Resilience, Robustness and Readiness.

Resilient - the way to be more

Resilience is a spirit that I believe flows freely in our company, right from the top to the bottom of the ranks. It is the force that produces initiatives and thereby, opportunities. Let me illustrate.

Just a few months back, the real estate landscape in Ahmedabad was looking dreary. There were few takers for existing residential properties and real estate developers were shying away from starting new ones. As this was the primary asset class in which 70%-80% developers invested⁽¹⁾, it is understandable why the sector as a whole was struggling.

But, as it turns out, the flaw was not in the market; it was in the design of such schemes.

Armed with the basic premise that



Construction of Asmaakam flats in full swing

this was an underserved and value-conscious segment, we designed our 2BHK (Two-Bedroom-Hall-Kitchen) scheme, Asmaakam, with power features in every flat like ready-to-use PNG (Piped Natural Gas), DTH (Direct-To-Home), BSNL landline, internet, intercom, excellent common facilities like a special garden for the elderly and children drop-off zone.

An excellent product deserves an excellent service. Bookings were carried out through an online booking system that delivered greater choice to customers and efficiency to the company. Tie-ups with five national banks ensured convenient and comprehensive home loan services for end-users. Our marketing team was on-call and on-site to make potential

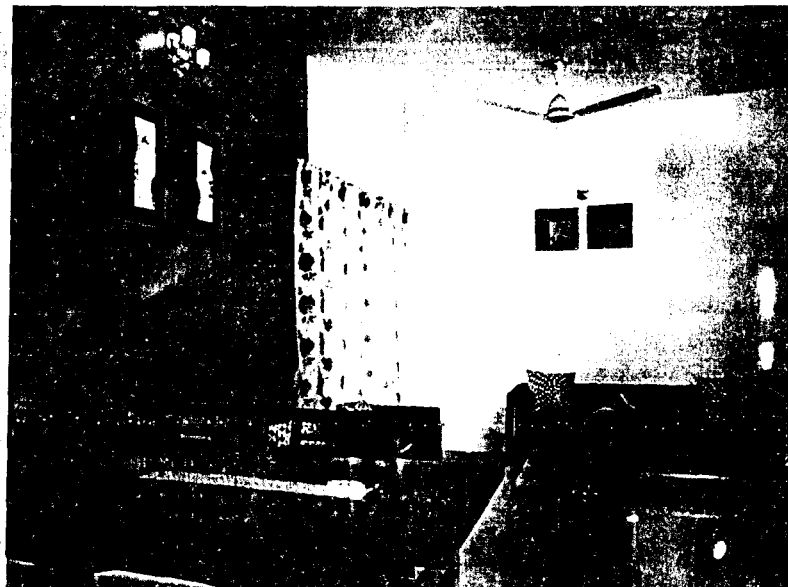
customers feel at home, take them around the sample house and resolve any query.

Since, we were targeting end-users and their housing needs, we tried to filter out investors. It is a matter of joy and pride that more than 80% of buyers were loan-seekers, and therefore, most possibly, end-users rather than investors.

Asmaakam secured 76% of booking in the 1st phase - in just 65 days of launch (as on 20th Apr '09). All achieved without even a single press advertisement; thus,

testifying to the power of an excellent product, rational pricing and word-of-mouth publicity.

In infrastructure, Nila zeroed down on urban infrastructure in Ahmedabad city. In line with this focus, the company signed an MoU for Rs. 58 crore with Gujarat Government under the Urban Development sector during Vibrant Gujarat Global



Hallway of Asmaakam sample flat

Investors' Summit 2009. In retrospect, this was a very good move. As pointed out in the write-up in the preceding pages of this annual report, 'Business segments: recession-proof,' Ahmedabad has secured an amazing 46% of JNNURM urban infrastructure projects slated for Gujarat.

Ahmedabad, Nila's focus city, makes eminent business sense in other ways too. According to leading rating agencies, CRISIL and ICRA, Ahmedabad Municipal Corporation (AMC) is among India's top ten municipal corporations in terms of 'credit-worthiness'⁽²⁾. The ratings, based on parameters like operating efficiency and financial performance, lends credence to what we have already experienced - the joy of working with an excellent civic body like AMC.

Ahmedabad is among India's top five cities with the highest Annual Household Income, according to the study, "The Next Urban Frontier: Twenty Cities To Watch", co-authored by National Council of Applied Economic Research's (NCAER) Rajesh Shukla and Future Capital Research's Roopa Purushothaman⁽³⁾. Ahmedabad is also one of the three Indian cities to make it to the list of 31 top global emerging IT destinations, according to the report 'Exploring Global Frontiers- the new Emerging Destinations,' by KPMG⁽⁴⁾. During the latest Vibrant Gujarat Global Investors' Summit of 2009, the city attracted the maximum investor interest with 305 MoUs and announcements worth Rs. 3,78,366.93 crore with employment potential of 5,09,652 people⁽⁵⁾.

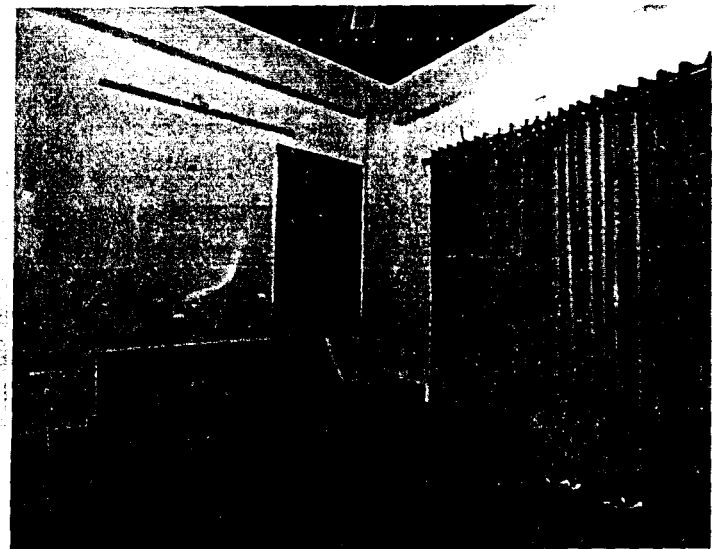
What all this boils down to is that demand for

housing and urban infrastructure projects is going to only accelerate in Ahmedabad in the near future. Of course, this puts us in the right place at the right time - definitely a lot to cheer about.

Robust - the way to do more

Robust processes and practices help us gain the fullest advantage of market opportunities. For instance, complementing the front-end marketing of Asmaakam was the robust back-end of our projects and purchases departments.

Our expertise in projects and purchases, revolving around planning, speed and value-for-money, gave us the edge in managing diverse projects like a



Bedroom of Asmaakam sample flat

residential scheme and high-end bus shelters. Project cycles and turnarounds were made shorter, leading to faster time-to-market. Purchase deals were meticulously studied from the cost, quality and delivery angles - in order to give our customers the price, quality and time advantage.



AMTS bus shelter at University Road, Ahmedabad

Our commitment to corporate governance gets reflected in our Enterprise-wide Integrated System initiative. We are deploying in a phase-wise manner a system comprising of Booking, Purchases and Projects modules. By providing an integrated common platform for knowledge exchange, the system will allow greater transparency, compliance, monitoring and accountability of processes and people. It will also enable a better dialogue with our stakeholders.

Another corporate governance initiative this year has been the inclusion of the Secretarial Audit Report in the Annual Report.

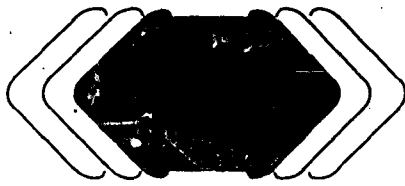
Ready - the way to get more

With healthy financials today and practical plans for tomorrow, we are ready to achieve more in the future. Our low debt-equity ratio of 0.44 places us in a position to take on more debt in the interests of large-scale and fast expansion of operations. A high current ratio of 2.85 implies that our cash-flow can support a larger volume and scope of operations (see *Financial Highlights* on Page 05).

We hope to add to our real estate portfolio 'neo asset classes' like warehouses along the Delhi-Mumbai Industrial Corridor passing through Gujarat. In infrastructure, we are in the process of acquiring the Double A Class Certificate as turnkey contractors; this would give us the leverage to bid for high-end infrastructure projects. We are aiming to raise the contribution of infrastructure from the present 30% to 70% of the total turnover mix in the future. Surely, a bright future is under construction at Nila Infrastructures.

Sushil Bhandari
CEO

- (1) FICCI-Ernst & Young Realty Pulse, qualitative survey of developers across India, released as part of FICCI-Ernst & Young Real Estate Report during Sep '08
- (2) Times of India article dated 31 Aug '08, Ahmedabad in list of 'credit-worthy' cities
- (3) Economic Times article dated 8 Aug '08, Top 20 cities hold keys to urban growth
- (4) From India Brand Equity Foundation website article dated 12 Feb '09, 3 Indian cities make it to the list of 31 global emerging IT destinations: KPMG
- (5) Summary of MoUs - www.vibrantgujarat.com



notice

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the members of Nila Infrastructures Limited will be held on **Saturday the 30th May, 2009 at 10:00 am** at the Registered Office of the Company at "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Smt. Nila M. Vadodaria, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint auditors 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.

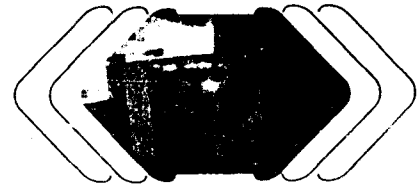
For & on Behalf of the Board of Directors

Place : Ahmedabad
Date : 25th April, 2009

Manoj B. Vadodaria
Chairman & Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND ON BEHALF OF HIM AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. A PROXY FORM IS ENCLOSED.
3. Members are requested to bring their copy of the Annual Report to the meeting, as no extra copies will be distributed at the meeting hall as a measure of economy.
4. Members desiring any information as regards accounts are requested to write to the Company **at least 7 days before the meeting** to enable the management to keep the information ready.
5. Members are requested to intimate change of registered address, if any, at the Registered Office of the Company or to the Company's Registrar and Share Transfer Agent at their address mentioned elsewhere in this report.
6. The Register of Members and Share Transfer Books of the Company shall remain **closed from 26th May, 2009 to 30th May, 2009 (both days inclusive)** pursuant to Clause 16/19 of the Listing Agreement and also in compliance of Section 154 of the Companies Act, 1956.
7. The Company has signed Tripartite Agreement with **NSDL and CDSL** for dematerializing of its Equity Shares. The ISIN allotted to your Company is **INE937C01029**.

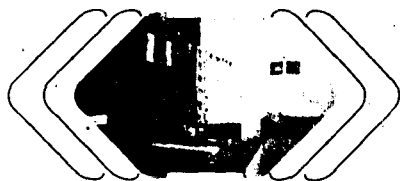


annexure to the notice

ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON A DIRECTOR RECOMMENDED FOR APPOINTMENT / REAPPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

It is proposed to reappoint Smt. Nila M. Vadodaria, who retires by rotation and is being eligible for re-appointment. The particular of the said Director is as under:

Name	Nila M. Vadodaria
Date of Birth	19/06/1959
Qualification	Graduate
Experience	Smt. Nila M. Vadodaria is wife of Shri Manoj B. Vadodaria, Managing Director of the Company. She is having rich experience of management, administrative and accounting matters. She is a member of Company's share transfer and investors' grievance committee.
Directorship in other Companies	Nil
Memberships/Chairmanships of other Public companies	Nil
Share Holding, if any, in the Company	3819067 Shares
Inter se relationship with other Directors	Smt. Nila M. Vadodaria is related to Shri Manoj B. Vadodaria, Chairman & Managing Director of the Company



directors' report

Dear Members,

The Directors take pleasure in presenting their report on the business and operations of the Company along with the Nineteenth Annual Report to the Members with the audited financial statements for the year ended 31st March, 2009.

I. FINANCIAL RESULTS:

The performance of the Company for the financial year 2008-09 is summarized below:

Particulars	(Rs in Lacs)	
	For the year ended 31/03/2009	For the year ended 31/03/2008
Total Income [After increase / (decrease) in stock-in-trade]	4 415.29	2 565.64
Less: Total Expenditure	3 766.94	2 182.76
Profit Before Interest, Depreciation & Tax	648.35	382.88
Less: Interest and finance charges	199.31	49.80
Less: Depreciation	10.75	13.61
Profit Before Taxation	438.29	319.47
Less: Provision for IT/FBT/Wealth Tax	149.68	122.22
Add: Deferred Tax Assets/(Liabilities)	(8.89)	0.47
Add: Excess Provision Written Back	4.45	9.37
Less : Prior period expenses	3.08	0.00
Net Profit	281.09	207.09
Paid-up Share Capital	1 232.26	1 232.26
Reserves [Excluding Revaluation Reserves]	1 272.37	991.29





2. REVIEW OF OPERATIONS:

Your Company carries on its business primarily of real estate and infrastructure development. During the year the Company achieved a consolidated total income of Rs. 4643.37 Lacs and earned operating profit of Rs. 648.35 Lacs for the year ended on 31st March, 2009 as against Rs. 1071.79 Lacs and Rs. 382.88 Lacs respectively in the previous year. Profit Before Tax increased to Rs. 438.29 Lacs from Rs. 319.47 Lacs in the previous year registering a growth of 37.19%.

3. EXPANSION PLANS:

Your Company has taken projects for construction of residential scheme after a span of fourteen years and encouraged by the overwhelming response, your company proposes to take similar projects in the near future for middle / lower income group segment. Similarly your company has established reputation with local authorities for development of infrastructure projects through quality constructions at lowest cost and for maintaining time schedule. We expect to get more infrastructure development work from local authorities and private parties in near future

4. DIVIDEND:

Directors of your Company are of the opinion that for building up the sound and strong economic base of the Company and in order to conserve the resources, it will be not possible to recommend any dividend for the current year.

5. PUBLIC DEPOSITS:

During the year under review, your Company has not accepted / renewed any deposits covered under the provisions of Section 58A of the Companies Act, 1956.

6. SUBSIDIARIES:

Presently there is no subsidiary company of Nila Infrastructures Ltd.

7. ISO 9001:2000

Your Company is striving to maintain its commitment to customer's expectations for quality work and adherence of time schedule and safety at work sites. Company has upgraded its Quality Management System to the international standards as per ISO 9001:2000.

8. HUMAN RESOURCE MANAGEMENT:

Employees are vital input of your Company. Your Company created a favorable work environment that encourages innovation and superior performance. Your Company has also set up a scalable recruitment and human resource management process, which enables your Company to attract and retain high caliber employees

9. EMPLOYEES:

There was no employee during the year drawing remuneration in excess of the ceiling prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

10. DIRECTORS:

Pursuant to Section 256 of the Companies Act, 1956, Smt. Nila M. Vadodaria, Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer herself for reappointment.

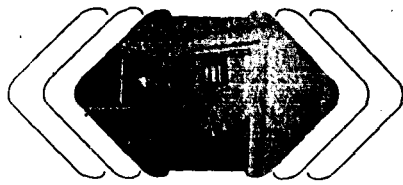
11. PROJECTS ON HAND:

11.1 Residential project "Asmaakam"

Your Company is constructing a residential flats project "ASMAAKAM" at Vejalpur, Ahmedabad. The project consists of 325 Flats of 2BHK.

11.2 BRTS - Bus Shelters

Your company has been awarded a project for



development of 28 Nos. of bus shelters on BRTS stretch along the RTO to Pirana Route in Ahmedabad by the AMC. The AMC has further awarded 40 Nos. of bus shelters at various locations on the Ahmedabad BRTS Corridor.

12. AUDITORS:

The present Auditor M/s O. P. Bhandari & Co, Chartered Accountants, Ahmedabad retires at the forthcoming Annual General Meeting and being eligible for re-appointment.

The Company has received a certificate from them that their appointment if approved by shareholders, would be within the ceiling prescribed under section 224 (1B) of the Companies Act, 1956. The members are requested to appoint the auditors to hold office until the conclusion of the next Annual General Meeting.

13. AUDITOR'S OBSERVATIONS:

Observations of the Auditors in their report together with the notes on accounts are self explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

14. MANAGEMENT DISCUSSION AND ANALYSIS:

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended to this report.

15. CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended together with Certificate on Corporate Governance by O. P. Bhandari & Co, Chartered Accountants, Ahmedabad.

As part of the good Corporate Governance practices, we have obtained a Secretarial Compliance Certificate from M/s R. S. Sharma &

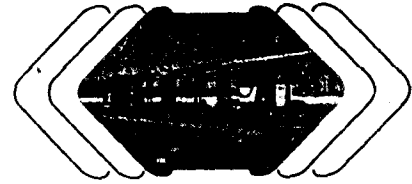
Associates, Practicing Company Secretaries, Ahmedabad, in respect of compliance of all rules, regulations, under the various applicable provisions of the Companies Act, 1956 and the applicable regulations under the Listing Agreement entered with stock exchange. A copy of the said certificate is appended to this report.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm:

- (a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period. However during the year the Company has changed its accounting policy of providing depreciation from reducing balance method to straight line method. The details of financials due to this change are given in note no 2 of notes forming part of accounts.
- (c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- (d) That they have prepared the annual account on a going concern basis.





17. STATUTORY DISCLOSURES REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure-"A" annexed hereunder and forms part of this report.

18. INSURANCE:

All the existing properties of the Company are adequately insured

19. MATERIAL CHANGES:

No material changes have taken place since the closure of the financial accounts up to the date of

report, which may substantially affect the financial performance or the statement of the Company.

ACKNOWLEDGMENT:

Your Directors place on record its gratitude to the Stakeholders, Banks, Valued clients, suppliers and Business Associates and employees of the Company for their continued support and confidence. Your Directors also place on record their appreciation, commitment and contribution made by employees at all levels and look forward for their continued support in future as well.

For & on Behalf of the Board of Directors

Place : Ahmedabad Manoj B. Vadodaria
Date : 25th April, 2009 Chairman & Managing Director

ANNEXURE "A"

A. CONSERVATION OF ENERGY

The operation of the Company involves low energy consumption. Adequate measures have, however, been taken to conserve energy by incorporating energy efficient equipments. Additional investment for reduction of consumption of energy are minor in value. Total energy consumption per unit of production as per Form 'A' in respect of industries specified in the schedule thereto is not applicable to the Company.

B. TECHNOLOGY ABSORPTION

The operations of the Company are such that it does not require high level of technology. The question of

Research & Development being carried out by the Company does not arise. Hence particulars to be given in Form 'B' under (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are NIL.

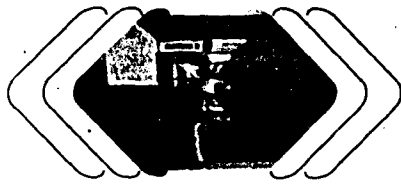
C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no foreign exchange earnings and outgo during the year under review.

For & on Behalf of the Board of Directors

Place : Ahmedabad Manoj B. Vadodaria
Date : 25th April, 2009 Chairman & Managing Director





management discussion and analysis

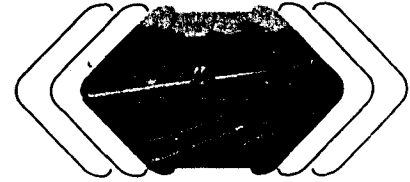
I. ECONOMIC SCENARIO:

India has second largest GDP growth rate amongst developing countries. Apart from China, no other country has as high economic growth as India. Indian economy had been growing at a rate of 9 % during last couple of years. However the pace of growth in India has been moderated due to global slowdown resulting from sub prime crisis in US. Fortunately Indian financial sector is relatively insulated as the rupee is not fully convertible; Indian banking system did not have significant and direct exposure to sub-prime loans and failed foreign institutions in the United States. Further India's recent growth has been driven predominantly by domestic consumption and domestic investment. External demand as measured by merchandised exports accounts for less than 15 % of the GDP and hence the impact on Indian economy is a second order impact and a moderate impact. However the Integration of Indian economy into the world economy over the last decade has been remarkable rapid. Indian corporate sectors' access to external funding has been markedly increased in last five years. Further India's financial integration with world has been as deep as India's trade globalization not deeper. US has always been a major investor in Indian economy. The cumulative FDI inflow in India from US has been Rs. 3,82,167 Crores from April 2000 to July, 2008. Recession in US would mean decreased inflow of foreign funds in India. The major hindrance coming in way of high growth rate of the Indian economy is scarcity of funds. The overall growth of GDP at factor cost rate during 2007-08 has been placed at 9 % which is estimated to be 7.1 % during 2008-09 as per the Advance Estimates of Central Statistical Organization, Ministry of Statistics and Programme Implementation. The growth of the construction

sector has been estimated to be 6.5 % during 2008-09 constituting 7.2 % share in the GDP of the Country. During April-January 2008-09, six core infrastructure industries registered a growth of 3.2 % as against 5.7 % during the corresponding period of previous year.

Sectors which are directly linked and exposed to the US Market are adversely affected by economic crisis in US. Profitability of these sectors has been significantly reduced which in turn resulted into closing down of many on going projects and postponement of many expansion plans resulting into decrease in new employment opportunities. This leads to a slowdown in the Indian economy as well. Both the Government and the Reserve Bank of India responded to the challenge in close coordination and consultation by taking conventional and unconventional measures. On conventional side, policy rates are reduced rapidly and aggressively, reduced the quantum of bank reserves impounded by the central bank and liberalized the refinance facilities for export credit. Substantially relaxing the external commercial borrowing for corporate allowing non banking finance companies and housing finance companies access to foreign banks. The important among the many unconventional measures taken by the Reserve Bank of India is rupee dollar swap facility for Indian Banks to give them comfort in managing their short term funding requirements. Considering the depth and extraordinary impact of the crisis the central government invoked the emergency provisions of FRBM Act to seek relaxation from the fiscal targets and launched two fiscal stimulus packages during December 2008 and January 2009. These fiscal stimulus packages, together amounting to about 3 % of the GDP.





2. INDUSTRY SCENARIO:

Real estate sector accounts for major source of employment generation in the Country, being the second largest employer next to agriculture. The sector has backward and forward linkages with about 250 ancillary industries such as cement, brick, steel, building material etc. Consequently, a unit increase in expenditure of this sector has multiplier effect and capacity to generate income as high as five times. Over the past five years, construction sector has grown faster than overall GDP. One Rupee invested in this sector results in 78 paise being added to the GDP of the country and is thus an engine of the nation's growth.

The sector gained momentum after going through a decade of stagnation due to initiatives taken by India Government. The Government has introduced many progressive reform measures to unveil the potential of the sector and also to meet increasing demand levels.

- 100 % FDI permitted in all realty projects through automatic route.
- In case of integrated townships, the minimum area to be developed has been brought down to 25 acres from 100 acres.
- Urban land ceiling and regulation act has been abolished by large number of states.
- Legislation of Special Economic Zones Act.

All the above factors have attributed towards phenomenal growth of this sector. With significant growing and investment opportunities emerging in this industry, India realty sector turn out to be a potential goldmine for many international investors.

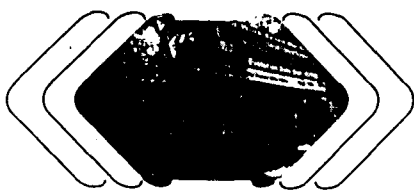
However in the present scenario of global slowdown, where stock markets are plunging, interest rates and prices of crude and commodities are highly volatile, the aftermath of this can now also be felt on Indian infrastructure sector. Indian infrastructure sector is struggling with credit crisis in recent period after riding on a boom in the last

couple of years. Overall slowdown in demand can be witnessed all across India which is causing trouble for the major industry players. The downfall had been accelerated by sub prime crisis in US which leads to significant fall in stock markets all over the world. Other factors which have contributed to this slowdown are raising interest rates leading to higher costs. Due to this almost all the developers of housing are facing serious liquidity crunch and facing difficulties in completing their ongoing projects. Also with highly volatile input cost of steel iron and building material it has become difficult for builders to construct properties at agreed prices. High home loan rates accompanied by strict norms of banks for granting loan have led to erosion of purchasing power of middle and upper class majority of whom are covered in the category of end users or actual users. Therefore many residential buyers are waiting for price correction before buying any property, which is affecting development plans of the builders.

Thus due to global uncertainties, tightening of monetary policy, falling demand and growing liquidity concerns accompanied by high home loan rates, the Indian real estate industry is going through a phase of correction in terms of prices and consolidation in terms of demand and supply.

3. BUSINESS OVERVIEW:

Nila Infrastructures Ltd belongs to well known Sambhaav Group of Companies at Ahmedabad. The company is mainly focusing on residential and commercial construction projects and has successfully completed quite a few reputed projects in and around Ahmedabad. Presently the Company has started development of a residential flat scheme "ASMAAKAM" at Vejalpur, Ahmedabad. The scheme is having 325 residential flats of 112 sq. yds each. The Company has also been awarded a project for development of 28 Nos. of Bus Shelters on BRTS along the RTO to Pirana Route in Ahmedabad by AMC worth Rs. 10.48 Crores. Greatly impressed by the progress on the development of above said bus shelters, the AMC



has further awarded 40 Nos. bus shelters at various locations on the Ahmedabad BRTS Corridor.

During the last two years the Company has developed approx. 570 Nos. Decorative Bus Shelters in Ahmedabad and 100 Nos. of Bus Shelters in Rajkot in record time for its' group company M/s Sambhaav Media Ltd who has been awarded the tender rights by Ahmedabad Municipal Transport Services [AMTS] and Rajkot Municipal Corporation [RMC] respectively. This new Bus Shelters have added significantly to the beautification of Ahmedabad and Rajkot City and the decorative backlit Bus Shelters have completely changed the night scenario of the City.

4. OPPORTUNITIES:

The changing family structure in urban India will be fundamental driver for housing growth. Growing urbanization is causing the urban population in India to grow at a rate of 2.5 % annually and the same holds true for Ahmedabad. There is an acute demand for better houses at affordable prices in Ahmedabad. Growing per capita income, affordability and access to finance, aspirations, increasing purchasing power and disposable income, nuclear families and changing consumption pattern will definitely lead to a gap in supply and demand for houses in days to come. The number of nuclear families grew from 37.01mn in 1999-00 to 44.2mn in 2004-05 in urban India. Today, nuclear families (couple with/without children) account for as high as 67 % of the total 66,782,719 urban households and extended families (parents with one married child with/without children) accounting for 29% with joint families comprising of 4 % of all urban households in the country. over 3.15 million employed urban professionals who represent section A and B do not own a home. They include India's urban youth of 25-35 age group with monthly incomes of Rs.20,000 to Rs. 80,000, government and public sector unit employees, defense personnel and migrants from rural areas. By 2010, this number is likely to cross over 4.25 million. The urban professionals spend 30-40% of income on living but have the capacity to spend Rs.7000 to

Rs.30,000 per month on accommodation and have the purchasing power for apartments of Rs.9 to 37 lakhs. Thus there is a high potential in the residential sector to be untapped. There is a shortage of 22 million housing units in urban India and the requirement is growing to 10 million housing units per year by 2030. The average age of home ownership is reducing and household formations are increasing. Considering that mortgages account only for 2 percent of India's GDP, compared with 54 percent in the United States, there is enough room for growth in the future.

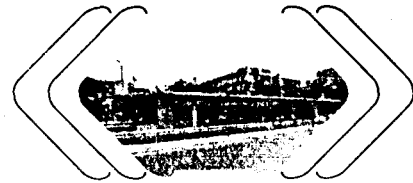
Another major opportunity within the residential real estate is the development of integrated townships that offers commercial, retail, residential, and leisure facilities within a given area that fulfils the demand for quality lifestyle.

Gujarat ranks among the top states in terms of fresh investments attracted. Over 8.5 per cent of the total fresh investments are directed towards Gujarat. During the Vibrant Gujarat Global Investor's Summit 2009 organized by the Government of Gujarat 8662 MoUs worth US\$ 243 Billion (over Rs. 12,00,000 Crores) are signed. There is a strong sentiment for investments in Gujarat which presents excellent prospects for growth to the infrastructure companies and real estate developers too. The size of residential market in Gujarat has been estimated at over Rs. 1500 Crores per year which is likely to increase significantly due to growing urbanization. Ahmedabad has been ranked the seventh highest Market Potential Value (MPV) amongst all the 784 cities in India. The state accounts for around 5 % of the country's population. The commercial city of Gujarat is likely to grow by leaps and bounds in the next few years. Western side of Ahmedabad has become the prime location as new residential areas, between inner ring road and C.G.Road, such as Bodakdev, Satellite, Vejalpur, Jodhpur and Vastrapur are developed.

5. RISKS AND CHALLENGE:

There are many constraints affecting smooth functioning of this industry. The company is





operating in a highly competitive environment. Timely supply of raw material like cement, steel, bricks are essential for timely completion of the projects. Shortage of raw material may delay the execution of projects of the Company. The infrastructure development is capital intensive in nature. The Company's business requires long term commitment of capital to meet financial requirement of long term projects. Further timely availability of skilled and technical personnel is also one of the key challenge.

6. INTERNAL CONTROLS AND THEIR ADEQUACY:

The organization is well structured and the policy guidelines are well documented with pre defined authority and responsibility. NILA has put in place comprehensive systems and procedural guidelines concerning all areas of business like budgeting, execution, material management, quality, safety, procurement, asset management, finance, accounts & audit, human resources etc., which are adequate and necessary considering the size and level of operations of the Company. The management has been making constant efforts to review and upgrade existing systems and processes to gear up and meet the changing needs of the business. The Company carries out internal audit through an external audit firm of Chartered Accountants who have extensive experience in such assignment.

7. DISCUSSION ON FINANCIAL PERFORMANCE:

7.1 Net Worth

The total net worth of the Company as on 31st March, 2009 is Rs. 25.05 Crores which was Rs. 22.23 Crores as on 31st March, 2008 indicating increase of 12.69% in the net worth.

7.2 Borrowing

During the year 2008-09 the Company has made arrangements to borrow Rs. 10 Crores from Gruh Finance Ltd to fund residential flats project of the Company "ASMAAKAM" at Ahmedabad. NILA has also made arrangement for availing credit facility upto Rs. 10 Crores from Allahabad Bank, Ashram Road, Ahmedabad to meet its various working capital requirements of ongoing projects. Further Company has taken term loan of Rs. 7 Crores from India Bulls Financial Services Ltd to finance its ongoing business activities.

7.3 Earnings Per Share

Basic and Diluted EPS after extraordinary items of the Company as on 31st March, 2009 is Rs. 0.23 which was Rs. 0.17 as on 31st March, 2008.

7.4 EBITDA/PBT:

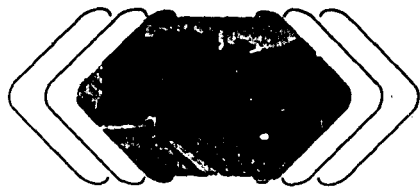
During the year 2008-09 Company has earning before interest, depreciation and tax amounting to Rs. 648.35 Lacs. After providing for interest of Rs. 199.31 Lacs and Rs.10.75 Lacs depreciation, Profit before tax was Rs 438.29 Lacs which was Rs 319.47 Lacs during the year 2007-08. There is an increase of 37.19 % in the profit before tax of the Company.

7.5 Cash & Cash equivalents as on 31st March, 2009 is Rs. 206.05 Lacs as against Rs. 6.61 Lacs as on 31st March, 2008.

8. CAUTIONARY STATEMENT:

Statement made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those either expressed or implied.





report on corporate governance

[Pursuant to Clause 49 of the Listing Agreement]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At NILA we believe in adopting and adhering to the best standards of Corporate Governance to all the stakeholders. The Company's Corporate Governance is therefore based on the total transparency, integrity, fairness, equity, accountability and commitment to the values. The Company is committed to the best governance practices that create long term sustainable shareholder value. With the object of the Company to conduct its business in a highly professional manner and thereby enhance trust and confidence of all its stakeholders, the Company has devised a complete compliance of Corporate Governance norms.

We at NILA firmly believes that good Corporate Governance leads to the optimal utilization of resources and enhance the value of the enterprise and an ethical behavior of the enterprise leads to honoring and protecting the rights of all the stakeholders. Sound Corporate Governance practices and ethical business conduct always remain at the core of the NILA's value system.

2. BOARD OF DIRECTORS

2.1 Composition and size of the Board:

The Company has an optimum combination of Executive and Non Executive Directors. The Board consists of four Directors comprising of an Executive Chairman & Whole Time Director, a Non Executive Director and two other Non Executive Independent Directors. The appointment of two Non Executive Independent Directors is in conformity with the provisions of Clause 49 of the Listing Agreement entered with the BSE by the Company. There are two Promoter Directors out of which one is Executive Director and the other one is Non Executive Director. The remaining two

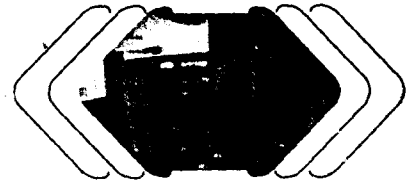
Directors are Non Executive Independent Directors. There is no nominee Director on the Board.

2.2 Directors' Profile:

Brief Profile of all the Board Members, nature of their expertise in specific functional areas and the names of Companies in which they hold directorships and memberships / chairmanship of board committees are as under:

- (a) Shri Manoj B. Vadodaria is a self-made businessman. His induction into the business world was at a very early age. Shri Manoj B. Vadodaria combated harsh realities and adversities of business life successfully. This experience culminated into maturity and fervour of a rare kind. The practical school of business has made him a financial wizard backed by his sharp business instincts. This unique blend has been a tremendous source of benefit to the Group in meeting financial challenges and carving out ambitious expansion plans.
- (b) Smt. Nila M. Vadodaria is wife of Shri Manoj B. Vadodaria, Managing Director of the Company. She is having rich experience of management, administrative and accounting matters. She is a member of Company's share transfer and investors' grievance committee.
- (c) Shri Yagnesh D. Vyas has completed his schooling from Mumbai in the year 1968. He joined School of Architecture, Ahmedabad [CEPT] in the same year and subsequently obtained a Diploma in Architecture with the thesis topic 'STATUTORY CONTROLS IN APARTMENT HOUSING IN AHMEDABAD' under the guidance of Prof. C.B. Shah. In 1974 he started working as Junior Architect in reputed firms, joined M/s Design Unit in the





year 1978 as a Architectural Assistant. Worked there for six years and left in the year 1983-84 as a Senior Architect and started his own practice. He is Registered with council of Architectures and is a Member of Indian Institute of Architects, Delhi. He is also a Member of Institute of Engineers and Architect, Ahmedabad. He is Honorary Architect consultant to Akshar Purshottam Swaminarayan Mandir, Shahibaugh, Ahmedabad and Honorary Architectural consultant to Ghantakarna Aastha Mandal, Mahudi. He was appointed as Chairman, financial committee for the first young architect National Conference held in Dec, 1990 at Ahmedabad. Apart from this he has travelled extensively to Far East Africa, UAE, USA, Europe, Canada, Latin American countries to Argentina, Chile, China etc. As

an architect he has worked in and around Ahmedabad, Baroda, Surat, Junagadh, Rajkot, Vapi, Bhavnagar, Indore, (M.P), Udaipur (Rajasthan), and Nathdwara (Rajasthan), Bangalore (Karnataka) and has worked on more than 1200 Architectural Projects till 2009.

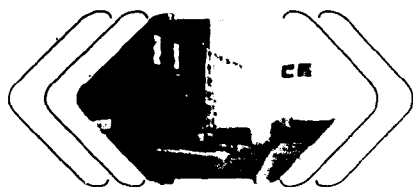
- (d) Shri Hiren G. Pandit is enrolled as Advocate in the year 1981 and has been practicing since 1982 on Revenue as well as Civil Sides. He is President of Ahmedabad Revenue Bar Association from the year 1998 and Legal Advisor to various corporate groups of Ahmedabad like Ganesh Housing, Adani, Bink Builders, etc. He is looking after Company's revenue and civil matters. He is also spokesman of Human Rights Commission of Gujarat. Besides, he is also secretary of GRT Bar Association from 2001.

The name and category of the Directors on the Board, their attendance at Board Meetings held during the year and the number of directorships and committee chairmanships/memberships held by them in other companies is given below.

Sr. No	Name of Director	Position	Attendance Particular		No of Directorships in other Public Companies	Committee Memberships/ chairmanships of other Companies
			Board Meeting	Last AGM		
1	*Shri Manoj B. Vadodaria	Executive Chairman & Managing Director	5	Yes	2	1
2	*Smt. Nila M. Vadodaria	Non Executive Director	5	Yes	Nil	Nil
3	**Shri Yagnesh D. Vyas	Non Executive Independent Director	5	Yes	Nil	Nil
4	**Shri Hiren G. Pandit	Non Executive Independent Director	5	Yes	Nil	Nil

* PD — Promoter Director

** NPD — Non-Promoter Director

**Details of the Board Meeting held during the year 2008-09**

Date of Board Meeting	Board Strength	No. of Directors Present
23/06/2008	4	4
30/07/2008	4	4
30/08/2008	4	4
23/10/2008	4	4
31/01/2009	4	4

Board and committee Meetings:

The procedure with respect to Board Meetings and the Meeting of the committees thereof are in total compliances with the requirements of the Companies Act, 1956. Secretarial Standards (SS-1) prescribed for the Board Meetings by the Institute of Company Secretaries of India, Listing Agreement with Stock Exchange and other applicable laws and regulations.

Code of Conduct for the Board of Directors and senior management personnel:

In terms of Clause 49 of the Listing Agreement, the Board at its meeting held on 31st January, 2009 has adopted the code of conduct for the Board of Directors and senior management personnel of the Company. This code of conduct is a comprehensive code which is applicable to all directors and senior management personnel. A copy of the same has been put on the Company's website www.nilainfra.com. The same code has been circulated to all the members of the Board and all senior management personnel. The compliance of the said code has been affirmed by them annually. A declaration signed by the Managing Director of the Company forms part of this Report.

Declaration by the Managing Director:

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the

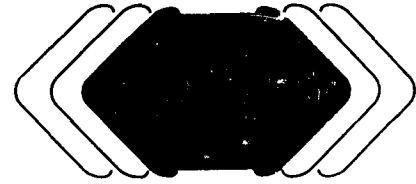
senior management personnel and the same is available on the Company's website.

I confirm that the Company has in respect of the financial year ended on 31st March, 2009, received from the senior management personnel of the Company and the members of the Board a declaration of compliance with Code of Conduct applicable to them.

Place : Ahmedabad Manoj B. Vadodaria
Date : 25th April, 2009 Chairman & Managing Director

2.3 Board Procedure:

Pursuant to Listing Agreement, Stock Exchange is being informed about the Board Meetings together with proposed agenda at least seven clear days in advance. The agenda is prepared by the Secretarial Department in consultation with the Chairman of the Board of Directors. The information as required under the Annexure I to Clause 49 of the listing Agreement is made available to the Board. The agenda for the meeting of the Board and its committees together with the appropriate supporting documents and papers are circulated well in advance of the meeting to enable the Board to take informed decisions. Stock Exchange is informed about the outcome of the Board Meeting as soon as the Meeting conclude.



The meetings of the Board and its various committees are generally held at the Registered Office of the Company at Ahmedabad.

3. AUDIT COMMITTEE

3.1 Composition of the Audit Committee:

The Audit Committee of the Company is comprised of 3 Directors of which 2 are Non Executive Independent Directors. Shri Hiren Pandit, Advocate is the Chairman of the Committee. He possesses adequate financial accounting knowledge. The Constitution of the Audit Committee is in line with Clause 49 of the Listing Agreement with the Bombay Stock Exchange read with Section 292A of the Companies Act, 1956. Shri Manoj B. Vadodaria and Shri Yagnesh D. Vyas are the other two members of the Audit Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

3.2 Powers of the Audit Committee:

The terms of reference/ powers of the Audit Committee has been specified by the Board of Directors as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain legal or other professional advice from outside.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

3.3 Role of the Audit Committee:

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the

replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by them.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

(a) Matters required being included in the Director's Responsibility Statement to be included in the Board's 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.

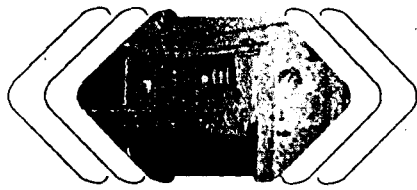
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the 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 as regards any significant findings and follow up there on.

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. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3.4 Review of information by Audit Committee

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

3.5 Attendance of each member of Audit Committee at meeting held during the year

Four Audit Committee meetings were held during the year on 23/06/2008, 30/07/2008, 23/10/2008 and 31/01/2009. The time gap between the two Audit Committee meeting was less than four months. The names of the members of the Audit Committee, and its Chairman and details of meetings attended by them are stated hereunder

Details of Audit Committee Meetings

Name	Designation	No. of Meetings	
		Held	Attended
Shri Hiren G. Pandit	Chairman	4	4
Shri Yagnesh D. Vyas	Member	4	4
Shri Manoj B. Vadodaria	Member	4	4

4. REMUNERATION COMMITTEE

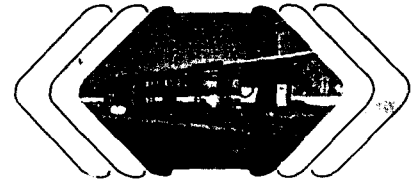
The remuneration committee has two Independent Non Executive Directors. The main objective of the constitution is to recommend and review compensation plans of the managerial personnel and the senior management based on their performance, defined assessment criteria and job responsibilities

4.1 Brief description of terms of reference

1. Frame company's policies on Board of directors with the approval of the Board.
2. Make recommendations for the appointments on the Board and Senior Management Positions.
3. Evaluate performance of the Board, Executive Directors and Non-Executive Directors on predetermined parameters.

4. Review and recommend compensation payable to the Executive Directors.
5. Review re-election of the members of the Board.
6. Recommend induction of directors into various Committees.
7. Assist the Board in selecting, compensating, monitoring and when necessary replacing key executives and overseeing succession planning.
8. Review HR Policies and Initiatives.
9. Administer and supervise Employees' Stock Option Schemes.
10. Assist the Board in the implementation of the 'Policy on Prohibition of Insider Trading and Fraudulent and Unfair Trade Practices' adopted by the Board.



**4.2 Composition of Committee and attendance of members**

Sr. No	Name of the Director & Position	Meetings /Attendance	
		Held	Attended
1	Shri Hiren G. Pandit, Chairman	1	1
2	Shri Yagnesh D. Vyas Member	1	1

4.3 Remuneration Policy**4.3 a Executive Directors**

1. Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
2. Revised from time to time depending upon the performance of the company, executive director's performance and prevailing industry norms.
3. No sitting fees.
4. No ESOP for Promoter directors.

4.3b Non-Executive Directors

1. Eligible for commission based on time, effort and output given by them.
2. Sitting fees and commission not to exceed limits prescribed under the Companies Act, 1956.
3. Eligible for ESOP (other than Promoter directors)

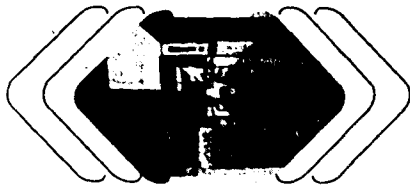
4.4 Details of the Remuneration to Directors

Sr. No	Name of Director	Salary (Rs)	Benefits (Rs)	Bonus / Commission (Rs)	Sitting fees (Rs)	Total (Rs)
1	Shri Manoj B. Vadodaria	12 00 000/- Per Annum	1 43 333/- Per Annum	-	-	13 43 333/- Per Annum
2	Smt. Nila M. Vadodaria	-	-	-	-	-
3	Shri Hiren G. Pandit	-	-	-	-	-
4	Shri Yagnesh D. Vyas	-	-	-	-	-

5. SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE**5.1 Constitution of the Committee**

The Share Transfer and Investors' Grievance Committee consists of 2 members. Smt Nila M. Vadodaria is the chair-person of the committee. The Share Transfer & Investor Grievance Committee is constituted in line with the requirements of listing Agreement.



**Constitution of share transfer & investors' grievance committee**

Sr. No	Name of the Director	Designation
1	Smt Nila M. Vadodaria,	Chairperson
2	Shri Manoj B. Vadodaria	Member

5.2 Term of reference of the committee

The Share Transfer & Investor Grievance Committee approves transfer, transmission, transposition, name deletion, consolidation and splitting of share of the Company. It issues duplicate share certificates and redresses complaints and grievances of the investors in time.

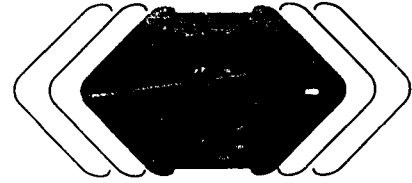
5.3 Number of shareholders' complaints received during the year : 5**5.4 Number of complaints not solved to the satisfaction of shareholders : NIL****5.5 Number of pending complaints : NIL****6 GENERAL BODY MEETINGS****6.1 Location and time of last three Annual General Meetings:**

Year	Venue	Date	Time
2005-06	1 st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	16/09/2006	10.00 AM
2006-07	1 st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	28/07/2007	10.00 AM
2007-08	1 st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	24/07/2008	10.00 AM

6.2 Special Resolution passed at last 3 AGMs:

- (a) 2005-06 : No special resolution was passed
- (b) 2006-07 : No special resolution was passed
- (c) 2007-08 : -- To reappoint Shri Manoj B. Vadodaria as Chairman & Managing Director with revised terms & conditions.
-- To empower the Board to borrow money pursuant to section 293 (1)(d) of the Companies Act, 1956 upto Rs. 100 crores.





6.3 Postal Ballot:

No resolution was passed last year by Postal Ballot.

No resolution is proposed to be passed at the ensuing AGM by Postal Ballot.

7. DISCLOSURES:

7.1 Materially Significant Related Party Transactions:

The transaction between the Company and the Directors and Companies in which the directors are interested are disclosed in Note no. 8 of the Annual Accounts in compliance with the Accounting Standards relating to "Related Party Disclosures". There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

The Directors regularly make full disclosures to the Board of Directors regarding nature of their interest in the Companies in which they are directors or members.

7.2 Statutory Compliances, penalties and Strictures:

There were no instances of non compliances nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last years on any matter related to the capital market.

7.3 Code of Conduct:

The Company has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company and all have affirmed their adherence to the code. The code has been posted on the Company's website (www.nilainfra.com)

7.4 Listing Agreement Compliances:

The company complies with all the requirements of

the Listing Agreement including the mandatory requirements of Clause 49 of the Agreement.

7.5 Risk Management

Business risk management and management of affairs is an ongoing process within the Company. The Audit Committee, Risk Management Team and the Board of directors regularly review the risk management policy and procedures. The Company is in the process of setting up a system to appraise the Board of Directors of the Company on the key risk assessment areas and suggestive risk mitigation mechanism.

8. MEANS OF COMMUNICATION:

8.1 Quarterly Results: Normally quarterly results of the Company are published in Business Standard (English) and Jansatta Loksatta (Gujarati).

8.2 Website of the Company:
www.nilainfra.com

8.3 Whether it also displays official news release and presentation made to institutional investors or to the analyst: No

8.4 Half yearly reports: Half yearly report have not been sent to shareholders

9. GENERAL SHAREHOLDER INFORMATION

9.1 Day, Date, time and venue of the 19th Annual General Meeting:

Day : Saturday

Date : 30th May, 2009

Time : 10:00 am

Venue : 1st Floor, "Sambhaav House",
Opp: Chief Justice's Bungalow
Bodakdev, Ahmedabad-380015

9.2 Financial Year: 1st April to 31st March





9.3 Financial Calendar:

Tentative and subject to change for the financial year 2009-2010

Quarter Ending	Release of Results
30 th June, 2009	End of July, 2009
30 th September, 2009	End of October, 2009
31 st December, 2009	End of January, 2010
31 st March, 2010	End of April, 2010

9.4 **Date of Book Closure:** from 26/05/2009 to 30/05/2009 [both days inclusive]

9.5 **Dividend:** No dividend has been recommended by the Board for the financial year 2008-09

9.6 Listing on stock exchanges and payment of listing fees

Bombay Stock Exchange [BSE], Phirozee Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001

Annual Listing Fees for the year 2008-09 has been paid by the Company to BSE.

9.6a Stock Code: **530377**

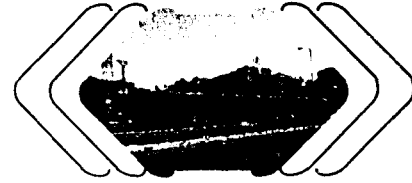
9.6b ISIN in National Securities Depository limited [NSDL] and Central Depository Services (India) Limited [CDSL]: **INE937C01029**

9.7 Market Price Data:

The monthly high / low and the volume of the Company's shares trades on Bombay Stock Exchanges and the monthly high/low of the said exchange are as under:

Month	Company			BSE	
	High (Rs)	Low (Rs)	Volume (Nos)	BSE Sensex High	BSE Sensex Low
April 2008	2.37	1.96	17 11 893	17 480.74	15 297.96
May 2008	2.44	1.79	15 77 464	17 735.70	16 196.02
June 2008	2.00	1.40	15 77 329	16 632.72	13 405.54
July 2008	1.89	1.15	12 63 453	15 130.09	12 514.02
August 2008	1.90	1.47	10 61 963	15 579.78	14 002.43
September 2008	1.72	0.92	9 00 455	15 107.01	12 153.55
October 2008	1.36	0.71	9 70 995	13 203.86	7 697.39
November 2008	1.09	0.64	5 94 471	10 945.41	8 316.39
December 2008	1.09	0.64	6 49 065	10 188.54	8 467.43
January 2009	1.29	0.64	6 07 159	10 469.72	8 631.60
February 2009	0.85	0.70	5 24 998	9 724.87	8 619.22
March 2009	0.74	0.95	5 90 366	10 127.09	8 047.17



**9.8 Distribution of share holding as on 31st March, 2009**

Shareholding of nominal value of		Number of Shares		Number of Holders	
Rs.	Rs.	Nos	% of total	Nos	% of total
Upto	500	9 22 168	0.75	2843	18.40
501 -	1000	57 97 409	4.70	5889	38.12
1001 -	2000	42 16 134	3.42	2250	14.57
2001 -	3000	27 00 706	2.19	946	6.13
3001 -	4000	17 65 310	1.43	457	2.96
4001 -	5000	51 18 528	4.15	1030	6.67
5001 -	10000	86 32 281	7.00	1043	6.76
10001 -	50000	1 78 91 235	14.52	812	5.25
50001 -	100000	73 95 996	6.02	101	0.65
100001	and Above	6 87 86 433	55.82	77	0.49
Total		12 32 26 200	100	15448	100

9.9 Shareholding Pattern as on 31st March, 2009:

Category	No. of shares held	% of total share capital
Promoters' Holding	4 92 52 589	39.97
Public holding		
<u>Institutions</u>	1 33 900	0.11
<u>Non Institutions</u>	95 96 210	7.78
Bodies Corporate	6 08 00 340	49.34
Individuals	12 42 319	1.02
HUF	22 00 842	1.78
Non Resident Indians		
Total	12 32 26 200	100

9.10 Dematerialization of Shares and Liquidity:

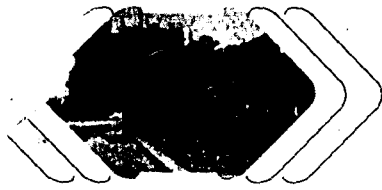
Trading in the Company's shares is permitted only in dematerialized form for all investors. The Company has established connectivity with CD & L and NSDL through the Registrar, M/s MCS Ltd, whereby the investors have the option to dematerialize their shares with either of the depositories. As on 31st March, 2009 78.89 % of the paid up share capital has been dematerialized. For those shareholders who hold the shares in physical form may contact Depository Participant

9.11 The Company has no outstanding GDR/ADR/Warrants or any convertible instrument.**9.12 Address for Correspondence:**

All enquires, clarifications and correspondence should be addressed to the Compliance Officer at the following address

Mr. Dipen Parikh, Nila Infrastructures Ltd

"Sambhaav House" Opp: Chief justice's Bungalow, Bodakdev, Ahmedabad-380015



10 SECRETARIAL AUDIT FOR CAPITAL RECONCILIATION:

As stipulated by SEBI, Secretarial Audit is carried out by an Independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialized and physical mode and the status of the register of members.

11 SECRETARIAL AUDIT REPORT FOR COMPLIANCES:

Secretarial Audit has been carried out by an Independent Practicing Company Secretary at the end of the financial year to ensure timely compliances of all applicable acts, laws, guidelines, rules and regulations.

corporate governance compliance certificate

CIN: L45201GJ1990PLC013417

Nominal Capital:Rs. 13 00 00 000/-

To
The Members
Nila Infrastructures Limited

In accordance with Clause 49 of the Listing Agreement entered into by Nila Infrastructures Limited (The Company) with the Bombay Stock Exchange, we have examined all relevant records of the Company relating to its compliance of Corporate Governance as stipulated in Clause 49 for the financial year ended 31st March, 2009.

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the SEBI guidelines, listing agreement and other applicable laws. Our responsibility is to carry out an examination, on the basis of our professional judgement so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.

We have obtained all the information and explanations, which to best of our knowledge and belief were necessary for the purpose of certification and have been provided with such records, documents, certificates, etc. as had been required by us.

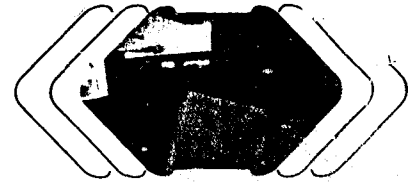
We certify that from the records produced and the explanations given to us by the Company for the purposes of this certificate and to the best of our information, the Company has complied with all the mandatory requirements of the said clause 49 of the Listing Agreement.

FOR O.P.BHANDARI & CC
Chartered Accountants

Place : Ahmedabad
Date : 25th April, 2009

O.P.Bhandari
Partner
M.No: 34409





secretarial audit report

The Board of Directors
Nila Infrastructures Limited
Ahmedabad

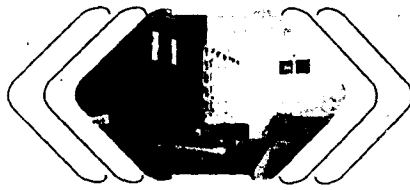
I have examined the registers, records and documents of Nila Infrastructures Limited ("the Company") for the financial year ended on 31st March, 2009 maintained under the provisions of

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000; and
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act; and
- The Equity Listing Agreement with Bombay Stock Exchange Limited

I. Based on my examination and verification of the said registers, records and documents produced to me and according to the information and explanations given to me by the officers of the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, Accounting Standards and Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of statutory registers and records and necessary entries are therein;
- (b) closure of Register of Members;
- (c) submission of forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
- (d) service of documents by the Company on its Members, and Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) notice of the Annual General Meetings of the Company;
- (g) minutes of proceedings of General Meetings and of Board and other meetings;
- (h) approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
- (i) constitution of the Board of Directors and appointment, retirement and re appointment of Directors;
- (j) remuneration of Directors including the Managing Director and Whole-time Directors;
- (k) appointment and remuneration of Auditors;
- (l) transfers and transmissions of the Company's shares and issue and delivery of original and duplicate share certificates;
- (m) form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (n) transfer of unpaid / unclaimed amounts to the investor Education & Protection Fund;
- (o) borrowing and registration, modification and satisfaction of charges;
- (p) investment of the Company's funds, including inter corporate loans and investments;





- (q) giving guarantees in connection with loans taken by subsidiaries and associate companies;
- (r) contracts, affixing of common seal, registered office and publication of name of the Company; and
- (s) all other applicable provisions of the Act and the Rules / regulation made thereunder.

2. I further report that:

- (a) the Directors of the Company have obtained Director Identification Number as per Section 266A of the Act.
- (b) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
- (c) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- (d) the Company has obtained all necessary approvals of the Central Government and / or other authorities, under the Act.
- (e) there was no prosecution initiated against, or show cause notice received by the Company and no fines or penalties were imposed on the

Company under the Companies Act, 1956, SEBI Act, 1992, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

4. I further report that, the Company has complied with:

- (a) the requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Limited.
- (b) the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosures and maintenance of records required under the Regulations.
- (c) the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

For R.S. Sharma & Associates

Place : Ahmedabad
Date : 25th April, 2009

R.S.Sharma
Company Secretary
COP No: 1258, M No: 3126





Nila Infrastructures Ltd



ceo and cfo certification

We, Manoj B. Vadodaria, Chairman & Managing Director and Sushil S. Bhandari, Chief Executive Officer responsible for the finance function of the Company certify that:

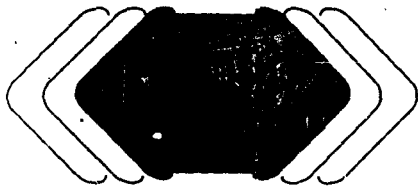
- (a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief:
 - (i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws & regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operations of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- (d) We have indicated to the Auditors and to the Audit Committee:
 - (i) Significant changes in the internal control over financial reporting during the year.
 - (ii) Significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Manoj B. Vadodaria
Managing Director

Place : Ahmedabad
Date : 25th April, 2009

Sushil S. Bhandari
Chief Executive Officer





auditors' report

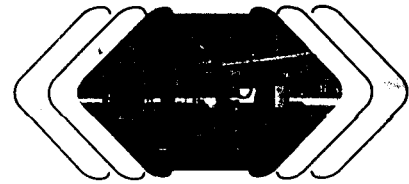
To,
The Members,
Nila Infrastructures Limited

1. We have audited the attached Balance Sheet of Nila Infrastructures Limited as at 31st March, 2009 and also 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 auditing standards generally accepted in India. These 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 issued by Central Government of India in terms, of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (2) 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, the Profit & 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 & Loss Account and Cash flow Statement dealt with by the report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act 1956;
 - e. On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes forming part of accounts give the information required by the Companies Act, 1956 in the manner so required 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 31st March, 2009;
 - 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 O. P. Bhandari & Co.
Chartered Accountants
(O. P. Bhandari)
Partner
Membership No. 34409

Place : Ahmedabad
Date : 25th April, 2009

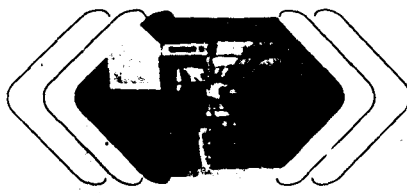




annexure to the auditor's report

- i (a) The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year Company has not disposed off a substantial part of fixed assets, which could affect its continuation as a going concern.
- ii (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion the procedures for 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) The Company is maintaining proper records of inventory and no discrepancies were noticed on verification between the physical stock and book records.
- iii (a) The Company has not taken any loans, secured or unsecured, from Companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not granted any loans, secured or unsecured, from Companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- v (a) In our opinion and according to the information and explanations given to us, the particulars of contracts / arrangements referred to in Section 301 of the Companies Act, 1956 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 have been made at prices which are, prima-facie, reasonable having regard to the prevailing market prices / similar transactions with other parties at the relevant time.
- vi The Company has not accepted any deposits from the public during the year under sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- viii According to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix According to the information & explanations given to us in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing undisputed statutory dues with the appropriate authorities.





- (b) According to the information and explanations given to us, no amount of undisputed Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty or Cess is outstanding as at 31st March, 2009 for the period more than six months from the date they become payable.
- (c) According to the information and explanations given to us, no amount of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty or Cess is outstanding on account of any dispute as at 31st March, 2009.
- x The Company has no accumulated losses as at 31st March, 2009. The Company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as applicable during the year.
- xii The company has not granted any loan and/or advance on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xiii In our opinion, the Company is not a Chit Fund or a Nidhi or Mutual Benefit Fund / Society. Therefore, the provision of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.
- xiv According to the information & explanations given to us, the company is not dealing or trading in shares, securities, debentures & other investments. All the investments are held by the Company in its own name.
- xv According to the information and explanations given by the management, in our opinion the company has not given any guarantee for loan taken by others from the banks or financial institutions, accordingly the provisions of clause 4(xv) of Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xvi According to the information and explanations given to us and records examined by us, the term loans have been applied for the purpose for which the loans were obtained.
- xvii According to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet and Cash Flow of the company, funds raised on short term basis have, prima-facie, not been used for long term investment.
- xviii During the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provision of clause 4 (xviii) of Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xix During the period the Company has not issued any debentures.
- xx The Company has not raised any money by way of public issue during the year.
- xxi Based on the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For O. P. Bhandari & Co.
Chartered Accountants

(O. P. Bhandari)

Partner

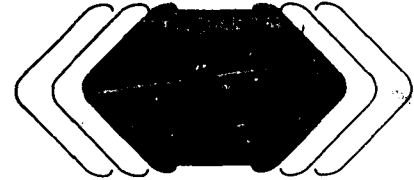
Membership No. 34409

Place : Ahmedabad

Date : 25th April, 2009



Nila Infrastructures Ltd.



balance sheet

as at 31st march, 2009

Particulars	Schedule		As at 31/3/2009 Amount (Rs.)	As at 31/3/2008 Amount (Rs.)
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A		12 32 26 200	12 32 26 200
Reserves & Surplus	B		12 72 37 447	9 91 28 855
Loan Funds :				
Secured Loans	C		15 45 19 272	4 60 29 6
Deferred Tax Liability(Net)			8 95 9 58	7 23 2
TOTAL			40 58 78 877	22 28 22 583
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	D	3 69 29 207		3 05 51 196
Less : Depreciation		2 05 22 664		2 12 38 761
Net Block			1 64 06 543	93 12 435
Investments	E		15 100	15 100
Current Assets, Loans & Advances				
Stock-in-Trade/ Inventories	F	12 65 77 471		14 93 85 762
Sundry Debtors		2 28 82 766		6 07 26 6
Cash and Bank Balances		2 06 05 953		6 60 42 1
Loans and Advances		27 66 08 888		37 40 44 263
		44 66 75 078		52 46 97 711
Less: Current liabilities & Provisions				
Current Liabilities	G	3 98 24 744		29 72 66 106
Statutory Liabilities		1 73 93 100		1 39 36 557
		5 72 17 844		31 12 02 663
Net Current Assets			38 94 57 234	21 34 95 048
TOTAL			40 58 78 877	22 28 22 583

Significant Accounting Policies and Notes on Accounts Schedule 'O'

As per our separate report of even date
For O. P. Bhandari & Co.
Chartered Accountants

O. P. Bhandari
Partner
M. No. 3-409

Place : Ahmedabad
Date : 25th April, 2009

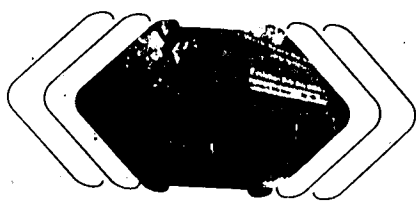
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria Managing Director

Nila M. Vadodaria Director

Hiren G. Pandit Director





profit and loss account

for the year ended 31st march, 2009

Particulars	Schedule		For the year ended 31/03/2009 Amount (Rs.)	For the year ended 31/03/2008 Amount (Rs.)
INCOME				
Project Income	H I J		44 30 90 039	9 14 60 625
Other Income			2 12 47 337	1 57 17 928
Increase / (Decrease) in stock in trade			(2 28 08 291)	14 93 85 762
Tot. Income			44 15 29 085	25 65 64 315
EXPENDITURE				
Project Expenses	K L M		36 25 20 401	21 12 99 714
Payment to and provision for Employees Office, Administrative & Other Expenses			53 79 749	13 40 500
Loss on sale of Vehicles			85 14 277	42 94 247
Total Expenditure			2 79 362	13 42 300
Profit before Interest, depreciation and tax			37 66 93 789	21 82 76 761
Less: Interest and Finance Charges	N	1 99 31 501	6 48 35 296	3 82 87 554
Depreciation		10 74 666		49 79 898
Profit Before Tax			2 10 06 167	13 60 976
Less: Provision for Income Tax			4 38 29 129	63 40 874
Less: Provision for Fringe Benefit Tax		1 47 50 000		3 19 46 680
Less: Provision for Wealth tax		1 83 600		1 21 00 000
		34 890		1 21 730
Add: Provision for Deferred Tax			1 49 68 490	0
Profit After Tax and before extra-ordinary items			(888 726)	1 22 21 730
Less: Prior Period Expenses			2 79 71 913	47 106
Add: Excess Provision written back			3 08 009	1 97 72 056
Add: Balance Brought Forward			4 44 688	0
Surplus carried to Balance Sheet			3 52 60 181	9 37 275
Earnings Per Share (Basic & Diluted)			6 33 68 773	1 45 50 850
(a) Before Extra-ordinary Items			0.23	0.16
(b) After Extra-ordinary items			0.23	0.17

Significant Accounting Policies and Notes on Accounts Schedule 'O'

As per our separate report of even date
For O. P. Bhandari & Co.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria

Managing Director

Nila M. Vadodaria

Director

Hiren G. Pandit

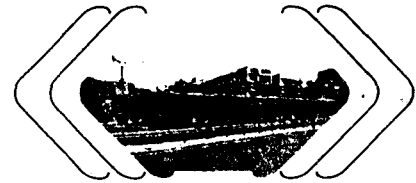
Director

O. P. Bhandari
Partner
M. No. 34409

Place : Ahmedabad
Date : 25th April, 2009



Nila Infrastructures Ltd.



schedules forming part of balance sheet

as at 31st march, 2009

	As at 31/03/2009	As at 31/03/2008
SCHEDULE - A " SHARE CAPITAL "		
Authorised Share Capital		
13 00 00 000 Equity Shares of Re. 1/- each	13 00 00 000	13 00 00 000
Issued, Subscribed & Paid up Capital		
12 32 26 200 Equity shares of Re. 1/- each fully paid up	12 32 26 200	12 32 26 200
	12 32 26 200	12 32 26 200
	As at 31/03/2009	As at 31/03/2008
SCHEDULE - B "RESERVES & SURPLUS"		
General Reserve	24 35 174	24 35 174
Share Premium	6 14 33 500	6 14 33 500
Profit & Loss A/c	6 33 68 773	3 52 60 181
	12 72 37 447	9 91 28 855
	As at 31/03/2009	As at 31/03/2008
SCHEDULE - C "LOAN FUNDS"		
SECURED LOANS		
Working Capital Loans - From Bank		
- Allahabad Bank	3 41 29 106	0
(Cash Credit facility against Hypothecation of Stocks, book debts and all other current assets of the company both present & future as well as collateral security of Registered mortgage of open land situated at mouje Makarba, Town Planning Scheme No. 84/A bearing final plot no. 64 admeasuring 15176 Sq. Mts.)		
- Allahabad Bank - Overdraft against FDR	1 12 00 000	0
(Against lien on the Fixed Deposits of Rs. 1.50 crores of the Company)		
Term Loans - From Financial Institutions		
- Gruh Finance Ltd.	4 24 24 518	0
- India Bulls Financial Services Ltd.	6 59 66 149	0
(Securities for Term Loans - Refer Note No.3 to Schedule "O")		
Vehicle Loans - From Financial Institutions		
- Loan from Kotak Mahindra Prime Ltd.	7 99 499	4 60 296
(Secured against hypothecation of Cars)		
	15 45 19 272	4 60 296



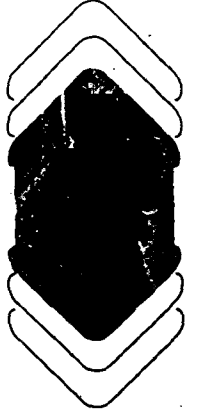
schedules forming part of balance sheet as at 31st march, 2009

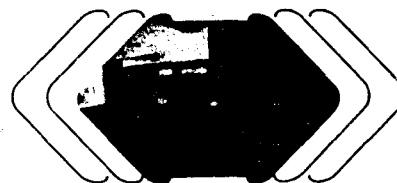
SCHEDULE - D "FIXED ASSETS"

Sr. No.	Particulars	Gross Block				Depreciation					Net Block	
		Cost as on 01/04/2008	Addition during the year	Sale or Transfer for the year	Total as on 31/03/2009	Provided upto 31/03/2008	Provided for the year	Change in Depreciation Method	Adjustment for Sale	Total as on 31/03/2009	As on 31/03/2009	As on 31/03/2008
1	Land	1073100	0	0	1073100	0	0	0	0	0	1073100	1073100
2	Building	4467720	1051288	179179	5339829	1007678	78946	601846	0	484778	4855051	3460042
3	Wind Mill	15116000	0	0	15116000	15116000	0	0	0	15116000	0	0
4	Furniture & Fixtures	565002	2021714	(179179)	2765895	380271	82963	42237	0	420997	2344898	184731
5	Electrification	57201	320780	0	377981	55455	2586	1976	0	56065	321916	1746
6	Vehicles	7308519	3454023	1289395	9473147	3362290	733969	621279	136460	3338520	6134627	3946229
7	Commercial Vehicle	272740	0	0	272740	81822	30847	57229	0	55440	217300	190918
8	Computer	674612	424751	0	1099363	501864	111461	209386	0	403939	695424	172748
9	Office Equipments	1016302	394850	0	1411152	733381	33894	120350	0	646925	764227	282921
	Current Year	30551196	7667406	1289395	36929207	21238761	1074666	1654303	136460	20522664	16406543	9312435
	Previous Year	64450282	(33899086)		30551196	19877785	1360976	0	0	21238761	9312435	

SCHEDULE - E "INVESTMENTS" (At Cost)

Particulars	Face Value (Rs.)	Quantity		Amount (Rs.)	
		As on 31/03/2009	As on 31/03/2008	As on 31/03/2009	As on 31/03/2008
UNQUOTED					
Saraspur Nagrik Co. Op. Bank Ltd.	100.00	101	101	10100	10100
United Co. Op. Bank Ltd.	50.00	100	100	5000	5000
Total		201	201	15100	15100





schedules forming part of balance sheet as at 31st march, 2009

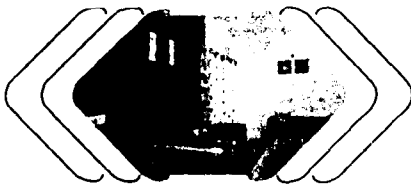
SCHEDULE - F "CURRENT ASSETS, LOANS & ADVANCES"

	As at 31/03/2009	As at 31/03/2008
Current Assets		
Stock-in-Trade/ Inventories		
Stock of Trading Materials	44 75 999	0
Work-in Progress - Residential Project	9 01 09 309	0
Work-in- Progress- Infrastructure Projects	65 20 512	38 69 544
Land	2 54 71 651	14 55 16 218
	12 65 77 471	14 93 85 762
Debtors(Unsecured considered good)		
More than Six Months	0	6 07 266
Others	2 28 82 766	0
	2 28 82 766	6 07 266
Cash on Hand (As certified by the management)		
	70 354	35 989
Bank Balances		
- in current account with Nationalized Bank	0	41 108
- in current account with Scheduled and other Banks	22 85 885	5 83 324
- in Fixed Deposit Accounts with Nationalized Bank	1 82 49 714	0
	2 05 35 599	6 24 432
	2 06 05 953	6 60 421
Loans & Advances		
(unsecured, considered good by the management)		
Loans	2 08 34 283	33 46 76 605
Advances (Recoverable in cash or in kind or for value to be received)	24 41 25 161	3 03 47 230
Deposits	5 18 651	9 44 517
Advance Income tax	1 11 30 793	80 75 911
	27 66 08 888	37 40 44 263
	44 66 75 078	52 46 97 711

SCHEDULE - G "CURRENT LIABILITIES & PROVISIONS"

	As at 31/03/2009	As at 31/03/2008
Current Liabilities		
Sundry Creditors	1 04 16 781	5 54 68 664
Advances Received	2 94 07 963	24 17 97 442
	3 98 24 744	29 72 66 106
Statutory Liabilities and Provisions	1 73 93 100	1 39 36 557
	5 72 17 844	31 12 02 663





schedules forming part of Profit and Loss Account for the year ended 31st march, 2009

SCHEDULE - H "PROJECT INCOME"

	For the year ended	
	31/03/2009	31/03/2008
Sales -		
Construction material - Trading Activity	38 74 390 ✓	0
Residential Project	3 77 85 700 ✓	0
Infrastructure Projects	8 32 30 449	7 59 50 000
Land	31 81 99 500 ✓	0
Land Development Charges	0	1 55 10 625
	44 30 90 039	9 14 60 625

SCHEDULE - I "OTHER INCOME"

	For the year ended	
	31/03/2009	31/03/2008
Energy Generation	0	47 862
Profit on Sale of Fixed Assets	3 426	0
Interest Received	1 88 61 006	1 54 97 900
Rent Income	3 37 460	1 72 166
Sundry Balances Written off	3 91 142	0
Change in depreciation Method	16 54 303	0
	2 12 47 337	1 57 17 928

SCHEDULE - J " INCREASE / (DECREASE) IN STOCK-IN-TRADE"

	For the year ended	
	31/03/2009	31/03/2008
Closing Stock		
Stock of Construction Material - Trading Activity	44 75 999	0
Work-in Progress - Residential Project	9 01 09 309	0
Work-in- Progress- Infrastructure Projects	65 20 512	38 69 544
Land	2 54 71 651	14 55 16 218
	12 65 77 471	14 93 85 762
Opening Stock		
Land	14 55 16 218	0
Work-in Progress-Infrastructure Projects	38 69 544	0
	14 93 85 762	0
	(2 28 08 291)	14 93 85 762



schedules forming part of Profit and Loss Account for the year ended 31st march, 2009

SCHEDULE - K "PROJECT EXPENSES"

	For the year ended	
	31/03/2009	31/03/2008
Purchases Construction Material - Trading Activity	79 35 193	0
DIRECT EXPENSES		
Residential Project		
Purchases	9 44 43 841	0
Labour Charges	1 40 78 711	0
Other Direct Material	7 74 320	0
Photography Expenses	1 100	0
Plantation Expenses	1 05 150	0
Professional Charges	26 01 772	0
Inauguration Expenses	2 51 380	0
Security Charges	2 12 747	0
	11 24 69 021	0
Infrastructure Projects		
Purchases	5 81 52 397	5 18 66 009
Labour Charges	57 34 809	90 44 998
Foundation and Erection Charges	11 68 764	14 37 596
Welfare Cess	3 97 720	0
Electricity Expenses	1 88 522	72 680
Rent Expenses	35 102	0
Laboratory Charges	46 469	0
Professional Charges	2 50 000	0
Rebate	21 86 638	0
Site Expenses	3 33 708	0
Photography Expenses	1 602	0
	6 84 95 731	6 24 21 283
Land		
Transfer from Fixed Assets	0	3 32 40 635
Purchase cost and incidental Expenditure	16 82 08 404	11 22 75 583
	16 82 08 404	14 55 16 218
INDIRECT EXPENSES		
Advertisement	3 66 950	0
Freight and Cartage Expenses	2 39 838	84 537
Value Added Tax	33 23 663	23 19 782
Bank Guarantee Charges	1 64 360	0
Transportation Charges	2 61 372	1 13 218
Repair & maintenance Expenses	2 430	8 44 676
Processing Fee	6 45 150	0
Insurance Expenses	63 886	0
Printing & Stationary Expenses	34 951	0
Loading Expenses	7 400	0
Excise Duty	2 92 755	0
Telephone Expenses	5 648	0
Traveling Expenses	3 649	0
	54 12 052	33 62 213
	36 25 20 401	21 12 99 714



schedules forming part of Profit and Loss Account for the year ended 31st march, 2009

SCHEDULE - L "PAYMENT TO AND PROVISION FOR EMPLOYEES"
(INCLUDING MANAGERIAL REMUNERATION)

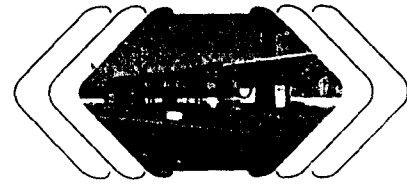
	For the year ended	
	31/03/2009	31/03/2008
Salaries and Allowances	31 93 743	11 64 000
Director's Remuneration	12 00 000	0
Perquisites to Directors	1 43 333	0
Gratuity	5 39 778	0
Bonus	1 65 250	1 76 500
Contribution to Provident and ESI Fund	1 37 645	0
	53 79 749	13 40 500

SCHEDULE - M "OFFICE & ADMINISTRATIVE EXPENSES"

	For the year ended	
	31/03/2009	31/03/2008
Advertisement Expenses	41 83 815	25 810
Auditors' Remuneration	55 150	16 854
Internal Audit Fees	55 150	0
Donation Expenses	25 000	5 01 000
Electricity Expenses	77 256	3 292
Fuel Expenses	482 451	5 61 904
Insurance Expenses	2 30 212	1 96 619
Legal and Professional Expenses	13 90 044	16 60 822
Listing Fees	30 000	30 000
Municipal Tax Paid	0	3 75 485
Office Expenses	2 73 807	1 45 016
Office Rent	4 07 820	2 20 000
Communication Expenses	2 95 807	2 59 109
Printing & Stationery Expenses	3 49 997	1 55 546
Repairs & Maintenance	1 63 555	1 42 790
Security Charges	1 54 862	0
Subscription and Membership Charges	23 500	0
Traveling Expenses	15 114	0
Sundry Debtors Written off	2 64 617	0
Wealth Tax	36 120	0
	85 14 277	42 74 247

SCHEDULE - N "INTEREST & FINANCE CHARGES"

	For the year ended	
	31/03/2009	31/03/2008
Bank Charges	1 61 313	33 268
Processing Fee	1 47 4100	5 11 238
Interest charges	1 82 96 088	44 35 392
	1 99 31 501	49 79 898



**SCHEDULE - O "SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009"**

A. Significant Accounting Policies and Practices:

(a) Basis of preparation of Financial Statements:

The Financial Statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") and are in compliance with Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of Companies Act, 1956.

(b) Accounting Convention and Revenue Recognition:

The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Insurance and other claims are accounted for as and when admitted by the appropriate authorities.

(c) Fixed Assets:

- a. Fixed Assets are valued at cost less accumulated depreciation.
- b. Cost includes all costs incurred to bring the asset to their working condition and location.

(d) Depreciation:

Company has provided Depreciation at the rates and in the manner laid down in Schedule XIV to the Companies Act, 1956 as per "Straight Line Method" in respect of all assets.

(e) Investments:

Investments are stated at cost of acquisition.

(f) Provision for Income Tax:

Provision of Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the income Tax Act, 1961.

(g) Provision for Deferred Tax

The Deferred Tax resulting from timing difference between accounting & taxable profit is accounted by using tax rates & tax laws that have been enacted or substantively enacted as at the Balance Sheet date. The Deferred Tax Asset is recognized & carried forward only to the extent there is a reasonable certainty that the asset will be realized in the future.

(h) Business Income:

Infrastructure Development Income :

Income from Infrastructure development have been recognized on accrual basis.

Income from Real Estate Development Projects:

(I) The Company records revenue of its residential project - Asmaakam confirming to Accounting Standard - 9 and also based on guidance note issued by The Institute of Chartered Accountants of India.

(II) The full revenue is recognized on sale of property when the Company has transferred all significant risks & rewards of ownership to the buyer and when the company is not required to perform any substantial acts to complete the contract.

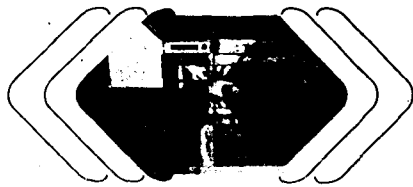
(III) When the Company is obliged to perform any substantial acts after transfer of all significant risks and rewards of ownership on sale of property to the buyer, the revenue and cost is recognized on proportionate basis by applying the percentage completion method.

(i) Staff Benefit:

(I) Gratuity liability is provided for on the basis of an actuarial valuation.

(II) Company's contribution to provident fund is charged to profit and Loss Account of the year. The company has no other obligation other than the contribution payable.





(j) Inventories:

(i) Land:

Land is valued at cost.

(ii) Raw Materials:

Stock of Raw Materials is valued at cost.

(iii) Work-in-progress:

Closing stock of work-in-progress is valued at cost.

(k) Contingent Liabilities:

Contingent Liabilities are disclosed by way of notes to the accounts explaining the nature and quantum of such liabilities.

B. Notes forming Part of Accounts

(1) Figures of previous year have been regrouped, rearranged and recast wherever necessary so as to make them comparable with those of current year.

(2) Change in depreciation method

During the year company has changed its policy for depreciation provision from Written Down Value Method at the rate & manner specified in Section 32 of the Income Tax Act, 1961 to Straight Line Method as per Schedule XIV of the Companies Act, 1956.

The change in depreciation method has resulted in reduction of depreciation charge by Rs. 16 54 303/-. Consequently, the Net Profit after taxation and the balance carried to the Profit and Loss Account for the year and the

Net Fixed Assets as at 31st March, 2009 are higher by Rs. 16 54 303/-.

(3) The details of security offered for the Term loans shown under Schedule 'C' to the Balance Sheet are as follows:

a. The Term Loan from Gruh Finance Ltd. is secured by way of :-

(i) Equitable mortgage of land admeasuring 1 26 624 sq.ft located at Revenue Survey no.764 paiki, 768/1 and 768/2 village Vejalpur, Ahmedabad along with existing construction thereon, both present and future.

(ii) Equitable mortgage of land admeasuring 62 354 sq.ft situated at Final Plot no. 48/2 of T.P.S. no. 84/A, Village: Makarba, Ta.: Daskroi, Dist. Ahmedabad alongwith existing construction thereon, both present and future.

(iii) Lien on units aggregating to 1 03 850 sq. ft i.e. 105 flats in the project - "Asmaakam" and

(iv) Personal Guarantee of Mr. Manoj Vadodaria, Mr. Shailesh Vadodaria, Mr. Kiran Vadodaria.

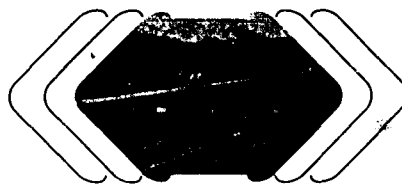
b. The Loan against property obtained from Indiabulls Financial Services Ltd. is secured by way of registered mortgage of promoters' Bungalows No. 1,2,3 situated at Anjani Avenue, Nr. Sambhaav Press, Judges Bungalows Road, Bodakdev, Ahmedabad and personal guarantee of the promoters.

(4) Prior Period Items

Prior Period Items included in the Profit and Loss Account

Particulars	For the year ended on 31/03/2009	For the year ended on 31/03/2008
Foundation and Erection	2 04 715	Nil
Repairs and Maintenance	4 475	Nil
Communication Expenses	94 210	Nil
Office Expenses	4 609	Nil
Total	3 08 009	Nil



**(5) Contingent Liabilities not provided for**

Particulars	As on 31/03/2009	As on 31/03/2008
Bank Guarantee of Rs. 73,29,706/- given to Municipal Commissioner, Ahmedabad in respect of development of 40 Nos. Bus Shelters on BRTS Route against which margin money in the form of F.D. of Rs. 18,50,000/- is kept.	54 79 706	Nil
Bank Guarantee of Rs. 52,40,200/- given to Municipal Commissioner, Ahmedabad in respect of development of 28 Nos. Bus Shelters on BRTS Route for RTO to Pirana against which margin money in the form of F.D. of Rs. 13 10 050/- is kept.	39 30 150	Nil

(6) Employee Benefits

Consequent upon adoption of Accounting Standard on "Employee Benefits" (AS – 15) (Revised 2005) issued by the Institute of Chartered Accountants of India, as required by the Standards, the following disclosures are made:

Particulars	Amount (Rs.)
Reconciliation of opening and Closing balances of the present value of the defined benefit obligation	
Obligation at period beginning (1 st April, 2008)	Nil
Current Service Cost	1 04 370
Interest Cost	Nil
Actuarial Gain/ Loss	4 35 408
Benefits Paid	Nil
Obligations at the year end (31st March, 2009)	5 39 778
Change in Plan Assets	
Fair Value of the Plan (1 st April, 2008)	Nil
Actual Return on plan Assets	Nil
Employer's Contribution	Nil
Benefits Paid	Nil
Plan Assets as at 31st March, 2009	Nil
Liability recognized in Balance Sheet	
Present value of the Obligation as at 31 st March, 2009	5 39 778
Fair Value of plan assets	Nil
Un-funded Liability	5 39 778
Unrecognized actuarial gains/losses	Nil
Un-funded liability recognized in Balance Sheet	5 39 778
Net Cost recognized in the Profit and Loss Account	
Interest Cost	Nil
Service Cost	1 04 370
Expected/Actual return on Plan Assets	Nil
Gain/Loss recognized	4 35 408
Net Cost provided as Expense in P & LA/c	5 39 778
Assumptions used to determine the benefit obligations:	
Discounting Rate	7.00 % p.a
Expected rate of increase in salary	4.00 % p.a
Expected rate of return on Plan Assets	N.A.
Mortality Table	





(7) Segment Reporting:

Since the company has only one segment, there is no separate reportable segment as required in AS-17 issued by the Institute of Chartered Accountants of India.

(8) Related Party Disclosures: (In terms of Accounting Standard-18)

(a)

Relationship	List of Related Parties
Associate Companies	Sambhaav Media Limited Tanishq Hotels Limited
Director's Relatives	Karan R. Vadodaria Siddharth R. Vadodaria
Key Managerial Personnel	Manoj B. Vadodaria

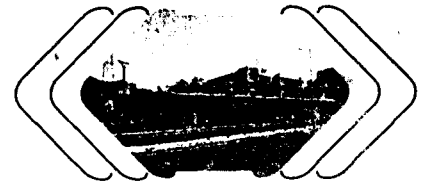
(b) Transactions with Related Parties:

Nature of Transactions	Associate Companies		Director's Relatives		Key Managerial Personnel	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
1. Rent Paid	3 72 654	2 20 000	Nil	Nil	Nil	Nil
2. Sales – Infrastructure Projects	4 34 72 911	7 59 50 000	Nil	Nil	Nil	Nil
3. Advances Received	Nil	2 44 64 001	97 50 000	Nil	Nil	Nil
4. Advance Repaid/ Adjusted	2 44 64 001	Nil	Nil	Nil	Nil	Nil
5. Advances Given	Nil	90 07 170	Nil	Nil	Nil	Nil
6. Advertisement Exp.	43 66 037	Nil	Nil	Nil	Nil	Nil
7. Asset Sold	1 77 000	Nil	Nil	Nil	Nil	Nil
8. Commercial Transaction	35 82 618	Nil	Nil	4 02 11 745	Nil	Nil
9. Managerial Remuneration	Nil	Nil	Nil	Nil	13 43 333	Nil

(9) Earning Per Share : (In terms of Accounting Standard - 20):

Particulars	2008-2009	2007-2008
A Profit / Loss after tax (Rs in Lacs)	279.72	197.72
B Weighted Average No. Of Equity Shares	12 32 26 200	12 32 26 200
C Nominal Value of Shares (Rs.)	1/-	1/-
D Basic & Diluted E.P.S :		
(a) Before Extraordinary item (Rs.)	0.23	0.16
(b) After Extraordinary item (Rs.)	0.23	0.17



**(10) Deferred Tax:**

As per Accounting Standard - 22 on Accounting for taxes or income issued by the Institute of Chartered Accountants of India, the company has accounted for deferred tax during the year.

Particulars	As at 31/03/2009	As at 31/03/2008
Deferred Tax Asset:		
On account of Timing Differences in		
Gratuity	1 83 471	Nil
Bonus	56 168	Nil
Total	2 39 639	Nil
Deferred Tax Liability :		
On account of Timing Differences in		
Depreciation	(11 35 597)	(7232)
Total	(11 35 597)	(7232)
Net Deferred Tax Liability	(8 95 958)	(7 232)

(11) Based on the information available with the Company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2009. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

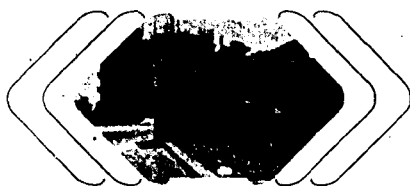
(12) Managerial Remuneration:**a. Computation of net profit for calculation of Managerial Remuneration**

Particulars	Amount (Rs.)
Net Profit Before Tax	4 38 29 129
Add:	
Director's Remuneration	13 43 333
Loss on Sale of Asset	2 79 361
Depreciation	10 74 666
Total- A	4 65 26 489
Less.	
Depreciation under Sec 350 of the Companies Act, 1956	10 74 666
Profit on Sale of Asset	3 427
Total - B	10 78 093
Net Profit as per Sec 349 of the Companies Act, 1956 (A - B)	4 54 48 396

b. Details of Payments and Provisions on account of Remuneration to Managerial personnel in accordance with Sec 349 and Sec 350 of the Companies Act, 1956, included in the Profit and Loss account, are as under:

Particulars	2008-2009	2007-2008
Salary	12.00	Nil
Perquisites and Allowances	1.43	Nil
Total	13.43	Nil





(13) Auditors' Remuneration:

Particulars	2008-2009 Amount (Rs.)	2007-2008 Amount (Rs.)
Audit Fees	50 000	15 000
Service Tax	5 150	1 854
Total	55 150	16 854

(14) As this is a Infrastructure Company the information required as per Paragraph 4C of Part II of Schedule VI of the Companies Act, 1956, regarding License Capacity, Installed Capacity and actual production are not required.

(15) Details of transaction in foreign currency are as under:

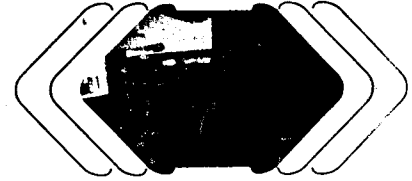
(Rs. In Lacs)

Particulars	2008-2009	2007-2008
a. C.I.F. Value of Imports	Nil	Nil
b. Earnings in Foreign Exchange	Nil	Nil
c. Expenditure in Foreign Exchange	Nil	Nil

(16) The information required as per Paragraph 3 of Part II of Schedule VI of the Companies Act, 1956, regarding quantitative information about the Purchases made, the Opening and Closing Stocks are as follows.

(a) Trading Activity

Particulars	2008-2009		2007-2008	
	Qty.	Amount	Qty.	Amount
(I) Opening Stock				
Land (Sq. mts)	59 271	14 55 16 218	-	-
Construction Material	-	-	-	-
(II) Purchases				
Land transfer from Fixed Assets	-	-	33 355	3 32 40 635
Land (Sq. mts)		16 82 08 404	25 916	11 22 75 583
Construction Material		79 35 193	-	-
(III) Closing Stock				
Land (Sq. mts)	25 545	2 54 71 651	59 271	14 55 16 218
Construction Material	-	44 75 999	-	-
(IV) Sales				
Land (Sq. mts)	33 726	31 81 99 500	-	-
Construction Material		38 74 390	-	-

**(b) Construction Activity – Residential Project**

Particulars	2008-2009		2007-2008	
	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
(I) Opening Stock				
Land (Sq. mts)	-	-	-	-
Construction Material	-	-	-	-
(II) Purchases				
Land (Sq. mts)	11 751	7 82 31 226	-	-
Construction Material		1 62 12 615	-	-
Direct Expenses		1 80 25 180		
(III) Consumption				
Land (Sq. mts)	870	57 93 078	-	-
Construction Material		85 68 689	-	-
Direct Expenses		79 97 945	-	-
IV) Work-In-Progress				
Land (Sq. mts)	10 881	7 24 38 148	-	-
Construction Material	-	76 43 926	-	-
Direct Material		1 00 27 235	-	-
(V) Sales				
Gross Income	74	3 77 85 700	-	-
	(Units)			

(c) Infrastructure Activity

Particulars	2008-2009 Amount (Rs.)	2007-2008 Amount (Rs.)
(I) Opening Stock		
Raw Material	38 69 544	
(II) Purchases		
Raw Material	5 81 52 397	5 18 66 009
Direct Expenses	1 03 43 334	1 05 55 274
(III) Consumption		
Raw Material	5 55 01 429	4 79 96 465
Direct Expenses	1 03 43 334	1 05 55 274
IV) Work-In-Progress		
Raw Material	65 20 512	38 69 544

17. VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL CONSUMED

Particulars	2008-2009 Amount (Rs)	2007-2008 Amount (Rs)
Imported	Nil	Nil
Indigenous	8 82 04 476	5 85 51 739



(18) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Signatures to Schedules 'A' to 'O' forming part of Accounts

As per our separate report of even date
For O. P. Bhandari & Co.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria Managing Director

O. P. Bhandari
Partner

Nila M. Vadodaria Director

M. No. 34409

Hiren G. Pandit Director

Place : Ahmedabad

Date : 25th April, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

1. Registration Details:

Registration No. :	04-13417	State Code :	04
Balance Sheet Date :	31/03/2009		

2. Capital Raised during the year (Rs. in Thousand)

Public Issue :	NIL	Right Issues :	NIL
Bonus Issue :	NIL	Private Placement :	NIL

3. Position of Mobilization and deployment of Funds (Rs. in Thousand)

Total Liabilities :	405 878	Total Assets :	405 878
Sources of Funds :	----	Application of Funds :	---
Paid Up Capital :	1 23 226	Net Fixed Assets :	16 406
Reserves and Surplus :	1 27 237	Investments :	15
Secured Loans :	1 54 519	Net Current Assets :	3 89 457
Unsecured Loans :	----	Misc. Expenditure :	----
Deferred Tax Liabilities :	896	Accumulated Losses :	----
		Deferred Tax Assets :	----

4. Performance of Company (Rs. in Thousand)

Turnover (Net) :	4 41 529	Total Expenditure :	3 97 700
Profit/(Loss) Before Tax :	43 329	Profit/(Loss) after tax :	27 972
EPS/LPS :	0.23	Dividend Rate :	----

5. Generic names of three principal products services of company (as per monetary terms)

Product/Service Description	Item Code No.
I. Construction and Infrastructure Activities	Not Applicable

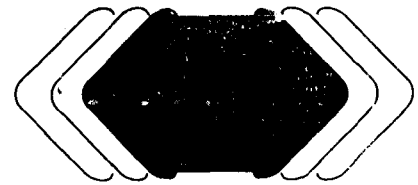
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Ahmedabad
Date : 25th April, 2009

Manoj B. Vadodaria
Managing Director

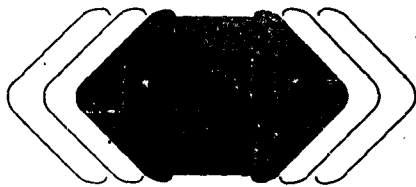
Nila M. Vadodaria
Director

Hiren G. Pandit
Director

**cash flow statement**

(Rs. In Lacs)

Particulars		For the year ended on 31/03/2009		For the year ended on 31/03/2008
(I) CASH FLOW FROM OPERATING ACTIVITIES				
(a) Net profit before taxation, and prior period items		438.29		319.47
(b) Adjustments				
Add: Expense				
i) Depreciation	10.75		13.61	
ii) Interest paid on Term Loan	182.96		44.36	
iii) Provision for Gratuity	5.40		0.00	
iv) Bonus Payable	1.65		0.00	
v) Loss on sale of vehicles	2.79		13.42	
vi) Sundry Balances Written Off	2.65		0.00	
	206.20		71.39	
Less: Income				
i) Profit on Sale of Assets/Investment	0.03		0.00	
ii) Rent Income	3.37		1.72	
iii) Interest Income	188.61		154.98	
iv) Change in depreciation Method	16.54		0.00	
v) Sundry Creditors Written Off	3.91		0.00	
	212.46		156.70	
		(6.26)		(85.31)
Operating Profit before Working Capital Changes		432.03		234.16
(c) (Increase)/Decrease in Current Assets				
i) Sundry Debtors	(228.16)		(0.41)	
ii) Closing W.I.P	228.08		(1 493.86)	
iii) Loans & Advances and Others	974.35		(613.15)	
		974.27		(2 107.42)
(d) Increase/(Decrease) in Current Liabilities		(2 688.23)		1 422.98
Cash flow before Prior Period Items		(1 281.93)		(450.28)
Prior Period Expenses		(3.08)		0.00
Net Cash Flow from Operating Activities(A)		(1 285.01)		(450.28)



cash flow statement

(Rs. In Lacs)

Particulars		For the year ended on 31/03/2009		For the year ended on 31/03/2008
(2) CASH FLOW FROM INVESTING ACTIVITIES				
(a) Purchase of Fixed Assets	(76.67)		(8.84)	
(b) Purchase of Investment	0.00		0.00	
(c) Sale/Adjustment of Fixed Assets	12.89		347.83	
(d) Adjustment for depreciation	(1.36)		0.00	
(e) Rent Income	3.37		1.72	
(f) Interest Income	188.61		154.98	
Net Cash Flow from Investing Activities(B)		126.84		495.69
(3) CASH FLOW FROM FINANCING ACTIVITIES				
(a) (Repayment of)/proceed from Long term Borrowing	1 540.59		(3.19)	
(b) Interest paid on Term Loan	(182.96)		(44.36)	
Net Cash Flow from Financing Activities (C)		1 357.63		(47.55)
Net Change in Cash & Cash Equivalents(A+B+C)		199.46		(2.14)
Cash & Cash Equivalents as at 1st April(Opening)		6.61		8.75
Cash & Cash Equivalents as at 31st March(Closing)		206.05		6.61

Notes:

1. Cash Flow is prepared under indirect method
2. Cash and Cash Equivalent includes Fixed deposits with banks of Rs. 1.82 crores with accrued interest
3. Figures in bracket indicate negative amount

As per our separate report of even date
For O. P. Bhandari & Co.
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria

Managing Director

O. P. Bhandari
Partner

Nila M. Vadodaria

Director

M. No. 34409

Hiren G. Pandit

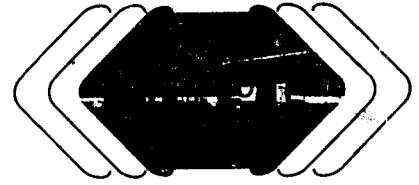
Director

Place : Ahmedabad

Date : 25th April, 2009



Nila Infrastructures Ltd.



company details

Board of Directors

Shri Manoj B. Vadodaria
Smt. Nila M. Vadodaria
Shri Hiren G. Pandit
Shri Yagnesh D. Vyas

Chairman and Managing Director
Director
Director
Director

Chief Executive Officer

Shri Sushil S. Bhandari

Company Secretary

Shri Dipen Y. Parikh

Bankers

The Kalupur Commercial Co-op. Bank Ltd.
Allahabad Bank

Auditors

O.P. Bhandari & Co.
Chartered Accountants
Ahmedabad

Registered Office

1st Floor, Sambhaav House,
Opp. Chief Justice Bungalow,
Bodakdev, Ahmedabad 380 015

Registrar & Share Transfer Agent

MCS Limited
101, Shatdal Complex,
Opp. Bata Showroom,
Ashram Road,
Ahmedabad 380 009

The ISIN of the Company's Equity Shares is INE937C01029





NILA INFRASTRUCTURES LIMITED

Registered Office : "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad -380015.

PROXY

I/We _____ Folio/DPID _____
Of _____ being a Member/s of Nila Infrastructures Limited, Ahmedabad
hereby appoint _____ of _____ or failing
him _____ of _____ as my/our proxy to vote for
me/us and on my/our behalf at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company to
be held on **Saturday the 30th May, 2009 at 10:00 a.m** at Registered Office and any adjournment thereof .

Signed this _____ day of _____ 2009.

Affix a
Revenue
Stamp

Signature(s) of Member(s)
Across the Revenue Stamp

NOTE: The Proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for the meeting.

ATTENDANCE SLIP



NILA INFRASTRUCTURES LIMITED

Registered Office : "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad -380015.

(Please complete this Attendance Slip and hand it over at the entrance of the Hall.)

I hereby record my presence at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company held on **Saturday the 30th May, 2009 at 10:00 a.m** at "Sambhaav House", Bodakdev, Ahmedabad-380 015.

Folio/DPID/Client ID No. _____ No. of Shares held: _____

Full Name of the
Shareholder/Proxy: _____

Signature of the
Shareholder / Proxy: _____

Note : Only Shareholder of the Company or their proxies will be allowed to attend the Meeting.



Nila Infrastructures Limited
(An ISO 9001:2009 Certified Company)