



Nila Infrastructures Ltd.





THE 'FIGURES' BEHIND THE FIGURES

SOME RETURNS ARE NOT SO OBVIOUS. A CASE IN POINT IS THE ANECDOTE BELOW.

In a special issue of Business Today brought out in January 2009, Chairman and MD of TVS Motors, Venu Srinivasan recalls the advice that has had a tremendous impact on the strategic thinking of his company.

Crediting Prof. Lord S K Bhattacharyya, head of Warwick Manufacturing Group, University of Warwick, UK, for the words of wisdom, Srinivasan says, "Never take more than one risk at a time. He (Prof. Bhattacharyya) classifies risks into people, markets and money – the three legs of a tripod. If you take more than one risk, the tripod loses balance. For instance, he would say that a financial risk such as an acquisition can be attempted successfully only if you have a strong team and a stable market."

Advice that works is a hidden return, a sort of 'figure behind the figures.' Although of immense value, it does not show up in the accounts. Likewise, there are other hidden pay-offs shaping and consolidating a company.

Our annual report this year is about how such intangibles are quietly at work, making Nila Infrastructures more robust and ready for opportunity.

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THE COMPANY - IN BRIEF



Nila Infrastructures is a Sambhaav Group Company based in Ahmedabad, Gujarat. It is currently engaged in construction as well as development of real estate and infrastructure projects. Nila Infrastructures is a public limited company incorporated on 20th February 1990 and listed on BSE (Bombay Stock Exchange).

With the real estate sector slowing down across the economy and unexpected delays surfacing for the company, the residential real estate segment of the company saw less action than expected in the year gone by. However, this has been compensated to an extent by the pick-up in infrastructure construction.

Total turnover of the company went up from Rs. 69.97 crore in 2009-10 to Rs. 91.09 crore in 2010-11. Profit After Tax (and before extraordinary items) remained nearly at the same level, from Rs. 13.74 crore in FY10 to Rs. 13.49 crore in Fy11.



VISION

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

VALUES

Passion: for ideas and innovations
Reliability: of processes and practices
Dedication: to goals and targets



**Conditions are only temporary;
it is performance that is permanent.**

Manoj B Vadodaria, CMD
Nila Infrastructures

CMD'S SAY

The recent slowdown, especially in the real estate and construction sector, has had an impact on our earnings growth this year. But, I see no cause for concern. There are a couple of reasons for this – both at the economy and our company level.

Real estate: temporary speed bump

Real estate in Gujarat has been underperforming in recent times due to a general liquidity crunch, hike in interest rates, increase in Jantri (state government's guideline rates for registering immovable property deals) and a 'wait and watch' mindset of home buyers. But, I would classify all this as temporary stagnancy rather than a prolonged slowdown. A demand like housing is too great to be kept down for long. Soon, I am sure real estate will start picking up again.

Infrastructure: unending joyride

As for our company, we have a recession-proof segment to fall back on – infrastructure. This year we executed a much larger portion of infrastructure projects than last year. Being generally government projects, they are a sure-shot deal with assured payments on successful completion. Another intangible advantage: from being known as a real estate developer, we have gained the reputation of a genuine infrastructure company.

Nila: performance fundamentals intact

We continue to focus on operational improvement so that we are doing things faster and better. We have a more dynamic management on board to spearhead new company initiatives and explore new business avenues.

I believe we have the capacity to thrive in both calm seas and choppy waters. Conditions are only temporary; it is performance that is permanent.

TRACK TO
BIGGER SIZE
& STABILITY



HIDDEN RETURNS FROM INFRASTRUCTURE

SIZE

Infrastructure projects help ramp up operations and turnover at relatively less risk. A higher turnover provides Nila Infrastructures leverage and credentials to take up larger and more prestigious projects.

STABILITY

The majority of infrastructure construction projects like the BRTS are pushed by both central and state governments. As such, not only is the number and ticket size of projects more, the project pipeline does not dry up for the company even during lean times.

REPUTATION

Being mostly in the public realm, infrastructure projects command attention in the industry and media: definitely an image-booster for the company. Projects like BRTS also deliver niche areas with relatively less competition.



HOME TO
BETTER MARGINS
& MARKET-ORIENTATION



HIDDEN RETURNS FROM REAL ESTATE

MARGINS

Although real estate projects are riskier than infrastructure construction, they yield better bottom-lines.

MARKET-ORIENTATION

Real estate projects help Nila Infrastructures connect with the market. Through its housing projects, the company gets the pulse of homeowners and investors. This breeds a healthy culture of listening to customers.

INITIATIVE

While construction mandates are rigid about specifications and design, real estate projects give the company a free drawing board. This promotes design initiative and innovation.



HIGHLIGHTS OF THE YEAR - FINANCIAL

Turnover (Rs. Lac)



EBITDA (Rs. Lac)



TOL/TNW Ratio



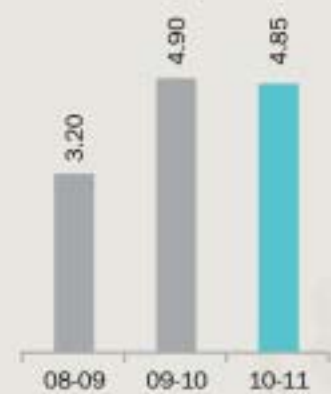
Current Ratio



Debt Equity Ratio



Interest Coverage Ratio



HIGHLIGHTS OF THE YEAR - BUSINESS



REAL ESTATE

- ✦ Construction and handing over to owners of Asmaakam Phase-II middle-class housing project featuring 120 2BHK and 10 3BHK residential flats complete.
- ✦ Construction and handing over to owners of Asmaakam Phase-II middle-class housing project featuring 120 2BHK and 10 3BHK residential flats complete.
- ✦ Construction work on two fully sold-out middle-class housing schemes, Anvayaa (44 3BHK flats) and Anaahata (44 2BHK flats), is expected to get over by the end of calendar year 2011.
- ✦ Higher-end housing project at a prime location, Anuraadhaa, announced during the year.
- ✦ Construction work on the luxurious scheme, Ananya (48 3BHK flats) - the joint venture project being executed in LLP (Limited Liability Partnership) mode with Shree Matangi Developers, is nearing completion.

- ✦ The company will be executing the large-scale Springdale Residency (457 2/3 BHK flats), a mini-township project in collaboration with Sandesh Procon.
- ✦ The company's foray into the ultra-luxurious segment is through a construction contract for Venus Ivy (24, 3 BHK flats).

INFRASTRUCTURE

- ✦ Construction of 56 BRTS (Bus Rapid Transit System) stations completed in three routes for Phase-I of Ahmedabad Municipal Corporation's much awarded JNNURM BRTS project.
- ✦ The company is bidding for additional routes in Phase II of the BRTS project above.
- ✦ Construction of 120 factory sheds in Surat RJD Textile Park is proceeding fast.
- ✦ The year saw work on 732 AMTS (Ahmedabad Municipal Transport Service) bus shelters get over.

THE INDUSTRY

Some hidden forces have huge impacts worldwide. Urbanisation is one of them. It is said that this is one silent trend that is shifting the centre of gravity from the western or developed countries to the eastern or developing, more specifically Asia. The following article does a bit of time travel to see what urbanisation has in store for India, Gujarat and Ahmedabad in the future.

India is not simply emerging; India has emerged.

US President Barack Obama while addressing the Joint Session of the Indian Parliament during his November 2010 visit



According to revised Central Statistical Organisation (CSO) estimates, the Indian economy grew at 8.5% in 2010-11. Our country continues to be the world's second fastest growing economy after China. Although, there are concerns that growth will moderate by the end of 2011-12, it is still expected to remain above trend. The World Bank's Global Outlook (June 2011 forecast) expects India to close calendar years 2011 & 2012 with growth rates of 8% and 8.4% respectively. Global rating agency, Standard & Poor's, in its report 'Asia-Pacific Markets Outlook 2011' echoes similar sentiments with a forecast in the range of 8-8.5% for 2011.

REALTY REMAINS STRONG

India's real estate and construction sectors are expected to sustain the general economic upside. A Price waterhouse Coopers and Urban Land Institute survey, Emerging Trends in Real Estate - Asia Pacific 2011, lists India among the world's choicest real estate investment destinations. Mumbai is a top three city investment prospect; as many as three Indian cities (Mumbai, New Delhi and Bangalore) feature among the top ten city investment prospects. As far as city development prospects are concerned Mumbai and New Delhi have been slotted into the 1st and 2nd positions

respectively. The FICCI and E&Y Indian Real Estate Report 2010 titled 'Realty decoded - Investing across borders' ranks India as the 5th best country overall for real estate investment. According to the report, India's overall rank was pulled up by the 2nd and 3rd ranks in the individual indices of economic development and real estate market respectively. Although International rating agency, Fitch Ratings expects slackness of real estate demand in the near term due to lower absorption rates of residential units, the country will have stable real estate demand growth over 2011. The sustained economic and demographic growth of India along with its rapid urbanisation is expected to keep up the tempo in residential real estate demand.

THE RISE OF URBAN INDIA

A key driver of both residential and commercial real estate demand is going to be the rapid and widespread urbanisation that is taking hold in the country. In the biennial report released by the Population Division of the UN's Department of Economic and Social Affairs, 'World Urbanization Prospects - The 2009 Revision,' India has three 'megacities' among the world's top ten urban centres. These megacities are also expected to grow considerably faster than those in China. India, along with China and USA, accounted for 36% of the world's urban population in 2009. Between 2009 and 2025, India will be the second largest contributor to the increase in world urban population with 167 million; between 2025 and 2050, the country will see the world's highest increase in urban population with 352 million to China's 186 million. Such an unprecedented scale of urbanisation is bound to jack up demand for real estate space as well as urban infrastructure.

INFRASTRUCTURE CONTINUES TO RULE

India's Economic Survey 2010-11 underlined the critical nature of 'an extensive and efficient infrastructure network' for economic development and global competitiveness. The signs are encouraging. The Economic Survey mentions that the Planning Commission, in its Mid-Term Appraisal of the Eleventh Five Year Plan (2007-08 to 2011-12), found infrastructure investments to be proceeding along planned lines. What was heartening was the

participation of the private sector in an area where long gestations and paybacks normally put the brakes on investment. During the first two years (2007-08 and 2008-09) of the Plan, the contribution of the private sector to such investments was 34.32% and 33.74% respectively, higher than the targeted 30%. Infrastructure investment reached 7.18 per cent of the GDP in 2008-09, a figure expected to go up to 8.37% by 2011-12, the terminal year of the Plan.

URBAN 'DARK HORSES'

According to McKinsey Global Institute (MGI) report of March 2011, 'Urban world: Mapping the economic power of cities,' the top 600 urban centres with only 20% of the global population contribute about 60% to the world GDP. However, presently the balance of urban power lies in the developed world. Among the top 600, 380 cities in developed countries accounted for 50% of the world GDP in 2007. However, by 2025, the composition of the top 600 cities will change to include 136 new cities, all of them from developing countries.

However, this is just half the story. A striking forecast of the MGI study is that most of the global growth by 2025 will originate not in the megacities or 'heavyweights' with current population of more than 10 million, but in relatively unknown 'middleweights' with inhabitants numbering between 150,000 to 10 million. While the 23 megacities of today are expected to make up 10% of world GDP, the fast-growing middleweights (today's dark horses) will contribute 50% by 2025.

Besides indicating the concentration of economic might in urban centres, the above data also suggest the strong possibility of developing new urban centres with high growth potential. It is for this reason that our country should push urbanisation and urban infrastructure seriously. By 2025, India is expected to add 13 new cities to the top 600. To meet the pressures of an increasingly urban population, India will need to step up its investment in cities to the extent of \$ 1.2 trillion over the next 20 years. The McKinsey Global Institute report lists transportation and affordable housing as the two most capital intensive urban development investments.

The world looks at India and India looks at Gujarat.

MD & CEO of ICICI Bank, Chanda Kochchar, during Vibrant Gujarat 2011 Summit



In the Ahmedabad edition of Times of India a recent article, 'Gujarat does a double!' mentioned that Gujarat's Gross State Domestic Product (GSDP) grew by 11.58 per cent during 2010-11 with all three sectors – agriculture, industry and services – in double-digit growth figures. The state's economy grew at an astonishing average of 10.3% over the last decade (2001-02 to 2010-11).

Quite appropriately, Gujarat has been labelled 'China in our backyard,' consistently attracting the attention of both national and international investors. An ASSOCHAM (Associated Chambers of Commerce and Industry) study of June 2011 says that Gujarat is the country's top investment destination with 1455 projects worth Rs 13.35 lakh crore underway. The Vibrant Gujarat 2011 Summit resulted in 7936 MOUs worth more than Rs 20 lakh crore.

URBAN GUJARAT

India's heart may still beat in its villages, but states like Gujarat are quietly ushering the urban revolution. In the Ahmedabad edition of Times of India, a news item headlined 'Census 2011: Gujarat population touches 6 crore; urbanisation at 43%' hints at this phenomenon. Gujarat is also one of the fastest growing urbanised states - from 37% during Census 2001 to 43% during Census 2011.

The McKinsey Global Institute (MGI) report mentioned

earlier, 'Urban world: Mapping the economic power of cities,' identified 14 major cities in India that would account for 40% of the country's GDP by 2030. Gujarat is the only state with three of its cities in the top 14 league.

The underlying force of urbanisation in Gujarat is quietly shifting the social, economic and geographical dimensions of development. And boosting demand for real estate and urban infrastructure projects.

AHMEDABAD: 'ECONOMIC DYNAMO'

The MGI report lists Ahmedabad as a 'middleweight' city with high growth; it also puts the city among the top 14 cities in India by 2030. So the long term prospect for real estate and urban infrastructure is definitely strong in the city.

However, contrary to perception, realty is up even in the near term. According to Residex, a residential index brought out by National Housing Bank, an apex housing finance institution wholly owned by RBI, Ahmedabad is one of the cities overturning the trend of falling realty prices elsewhere in the country. The January-March 2011 period saw a 17% increase compared to July-September 2010 prices and a less than 1% increase compared to the October-December 2010 period.

Nila Infrastructures is proud to have its business operations concentrated in the growth hub of Gujarat, a state that is itself the growth engine of the entire country.

COMPANY OVERVIEW

Some causes and consequences are not seen easily; they play out their effects over time quietly. Such background happenings may have huge upsides for any company. The pages that follow attempt to bring them to light and see how they are working their way with Nila Infrastructures.

SKIES AND GROUNDS OF OUR BUSINESS

It is said 'success is not just about touching the sky; It is also about keeping your feet on the ground.'

The sky is, of course, where all of us would like to be one day. But, if we are not anchored to the ground, we are more than likely to drift aimlessly, like a kite cut loose. Thus, any sustainable success strategy should have a blend of both Sky and Ground – in other words, of Vision and Pragmatism, or of the Ideal and the Practical.

Invisible as it may seem, the Sky and Ground theme has made its presence felt throughout the year. Let's see how. Our residential real estate projects reaching for the skies have been balanced by our urban infrastructure projects spread across the ground; nurturing sky-high dreams of individuals as well as the ground aspirations of the public. The risky Sky of high margin has been tempered by the stable Ground of high turnover.

SIZE MATTERS

A greater focus on infrastructure construction has given us financial stability and stable turnover growth.



We tend to make light of the old English saying, 'Don't put all your eggs in one basket.' But, it makes a lot of business sense. If we were solely a real estate player, maintaining existing profit levels would have been difficult, especially when there has been a slackening of real estate growth across the economy in the later part of 2010-11. During the year, we turned our attention to construction contracts and infrastructure projects that afforded a stable risk-return profile. Infrastructure and contract construction projects made up 40% of turnover in 2010-11 as opposed to 28% in 2009-10; the real estate component went down from 58% in 2009-10 to



43% in 2010-11. Overall, turnover ramp-up was from Rs. 69.97 crore in 2009-10 to Rs. 91.09 crore in 2010-11. Profit After Tax experienced a marginal decline, from Rs. 13.74 crore in FY10 to Rs. 13.49 crore in FY11. Net Worth rose from Rs. 73.17 crore in 2009-10 to Rs. 83.22 crore in 2010-11.

Despite a slight lowering of profit, we are happy with the year's results. There are a couple of reasons. A greater focus on infrastructure construction has given us financial stability and stable turnover growth. Infrastructure construction projects conceived by the government are not affected by the boom-bust cycles of

economic activity, allowing greater stability. During the slowdown experienced in 2010-11, BRTS (Bus Rapid Transit System) station projects acted as financial buffers for Nila Infrastructures.

Our bigger size also gives us the edge in the turnover eligibility criteria of project tenders, especially government infrastructure tenders. Infrastructure

projects like BRTS also come into the limelight more often. Carrying as they do the aspirations of millions, the BRTS project in Ahmedabad has been an inspiration and joy for us. It has won many awards at both the national and international arenas, and this is a matter of pride and prestige for our company. Another plus for us is that, being in niche areas, infrastructure projects also enjoy relatively less competition.

BRINGING DOWN RISK

Real estate projects ensure higher margins growth at a relatively higher risk. However, there are ways to reduce its sting.



Any growth strategy carries with it some risk. Real estate projects ensure higher margins growth at a relatively higher risk. However, there are ways to reduce its sting. Our portfolio of residential projects range from those targeting the relatively lower end to the higher end of the middle class. To share risk as well as gain valuable experience from known industry players in different segments and scale, we have forged joint ventures or undertaken construction contracts. Examples are a

luxurious scheme like Ananya (48, 3BHK flats) and ultra-luxurious scheme like Venus Ivy (24, 3BHK flats). Since we have entered into construction contracts in the above two projects, our company does not bear the full risk.

Our diverse portfolio of high-risk, developed projects balanced with low-risk, contracted projects as well as high-risk, real estate projects hedged with low-risk, urban infrastructure projects keeps inevitable risks to manageable levels.

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PERFORMANCE AND FINANCIAL STRENGTHS



BRTS Station, Maninagar, Ahmedabad

Although, borrowing and market interest rate have increased, the overall cost of debt has gone down from 13.35% to 12.38% during 2010-11.

Our success in construction of BRTS (Bus Rapid Transit System) stations has paved the way for a construction contract with one of the premier real estate developers, Venus Infrastructure, at one of their prime locations in Ahmedabad. It may be mentioned that Venus is a highly quality conscious player with stringent qualifying norms for their suppliers. We had acquired a construction contract for a project that has Project Management Consultants following international benchmarks - the RJD Textile Park at Surat. With the Textile Park nearing completion, we are proud of the fact that we have been

certified for sticking to specified project timelines at every stage.

In residential real estate projects, timely customer advances are important. This is more or less assured if the flat-buyer is the flat-user rather than an investor and thus adopts the loan route to own homes. In Asmaakam, Anvayaa and Anaahata projects, we have sold on an average 75% of flats to customers taking bank loans. That loan defaulters are likely to be minimal is ensured by another statistic - 70% of our sales were made to salaried people in senior positions with obvious loan

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repaying capacity and negligible default rates.

Although, the company has been pursuing large-scale projects in recent times, our conservative debt policy has kept total debt to equity at comfortable levels - from 0.20 in FY10 and 0.45 in FY11. Such performance has

not gone unnoticed by financial institutions. Although, Borrowing has increased from Rs. 26.55 crore in 2009-10 to Rs. 50.44 crore in 2010-11, the overall cost of debt has gone down from 13.35% to 12.38% during the same period.

HIGH CREDIT RATING

Nila Infrastructures has been awarded an NSIC-CRISIL Rating of NSIC-CRISIL SE 1A on March 28, 2011. This rating indicates 'Highest Performance Capability and High Financial Strength.'



We believe the outcome of performance and credit rating exercises should not be just a certificate on the wall. By measuring ourselves against known industry benchmarks, we know where we stand and how to improve processes and operations. Nila Infrastructures had recently gone for a rating exercise conducted by NSIC-CRISIL in the category of Performance & Credit Rating for Small Scale Industries. It is a matter of pride that Nila Infrastructures has been awarded an NSIC-CRISIL Rating of NSIC-CRISIL SE 1A on March 28, 2011.

This rating indicates 'Highest Performance Capability and High Financial Strength.' We aim to undertake such initiatives in the future too.

With real estate demand picking up slowly but surely, numerous projects on the anvil and the advantage of experience in bidding and executing urban infrastructure projects, the only way for Nila Infrastructures is up in the sky with the ground beneath its feet.

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Nila Infrastructures Limited will be held on Saturday, 10th September, 2011 at 10.00 A.M. at the Registered Office of the Company at 1st Floor, "Sambhaav House" opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380 015 to transact the following business:

Ordinary Business:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date together with the Schedules and Notes attached thereto forming part of Final Accounts, and the Reports of the Auditor's and Directors' thereon.
- To appoint a Director in place of Shri Dilip D. Patel, who retires by rotation and being eligible, offers himself for reappointment.
- 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.
- To declare dividend on equity shares.
- 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.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 06th September 2011 to 10th September, 2011 (both days inclusive) pursuant to Clause 16 and 19 of the Listing Agreement and also in compliance of Section 154 of the Companies Act, 1956.
- The Company has signed Tripartite Agreement with NSDL and CDSL for dematerializing of its Equity Shares. The ISIN allotted to your Company is INE937C01029.
- Additional information in terms of clause 49 of the listing agreement on directors recommended for appointment / reappointment or seeking election at the annual general meeting is given in the report on corporate governance.
- YOUR COMPANY HAS INITIATED STEPS FOR IMPLEMENTING THE "GREEN INITIATIVE IN CORPORATE GOVERNANCE" AS PER THE CIRCULARS ISSUED BY THE MINISTRY OF CORPORATE AFFAIRS ("MCA") AS REGARDS PAPERLESS COMPLIANCES FOR SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE. HENCEFORTH THE EMAIL INDICATED IN YOUR RESPECTIVE DP ACCOUNTS WHICH WILL BE PERIODICALLY DOWNLOADED FROM NSDL/CDSL WILL BE DEEMED TO BE YOUR REGISTERED EMAIL ADDRESS. WE REQUEST YOU TO REGISTER YOUR EMAIL ADDRESS WITH YOUR DP, IN CASE YOU HAVE NOT ALREADY REGISTERED THE SAME. MEMBERS HOLDING SHARES IN PHYSICAL MODE ARE REQUESTED TO UPDATE THEIR EMAIL ADDRESSES BY WRITING TO THE COMPANY / RTA QUOTING THEIR FOLIO NOS. IN CASE A MEMBER WISHES TO RECEIVE A PHYSICAL COPY OF THE SAID DOCUMENTS, THE SAME WILL BE SENT UPON RECEIPT OF A COMMUNICATION FROM THE MEMBER.
- Members are requested to convert their physical shareholdings to demat / electronic form through any of the nearest depository participants (DPs) to avoid the hassles as possibility of loss, mutilation, etc. and also to ensure safe and speedy transactions in the securities.

By order of the
Board of Directors

Place : Ahmedabad
Date : 06th August, 2011

Dipen Y. Parikh
Company Secretary

NOTES:

- 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.
- Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the time fixed for the meeting. A proxy form is enclosed.
- Members are requested to bring their copy of Annual Report to the meeting, as no extra copies will be distributed at the meeting hall as a measure of economy.
- Members desiring any information as regards accounts and other records are requested to write to the Company **at least 7 days before** the meeting to enable the management to keep the information ready.

DIRECTORS' REPORT

Dear Members,

The Directors of your company are pleased to present the 21st Annual Report to the Members with the audited financial statements for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

The performance of the Company for the financial year 2010-11 are as under:

(Rs. in Lacs)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Total Income	9 109.03	6 996.99
Less: Total Expenditure	6 859.57	4 930.66
Profit Before Interest, Depreciation & Tax	2 249.46	2 066.33
Less: Interest and Finance Charges	448.57	404.85
Less: Depreciation	72.21	65.42
Profit Before Taxation	1 728.68	1 596.06
Less: Provision for Income Tax/Wealth Tax	323.90	269.43
Less: Deferred Tax (Assets)/Liabilities	(23.99)	12.99
Less: MAT credit available for set off	79.59	(60.70)
Less : Prior period expenses	1.64	0.18
Net Profit	1 347.54	1 374.16
Add: Balance brought Forward from previous year	1 562.44	633.69
Profit available for appropriation	2 909.98	2 007.85
Less: Transfer to General Reserve	100.00	100.00
Less: Proposed Dividend	295.23	295.23
Less: Dividend Distribution Tax	47.89	50.18
Surplus carried to Balance Sheet	2 466.86	1 562.44
Paid up Share Capital	2 952.26	1 232.26
Share Capital Suspense	—	1 720.00
Reserves [Excluding Revaluation Reserve]	5 369.96	4 365.55
Net Worth	8 322.22	7 317.81

2 REVIEW OF OPERATIONS:

During the year under review your Company has completed some of the projects on hand and has made considerable progress on some other projects. Land mark achievement was completion of BRTS Bus Shelter project on three routes under Phase-1 in Ahmedabad City. By execution of this project your Company has got Remarkable recognition and appreciation in executing the Urban Infrastructure Development Projects of Govt./ Local Authority. Similarly work on other infrastructure projects like RJD Textile Park is in progress as per schedule.

Asmaakam Phase-2, which was under construction last year, has been completed and members have been given possession of their flats. Other residential flats schemes of the Company like 'ANVAYAA' and 'ANAAHATA' and scheme in joint venture 'ANANYA' have also shown considerable progress during the year.

3 EXPANSION PLANS:

Considering the recent slow pace of growth in construction industry, your company has adopted 'GO SLOW' approach. However, process of land acquisition and process of approval of plans is taking place. Keeping the industry outlook in mind, the company may consider launching new residential flats schemes.

Under infrastructure activity, the company has put bid for the tenders for the construction of BRTS bus Shelters on two routes under Phase-2 of BRTS project.

4 DIVIDEND:

The Directors have recommended payment of dividend of Rs. 0.10 per equity share of Re. 1 each i.e 10 % of paid up capital. The dividend pay out will absorb an amount of Rs. 295.23 Lacs. The dividend will be paid to the members whose name appears in the register of members as on 5th September, 2011.

5 CHANGES IN SHARE CAPITAL:

During the year under review your Company had made allotment of 172000000 equity shares of Re. 1/- each at a premium of Rs. 1.20/- per share on 24th July, 2010 to the shareholders of Pearl Stockholdings Pvt. Ltd [PSHPL] pursuant to the scheme of amalgamation of PSHPL with NILA. Consequently the paid up equity share capital of the Company stood increased to Rs. 29 52 26 200/- comprising of 29 52 26 200 equity shares of Re. 1/- each.

6 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.

7 SUBSIDIARIES:

Presently there is no subsidiary company of your Company.

8 ISO 9001:2008:

Your Company has maintained its Quality Management System to the international standards of ISO 9001:2008. 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.

9 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.

10 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.

11 DIRECTORS:

During the year Shri Shyamal S. Joshi has been appointed as Director of the Company. Pursuant to Section 256 of the Companies Act, 1956, Shri Dilip D. Patel, Director of the Company retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment.

12 AUDITORS:

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

The Company has received 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 reappoint 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 M/s O. P. Bhandari & Co, Chartered Accountants, Ahmedabad.

As part of the good Corporate Governance practices, your Company has obtained a Secretarial Audit Report 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 report is appended to this report.

16 DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 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 and loss of the Company for that period.
- 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 accounts 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:

Considering the business of the company, the provisions of Clause (e) of sub-clause 217 of the Companies Act, 1956 relating to disclosure of particulars of energy conservation, technology absorption, and foreign exchange earnings and outgo read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

18. MATERIAL CHANGES:

No material changes have taken place since the closure of the financial accounts upto the date of the report, which may substantially affect the financial performance, or financial statements of the Company.

19. AUDIT COMMITTEE:

The Audit Committee constituted in accordance with Clause 49 of the Listing Agreement, reviewed the internal control system, scope of internal audit and compliance of related regulations. The Audit Committee also reviewed at length and approved the Financial Statements before the same were considered by the Board of Directors of the Company.

20. ACKNOWLEDGEMENT:

Your Directors place on record their gratitude to the Stakeholders, Banks, Valued Clients, Suppliers, 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
Date : 06th August, 2011

Manoj B. Vedodaria
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1 ECONOMIC SCENARIO

One of the fastest growing economies with free democracy and largest population, huge domestic demand, rapidly growing emerging market, most favored destination for international investors and vibrant capital market are some of the characteristics which describes the Indian economy.

The financial crisis which began in the industrialized nations in 2007, spread across the world. India was not an exception to this, however India's economic situation was relatively better than western economies. India did face a slowdown in exports, liquidity problems & other global market related uncertainties. Now, Indian economy is prospering with its own domestic demand.

The overall economy has grown at 8.6% during the year 2010-11 which was 8% during the year 2009-10. The six core industries grew by 6.8% in February 2011 as compared to the growth of 4.2 % in February 2009-10.

India is today rated as one of the most attractive investment destination across the globe. The UNCTAD World Investment 2010, in its analysis of the global trends and sustained growth of FDI inflows, has reported India to be the second most attractive location for FDI for 2010-2012. The cumulative amount of FDI equity from 2000 to 2011 stood around at US\$193.7 billion. Foreign institutional investors (FIIs) have purchased stocks and debt securities worth US\$ 222 billion in the financial year ending March 31, 2011, as per the data available with the Securities and Exchange Board of India (SEBI). The foreign exchange reserve of the India was US\$ 279.1 billion in the year 2009-10 which increased to US\$ 297.3 billion during the year 2010-11.

Indian economy has witnessed a sea changes in the last decade and economic reforms have been accelerated. The most important trigger of growth of the economy undertaken by the Government is the process of disinvestment. During the year 2009-10 approximately Rs. 40000 Crores have been raised through the disinvestment of public sector undertakings.

However uncertainty of global economies, continued high food inflation and corruption are still matter of concern and are also affecting the

sustained economic growth. The main growth drivers of Indian economy in years to come are likely to be strong domestic consumption, reforms in the financial, education and agriculture sectors, employment generation and accelerated disinvestment program by Government.

2 INDUSTRY SCENARIO

2A. REAL ESTATE SECTOR:

Historically Indian real estate market was highly fragmented market dominated mainly by regional players with lack of clarity of land title, lack of uniformity in local laws, lack of transparency and high transaction cost. However in recent years many progressive reforms are taken place to unlock the value of potential of the real estate sector. The sector in India is moving towards organized sectors with regulatory transparency. India's estimated population as per the economic survey 2010-11 was 1.18 billion which is expected to be 1.40 billion by 2025 as per the projections of The Registrar General and Census Commissioner of India. Further during the last few years increase in urban population has been substantial due to migration of people from villages to cities. Increased employment coupled with increased income led to increase in purchasing power and the pattern of leaving has undergone sea change during last decade. All these factors have cumulatively increased the demand of housing and commercial units. It has been estimated that there would be a shortage of 26.53 Million dwelling units in the country during the 11th plan period (2007-12) according to a report by the Technical Group on Estimation of Housing Shortage.

During 2010-11, the Indian real estate and housing sectors received US\$ 1.12 billion in Foreign Direct Investment (FDI), according to the Department of Industrial Policy and Promotion India (DIPP).

In the Union Budget 2011-12, the Government presented various initiatives for the real estate sector, especially focusing on affordable housing i.e raising the limit on housing loans eligible for a 1 per cent subsidy in interest rates and widening the scope for housing under "priority-sector lending" for banks, making interest rates cheaper on them

The affordable housing segment is expected to play an important role in the growth of the real estate

sector in India in years to come on the back of increasing demand for such housing. Affordable housing will be a key factor in driving the sector. Further, growth in the infrastructure sector is also expected to accelerate real estate activities, in commercial as well as residential segments, during these years. Further entry of Tata Motors, Ford etc., in Sanand City and other big corporates in the cities nearby Ahmedabad, are likely to create substantial demand for the housing units in and around Ahmedabad in the days to come.

2B. URBAN INFRASTRUCTURE:

In the coming decades, the urban sector will play a critical role in the structural transformation of the Indian economy and in sustaining the high rates of economic growth. India's economic growth momentum cannot be sustained if urbanization is not actively facilitated. Cities will have to become the engines of national development. Presently only 30 % of the India's population live in cities. The projections of the High Powered Expert Committee (HPEC) estimating the investment requirements for urban infrastructure suggest that India's urban population will be close to 600 million by 2031. It is estimated that by the year 2021, urban areas would contribute about 65% of the GDP. The said committee estimated investment of Rs. 39.2 lacs Crores in urban infrastructure during the period from the Twelfth Five Year Plan to the Fifteenth Five Year Plan, i.e. 2012-31. It is suggested by the committee that quality infrastructure will be required to meet the expanding urbanization.

The Government of India has proposed substantial assistance in the various urban infrastructure projects through "The Jawaharlal Nehru National Urban Renewal Mission (JNNURM)", which aims to encourage reforms and fast track planned development of the 63 identified cities. The mission envisages investment of over Rs. 1000 billion in the identified cities under the mission. Further during the Vibrant Gujarat Summit, 2011, about 7,936 memorandums of understanding were signed for Rs. 20,83,000 (\$ 450 billion) Crore. With 10.27% CAGR for 2007-10, Gujarat has become the growth engine of the country. Gujarat ranks first in all states with regard to outstanding total investments in live projects as on June, 2011. The Government has started number of infrastructure enhancements in Ahmedabad. At a city level, the Bus Rapid Transit System (BRTS) is

underway – by increasing intracity mobility. Another significant economic activity initiated by the Government between Gandhinagar and Ahmedabad is the GIFT City project. At a regional level, the Dholera SIR – a large industrial project in Ahmedabad district is being planned by the Government. Sabarmati River Front Development Project aims to improve public amenities and land development in the city. These kind of projects will open up the city's real estate and infrastructures growth into a new direction. Further rapid industrialization, availability of skilled manpower and conducive business environment has attracted number of corporates to enter into Gujarat and the fact that Ahmedabad is the economic capital of the state makes it a preferred location for the Head offices and Regional offices of such industries and corporates.

3. BUSINESS OVERVIEW:

An overview of the projects under execution and future projects of the Company is as under

3A. PROJECTS EXECUTION STATUS

- Completed Phase I and Phase II of residential scheme "Asmaakam" and possession has been handed over to the members successfully.
- Construction work of "Anahataa" 2BHK residential scheme of 44 flats is in process. It is expected to be completed by the end of this year.
- Construction work of "Anvayaa" 3BHK residential scheme of 44 flats is in process. It is expected to be completed by the end of this year.
- The Company is constructing 3BHK 48 flats - residential scheme named "Ananya" in Joint venture with other partners.
- The Company has obtained a tender from M/s Venus Infrastructure Ltd for constructing one of its most prestigious residential project "Venus IVY". Construction work of the same is progressing satisfactorily.
- Your company has acquired a tender for constructing factory buildings worth Rs.30 Crores out of the total project of Rs. 122 Crores of RJD Textile Park at Surat. The whole project is spread over 56 acres. Construction work of the tender assigned is in process at a fast pace and about 100 units have been constructed out of 120 units till date.
- During the year the Company has completed the

project of constructing BRTS Bus stands in the city of Ahmedabad on three routes of BRTS Bus Shelters Project of JNNURM.

3B. NEW PROJECTS - NEW OPPORTUNITIES:

- The Company is launching 2BHK and 3BHK residential flats scheme viz. ATUULYAM at Makaraba, Ahmedabad comprising 200 flats.
- The Company has started construction under the residential flats scheme ANURAADHAA at Navrangpura, Ahmedabad comprising of 16 flats.
- The Company is in the process of execution of residential scheme "Springdale Residency" at Makaraba, Ahmedabad in Joint Venture with Sandesh Group.
- The Company is in process of land acquisition and approval of plans at advance stages for its various proposed schemes.
- The Company has put bid for tender of constructing BRTS Bus Shelters on the proposed new routes in Ahmedabad and it is in process to bid for various other infrastructure and construction projects.

4. THE COMPANY IN RETROSPECT AND IN PROSPECT

The Company commenced its business operations from 1990 and it has been doing well and profitably managed. However the wings can not be spread in full and the Company was not able to work at its full potential. The timely decision by the Company for the amalgamation of Pearl Stockholdings Pvt. Ltd, a financially sound company with resources and huge reserve base turned around the Company in terms of improvement in the financial performance of the Company. The successful amalgamation executed during 2009-10 by the Company had prepared a strong platform for the Company to grow.

The Company has developed a unique product mix model over a period of time. Real estate, Infrastructural construction and leasing are the three core areas of operations of the Company.

The Company has shown great strength and resilience in the last three years under extremely challenging business environment and developed in house expertise in the entire gamut of construction and execution - including design, planning & estimation, project preparation, project execution, interior designing, integration of project management.

Another best example which makes the business model only one of its kind is the synergy with

Sambhaav Media Ltd - a flagship company of the group. We have successfully executed the contract of constructing decorative bus shelters of AMTS on behalf of Sambhaav Media Ltd.

Selection of project at NILA starts from the feasibility study and mainly from the vision of the management. The Company has developed ability to acquire land at such location where there is potential for construction and development and it is critical for the growth and development of the company. Management of the Company believes that the key to the success lies in the successful identification of appropriate plots of land. The Company seeks to acquire plots of land and development rights in an area where there are chances for the future development of that particular area. Timely execution of any project has always been a key priority area of the Company.

On infrastructure front, the Company has got wide spread recognition in urban infrastructures development through execution of BRTS Bus Shelter Project in the city of Ahmedabad. Common people will be benefited by this project and many problems of traffic congestion will be sorted out. The Company has shown tremendous strength in execution of this kind of urban infrastructure development projects of Government / local authorities.

5. FINANCIAL PERFORMANCE:

The Company has considerably improved the profitability and financial position during the last two years.

Net Worth:

Increase in share capital and reserve has lead to ample of net worth and thereby increased the value of the Company.

During the year 2010-11 the Company has issued 172000000 new shares pursuant to the scheme of amalgamation and the paid up capital of the Company is increased from Rs. 12.32 Crores to Rs. 29.52 Crores. The new shares are issued at premium and hence Securities Premium Account is increased by Rs. 20.64 Crores. During the last two years the Company have generated considerable reserves in the form of profits. All these have cumulatively contributed in augmenting the net worth. The net worth of the Company was Rs. 25.04 Crores as on 31st March, 2009 which is increased to Rs. 83.22 Crores as on 31st March, 2011.

Cash and cash equivalents:

Cash and cash equivalents were 6.72 Crores as on 31st March, 2011 as compared to 9.31 Crores as on 31st March, 2010.

Total Income and EBIT:

Total Income of the Company is Rs. 91.09 Crores as on 31st March, 2011 which was Rs. 69.97 Crores as on 31st March, 2010. EBIT of the Company is Rs. 21.77 Crores as on 31st March, 2011 which was Rs. 20.01 Crores as on 31st March, 2010. With a view to reduce risk, obtain stable return and working on large scale operations, your Company has undertaken infrastructure activities. Moderate rate of return on infrastructure projects, increase cost of construction and slack in real estate activities have increased EBIT marginally.

Borrowings:

Borrowings of the Company increased from Rs. 26.55 Crores to Rs. 50.44 Crores during the year. The debt to equity ratio as on 31st March 2011 is 0.45 which was 0.20 as on 31st March, 2010. However the overall cost of debt of the Company came down from 13.35 % for the year 2009-10 to 12.38 % for the year 2010-11.

Earning Per Share:

Basic and Diluted EPS of the Company as on 31st March, 2011 are Rs. 0.55 and 0.46 respectively as compared to Rs. 1.12 and 0.47 respectively as on 31st March, 2010.

6. OUTLOOK ON RISK AND KEY CHALLENGES:

There are many factors which affect the smooth functioning of the Company. There are certain key challenges and risks that need to be actively monitored and mitigation steps to be taken as and when required. These challenges can be summarized as follows.

1. Material cost increase leading to higher construction costs.
2. Increase in interest rates with a potential risk of lower demand.
3. Increase in labour cost due to shortage of labours and technically qualified manpower.
4. High land prices and lack of clear land policy.
5. Cyclical shortage of raw materials.
6. Infrastructure activities require long term capital commitment and lack of liquidity in the financial market may delay the project execution.

Your Company has put in place effective mechanisms and monitoring system to mitigate the risk and challenges. Some of the projects have been undertaken in joint venture with other reputed entities to share risk associated with big sized projects. To ensure adequate long term fund requirement and comfortable liquidity position various financial arrangements have been successfully made.

7. INTERNAL CONTROL SYSTEM:

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.

Further an ERP system has been implemented in order to integrate all projects and activities of the Company. This has developed effective reporting and MIS structure within the organization.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's analysis, objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive.

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 six Directors comprising of an Executive Chairman & Whole Time Director, two Non Executive Directors and three other Non Executive Independent Directors. The appointment of three 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. 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 or committees of Board are as under:

(a) Shri Manoj B. Vadodaria is a commerce Graduate and self-made businessman. His induction into

the business world was at a very early age. 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) Shri Kiran B. Vadodaria is a Mechanical Engineer from L. D. Engineering College, Ahmadabad. He possesses Varied experience and exposure base in corporate. He has developed unique insight and judgmental capabilities about the socio political dynamics. He is a member of Indian Newspaper Society [INS], Chairman of Gujarat Regional Committee-INS, President of Gujarat Daily Newspaper Association [GDNA], Member of National Integration Council of Government of India, and President of L.D. College of Engineering, Alumni Association. He is Chairman & Managing Director of Sambhaav Media Ltd.
- (c) Shri Dilip D. Patel possesses vast experience of management education, training and consultancy for more than 25 years. He is the founder faculty of S.P. Jain Institute of Management Research, Mumbai- one of the top 10 Business Schools in the country. He has consulted number of Indian and multinational companies and offered training to senior managers in leading companies. He has consulted family owned/managed companies on various issues including the interface of family with business. He is currently advisor to the Board of some companies in India and Overseas. Mr Patel is very widely travelled overseas.
- (d) Shri Akhilesh C. Mehta is an MBA-Finance with 17 years of experience in Investment Banking and Financial Advisory with specialization in Equity Placement, international Finance and Joint Ventures. He is an advisor to Infrastructure, Real Estate and Power Project Companies for their Financial Planning, Equity Structuring and Loan Syndication. He is a Co-Founder and CMD of Captus Financial Services Private Limited.
- (e) 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.

- (f) Shri Shyamal S. Joshi is a fellow member of the Institution of Chartered Accountants of India and possesses rich experience in financial planning, funding, taxation and accounting matters. He has

served numbers of renowned Companies. He is having expertise in Corporate Funding, Restructuring, Merger, Acquisition, Local & International Financing, Private Equity and many more. He possesses more than 38 years of senior level financial management experience in manufacturing and trading corporations with US\$ 7 billion in revenues and having world wide operations. He possesses Directorship on the Board of Shalby Ltd, GSEC Ltd. and Loxim Industries Ltd.

The name and category of the Directors on the Board, their attendance at Board Meeting 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 Particulars		No of Directorships in other Public Companies	Committee Memberships/ Chairmanships of other Companies
			Board Meeting	Last AGM		
1	*Manoj B. Vadodaria	Executive Chairman & Managing Director	7	Yes	1	1
2	*Kiran B. Vadodaria	Joint Managing Director & Non Executive Director	7	Yes	1	Nil
3	**Dillip D. Patel	Non Executive Independent Director	6	No	Nil	1
4	**Akhilesh C. Mehta	Non Executive Independent Director	3	No	Nil	Nil
5	**Hiren G. Pandit	Non Executive Independent Director	7	Yes	Nil	Nil
6	**Shyamal S. Joshi	Non Executive Director	4	Yes	3	Nil

* Promoter Director

** Non-Promoter Director

DETAILS OF THE BOARD MEETING HELD DURING THE YEAR 2010-11

Date of Board Meeting	Board Strength	No. of Directors Present
24 th April, 2010	5	4
24 th July, 2010	5	5
14 th August, 2010	5	4
25 th August, 2010	6	6
02 nd November, 2010	6	5
27 th December, 2010	6	4
12 th February, 2011	6	6

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 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 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, 2011, 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 : 06th August, 2011

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 Dilip D. Patel is the Chairman of the Committee. 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 Akhilesh C. Mehta and Shri Kiran B. Vadodaria 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 informations 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

Five Audit Committee meetings were held during the year on 25th April, 2010, 14th August, 2010, 25th August, 2010, 02nd November, 2010 and 12th February, 2011. The time gap between the two Audit Committee meeting was not more 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.

Name	Designation	No. of Meetings	
		Held	Attended
Dilip D. Patel	Chairman	5	5
Akhilesh C. Mehta	Member	5	2
Kiran B. Vadodaria	Member	5	5

4. REMUNERATION COMMITTEE

The remuneration committee has three 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 Member & Position	Meetings / Attendance	
		Held	Attended
1	Dilip D. Patel, Chairman	1	1
2	Akhilesh C. Mehta, Member	1	1
3	Hiren G. Pandit, Member	1	1

4.3 Remuneration Policy**4.3a 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 all the Directors

Amount in Rs.

Sr No	Name of Directors	Salary	Perquisites	Bonus/	Sitting fees	Total
1	Manoj B. Vadodaria	19 22 580	3 44 024	Nil	Nil	22 66 604
2	Kiran B. Vadodaria	7 58 065	Nil	Nil	3 000	7 61 065
3	Dilip D. Patel	Nil	Nil	Nil	Nil	Nil
4	Akhilesh C. Mehta	Nil	Nil	Nil	3 000	3 000
5	Hiren G. Pandit	Nil	Nil	Nil	7 000	7 000
6	Shyamal S. Joshi	Nil	Nil	Nil	4 000	4 000

5 SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE

5.1 Constitution of the Committee

The Share Transfer and Investors' Grievance Committee consists of 3 members. Kiran B. Vadodaria is the Chairman of the committee. The Share Transfer & Investor Grievance Committee is constituted in line with the requirement of Listing Agreement.

Sr. No	Name of the Director	Designation
1	Kiran B. Vadodaria	Chairman
2	Hiren G. Pandit	Member
3	Dilip D. Patel	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: 21

5.4 Number of complaints not solved to the satisfaction of shareholders: Nil

5.5 Number of complaints pending at the end of the year: Nil

6 GENERAL BODY MEETINGS

6.1 Location and time of last three Annual General Meetings:

Year	Venue	Date	Time
2007-08	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	24 th July, 2008	10.00 AM
2008-09	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	30 th May, 2009	10.00 AM
2009-10	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	25 th Sept., 2010	10.00 AM

6.2 Special Resolution passed at last 3 AGMs

a) 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 100 crores.

b) 2008-09:

No special resolution was passed

c) 2009-10:

- To revise the remuneration of Shri Manoj B. Vadodaria
- To appoint Shri Kiran B. Vadodaria as Joint Managing Director
- To increase borrowing power of the Board of Directors upto Rs. 200 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 Transaction:

The transaction between the Company and the Directors and Companies in which the directors are interested are disclosed in Note no. 8 to the notes forming part of accounts are 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 Indian Express (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 21st Annual General Meeting:

Day : Saturday

Date : 10th September, 2011

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 2011-2012

Quarter Ending	Release of Results
30 th June, 2011	Mid of August, 2011
30 th September, 2011	Mid of November, 2011
31 st December, 2011	Mid of February, 2012
31 st March, 2012	Mid of May, 2012

9.4 Date of Book Closure:

from 06th September, 2011 to 10th September, 2011 [both days inclusive]

9.5 Dividend:

The Board of Directors have recommended dividend of Rs 0.10 per share (10 %) for the financial year 2010-11

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 2011-12 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)	Volume (Nos)	BSE Sensex High	BSE Sensex Low
April 2010	2.90	1.92	3782892	18047.86	17276.80
May 2010	3.15	2.60	3710699	17536.86	15960.15
June 2010	3.05	2.51	2050289	17919.62	16318.39
July 2010	3.35	2.55	2497859	18237.56	17395.58
August 2010	3.20	2.61	3040963	18475.27	17819.99
September 2010	3.20	2.65	1969776	20267.98	18027.12
October 2010	4.92	2.69	7464546	20854.55	19768.96
November 2010	4.50	2.86	3118679	21108.64	18954.82
December 2010	3.55	2.81	1618062	20552.03	19074.57
January 2011	3.18	2.51	1143599	20664.80	18038.48
February 2011	2.78	1.96	1006649	18690.97	17295.62
March 2011	2.50	1.90	982772	19575.16	17792.17

9.8 Distribution of share holding as on 31st March, 2011

Shareholding of nominal value of		Number of Shares		Number of Holders	
Rs.	Rs.	Nos	% of total	Nos	% of total
Upto -	500	884016	0.29	2925	19.97
501 -	1000	5318907	1.80	5412	36.95
1001 -	2000	3919356	1.33	2104	14.37
2001 -	3000	2550416	0.86	901	6.15
3001 -	4000	1687709	0.57	436	2.98
4001 -	5000	4587969	1.55	924	6.31
5001 -	10000	8301485	2.81	1005	6.86
10001 -	50000	16895323	5.75	750	5.12
50001 -	100000	7461721	2.52	101	0.69
100001 and Above		243619298	82.52	88	0.60
Total		295226200	100.00	14646	100.00

9.9 Shareholding Pattern as on 31st March, 2011

Category	No. of shares held	% of total share capital
Promoters' Holding	22 13 09 687	74.96
Public holding		
Institutions	1 33 900	0.05
Non Institutions		
Bodies Corporate	99 88 835	3.38
Individuals	5 93 81 911	20.11
HUF	20 01 993	0.68
Non Resident Indians	24 09 874	0.82
Total	29 52 26 200	100.00

9.10 Dematerialization of Shares and Liquidity:

Trading in the Company's shares is permitted only in dematerialization form for all investors. The Company has established connectivity with CDSL 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, 2011, 92.46 % 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:

The Company Secretary

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

10 SECRETARIAL AUDIT FOR CAPITAL RECONCILIATION:

As stipulated by SEBI, a 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

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, 2011.

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 & Co.

Chartered Accountants

Firm Regd. No. 112633W

[O. P. Bhandari]

Proprietor

Membership No. 34409

Place : Ahmedabad

Date : 06th August, 2011

CEO AND CFO CERTIFICATION

We, Manoj B. Vadodaria, Chairman & Managing Director and Prashant H. Sarkhedi, Chief Finance 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, 2011 and to the best of our knowledge and belief:
 - (i) these statement do not contain any materially untrue statement or omit any material fact 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, 2011 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 : 06th August, 2011

Prashant H. Sarkhedi
Chief Finance Officer



SECRETARIAL AUDIT REPORT

for the Financial Year Ended on 31st March, 2011.

To,

The Members,

Nila Infrastructures Limited

I have conducted, the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of Nila Infrastructures Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provide by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2011 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Nila Infrastructures Limited ("the Company") for the financial year ended on 31st March, 2011 according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye - Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 - (b) The Securities and exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee stock- Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and Dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998;

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the management 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 General Meetings and Extra Ordinary 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, transmissions and sub division 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) borrowings and registration, modification and satisfaction of charges;
 - (o) investment of the Company's funds including inter corporate loans and investments;
 - (p) giving guarantees in connection with loans taken by subsidiaries and associate companies;
 - (q) contracts, affixing of common seal, registered office and publication of name of the Company; and
 - (r) 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, SEBI Act, 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 Byelaws framed thereunder with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised 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.
5. **I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 1956.

Adequate notice is given to all directors to schedule the Board Meeting Agenda and detailed notes on agenda are sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

6. **I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to Monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. **I further report that** during the audit period the scheme of amalgamation under Section 391 to 394 of the Companies Act, 1956, of Pearl Stockholdings Pvt. Ltd with your company was sanctioned by the hon'ble High Court of Gujarat vide it's order dated 29th June, 2010. The allotment of shares to the shareholders of the Transferor Company in terms of the scheme has duly been made.

**For, R.S. Sharma &
Associates**

R.S. Sharma
Company Secretary

Place: Ahmedabad

Date: 06th August, 2011

M. No. 3126

C.P. No. 2118

AUDITORS' REPORT

To,

The Members,

Nila Infrastructures Limited

1. We have audited the attached Balance Sheet of Nila Infrastructures Limited as at 31st March, 2011 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, 2011 and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011; and
 - 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
Firm Regd. No. 112633W

[O. P. Bhandari]
Proprietor

Place : Ahmedabad.
Date : 06th August, 2011

Membership No. 34409

ANNEXURE TO THE AUDITOR'S REPORT

- i.** (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programs 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 loan to 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, we have not observed any continuing failure to correct major weakness 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, where such transactions are in excess of Rs. 5.00 Lacs in respect of any party, 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 Act 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 Act for the Company.
- 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 31-03-2011 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 31-03-2011.
- x. The Company has no accumulated losses as at 31-03-2011. 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. According to information and explanation given to us, 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.
- 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. In our opinion and based on our examination of the records, the company has maintained proper record of transactions and contracts in respect of investments. All investments have been held by the company in its own name.
- xv. According to the information and explanations given by the management, the company has not given any guarantee for loan taken by others from the banks or financial institutions.
- 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 during the year 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.
- 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
Firm Regd. No. 112633W

[O. P. Bhandari]

Place : Ahmedabad. Proprietor
Date : 06th August, 2011 Membership No. 34409



BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule		As at 31-03-2011 Amount (Rs.)	As at 31-03-2010 Amount (Rs.)
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A	29 52 26 200		29 52 26 200
Reserves & Surplus	B	53 69 96 301		43 65 54 656
			83 22 22 501	73 17 80 856
Loan Funds				
Secured Loans	C		50 44 47 240	26 55 19 336
Deferred Tax Liability (net)			0	21 94 554
Total			1 33 66 69 741	99 94 94 746
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	D	34 48 94 221		34 60 61 662
Less : Accumulated Depreciation		3 05 57 610		2 70 45 968
Net Block		31 43 36 611		31 90 15 694
Add : Capital Work-in-Progress		46 42 733		0
			31 89 79 344	31 90 15 694
Investments				
	E		77 65 564	4 47 45 518
Current Assets, Loans & Advances				
Stock-in-Trade/ Inventories and Work in Progress	F	29 47 91 413		14 53 59 810
Sundry Debtors		7 56 24 881		13 28 90 708
Cash and Bank Balances		6 72 41 315		9 31 34 522
Loans and Advances		73 53 45 775		43 74 09 638
			1 17 30 03 384	80 87 94 678
Less: Current liabilities & Provisions				
Current Liabilities	G	9 51 18 152		11 00 03 745
Provisions		6 81 64 598		6 30 57 399
			16 32 82 750	17 30 61 144
Net Current Assets			1 00 97 20 634	63 57 33 534
Deferred Tax Assets (net)			2 04 199	0
Total			1 33 66 69 741	99 94 94 746

Significant Accounting Policies and Notes on Accounts Schedule 'O'
As per our separate report of even date

For, O. P. Bhandari & Co.
Chartered Accountants
Firm Regd. No. 112633W

O. P. Bhandari
Proprietor
M. No. 34409

Place: Ahmedabad
Date : 06th August, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria Managing Director
Kiran B. Vadodaria Director
Prashant Sarkhedi Chief Finance Officer
Dipen Parikh Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Schedule		For the year ended 31-03-2011 Amount (Rs.)	For the year ended 31-03-2010 Amount (Rs.)
INCOME				
Project Income	H		83 82 52 095	62 07 72 427
Lease Rentals-Gross [TDS Rs. 18 95 249/- (P.Y. Rs. 23 10 965/-)]			2 21 49 965	2 03 23 849
Other Income	I		5 05 00 469	5 86 02 864
Total Income			91 09 02 529	69 96 99 140
EXPENDITURE				
(Increase) / Decrease in stock in trade	J		(14 94 31 603)	(1 87 82 339)
Project Expenses	K		80 19 81 115	48 88 07 396
Payment to and provision for Employees Office, Administrative & Other Expenses	L M		1 74 05 937 1 60 01 968	1 08 49 332 1 21 91 843
Total Expenditure			68 59 57 417	49 30 66 232
Profit before Interest, depreciation and tax			22 49 45 112	20 66 32 908
Less : Interest and Finance Charges	N	4 48 56 594		4 04 85 283
Depreciation	D	72 21 286		65 41 906
			5 20 77 880	4 70 27 189
Profit Before Tax			17 28 67 232	15 96 05 719
Less: Provision for Income Tax		3 17 78 200		2 69 05 000
Taxes paid for earlier years		5 73 320		(2 630)
Wealth Tax		38 080		41 000
Provision for Deferred Tax		(23 98 753)		12 98 596
MAT Credit (availed)/utilized		79 58 665		(60 70 502)
			3 79 49 512	2 21 71 464
Profit After Tax and before Prior Period Items			13 49 17 720	13 74 34 255
Less : Prior Period Expenses			1 64 000	18 277
Add : Balance Brought Forward from previous year			15 62 44 466	6 33 68 773
Profit available for appropriation			29 09 98 186	20 07 84 751
Less : Appropriation				
Transfer to General Reserve			1 00 00 000	1 00 00 000
Proposed Dividend			2 95 22 620	2 95 22 620
Dividend Distribution Tax			47 89 455	50 17 665
Surplus carried to Balance Sheet			24 66 86 111	15 62 44 466
Basic Earning Per Share			0.55	1.12
Diluted Earning Per Share			0.46	0.47

Significant Accounting Policies and Notes on Accounts Schedule 'O'
As per our separate report of even date

For, O. P. Bhandari & Co.
Chartered Accountants
Firm Regd. No. 112633W

O. P. Bhandari
Proprietor
M. No. 34409

Place: Ahmedabad
Date : 06th August, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria Managing Director
Kiran B. Vadodaria Director
Prashant Sarkhedi Chief Finance Officer
Dipen Parikh Company Secretary

SCHEDULES FORMING PART OF BALANCE SHEET

 as at 31st March, 2011

SCHEDULE 'A' - SHARE CAPITAL

Amount in Rs.

Particulars	As at 31-03-2011	As at 31-03-2010
AUTHORISED SHARE CAPITAL		
35 00 00 000 (PY 35 00 00 000) Equity shares of Re. 1/- each	35 00 00 000	35 00 00 000
Issued, Subscribed & Paid up Capital		
29 52 26 200 (PY 12 32 26 200) Equity shares of Re. 1/- each fully paid up	29 52 26 200	12 32 26 200
(17 20 00 000 (PY Nil) Equity shares of Re. 1/- each fully paid up allotted pursuant to Scheme of Amalgamation, for consideration other than Cash on 24-07-2010)		
Share Suspense Account		
Nil (PY 17 20 00 000) Equity shares of Re. 1/- each fully paid up to be allotted pursuant to Scheme of Amalgamation, for consideration other than Cash, effective from 19-07-2010	0	17 20 00 000
Total	29 52 26 200	29 52 26 200

SCHEDULE 'B' - RESERVES & SURPLUS

Amount in Rs.

Particulars	As at 31-03-2011	As at 31-03-2010
General Reserve		
- Opening Balance	1 24 76 690	24 35 174
- Add : Transfer from Profit & Loss Account	1 00 00 000	1 00 00 000
- Add : Arised on amalgamation	0	41 516
- Closing Balance	2 24 76 690	1 24 76 690
Securities Premium	6 14 33 500	6 14 33 500
Securities Premium arised on amalgamation	20 64 00 000	20 64 00 000
Surplus carried forward from the Profit and Loss Account	24 66 86 111	15 62 44 466
Total	53 69 96 301	43 65 54 656

Schedules forming part of balance sheet as at 31st March, 2011

SCHEDULE - 'C' - LOAN FUNDS

Amount in Rs.

Particulars	As at 31-03-2011	As at 31-03-2010
SECURED LOANS		
Loans from Banks		
Working Capital loans		
- Cash Credit facility from Allahabad Bank [Refer note no. 2(i) to Schedule "O" for security offered]	4 44 83 415	5 67 68 621
- Overdraft facility against FDR from Allahabad Bank [Refer note no. 2(ii) to Schedule "O" for security offered]	1 29 62 519	1 21 02 840
Term Loans		
- Loan from Dena Bank [Refer note no. 2(iii) to Schedule "O" for security offered]	5 29 66 601	5 82 10 486
	11 04 12 535	12 70 81 947
Loans from others		
Term Loans from Financial Institutions		
- India Bulls Financial Services Ltd [Refer note no. 2(iv) to Schedule "O" for security offered]	6 73 96 118	8 51 58 271
- Gruh Finance Ltd. [Refer note no. 2(v) to Schedule "O" for security offered]	7 20 36 290	5 03 87 870
Vehicle Loans [Refer note no. 2(vi) to Schedule "O"]		
- Loan from Kotak Mahindra Prime Ltd.	3 13 358	2 01 462
- Loan from HDFC Bank Ltd.	9 63 106	15 95 385
- Loan from Tata Capital Ltd.	14 14 874	10 94 401
Other Term Loan		
- Adani Enterprises Ltd. [Refer note no. 2(vii) to Schedule "O" for security offered]	25 19 10 959	0
	39 40 34 705	13 84 37 389
Total	50 44 47 240	26 55 19 336



Schedules forming part of balance sheet as at 31st March, 2011

SCHEDULE 'D' - FIXED ASSETS

Amount in Rs.

Sl. No.	Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK					
		As at 1-04-2010	Additions	Sale / Transfer	Total as at 31-03-2011	upto 31-03-2010	Dep. for the year	Adjustment for Sale	Total as at 31-03-2011	As at 31-03-2011	As at 31-03-2010
1	Land	10 73 100	0	0	10 73 100	0	0	0	10 73 100	10 73 100	0
2	Building / Office Premises	30 43 89 532	0	2 90 551	30 40 98 981	54 37 296	49 56 812	2 90 553	1 01 03 555	29 39 95 426	29 89 52 236
3	Wind Mill	1 51 16 000	0	0	1 51 16 000	15 116 000	0	0	1 51 16 000	0	0
4	Furniture and Fixtures	49 67 925	1 49 179	2 24 985	48 92 109	6 42 964	308 895	2 24 995	7 26 864	41 65 245	43 24 961
5	Electrifications	3 77 981	0	50 520	3 27 461	61 717	20 728	50 521	31 924	29 5 537	3 16 264
6	Vehicles	1 54 05 813	18 99 783	28 54 007	1 44 51 589	43 87 706	13 93 791	23 83 724	33 97 773	1 10 53 816	1 10 18 107
7	Commercial Vehicles	2 72 740	0	0	2 72 740	86 287	30 847	0	1 17 134	1 55 606	1 86 453
8	Computer Equipments	21 70 441	9 76 543	2 95 790	28 51 194	6 28 660	4 24 480	2 16 228	8 36 912	20 14 282	15 41 781
9	Office Equipments	22 88 130	92 450	5 69 533	18 11 047	6 85 338	85 733	5 43 623	2 27 448	15 83 599	16 02 792
	Current Year	346 061 662	31 17 955	42 85 396 34	4 8 94 221	2 70 45 568	7 221 286	37 09 644	3 05 57 610	31 43 36 611	31 90 15 694
	Previous Year	36 929 207	31 02 07 654	10 75 199	34 60 61 662	2 05 22 664	6 541 906	18 602	2 70 45 968	31 90 15 694	

SCHEDULE 'E' - INVESTMENTS

Amount in Rs.

Particulars	Face Value	Quantity		As on 31.03.10	As on 31.03.11
		As on 31.03.11	As on 31.03.10		
LONG TERM INVESTMENTS					
- NON TRADE - AT COST QUOTED					
Balmer Lawrie & Co. Ltd.	10.00	1 000	1 000	2 35 150	2 35 150
Hdfc Bank Ltd.	10.00	1 724	1 724	16 68 573	16 68 573
Kanoria Chem	5.00	6 000	6 000	90 600	90 600
McDowell Holdings Ltd.	10.00	1 000	1 000	35 850	35 850
Morepen Laboratories Ltd.	2.00	75 000	75 000	3 39 000	3 39 000
Visu International Ltd.	10.00	50 000	50 000	174 500	1 74 500
Sambhaav Media Ltd.	1.00	0	1 93 36 500	0	4 11 86 745
Total				2 543 673	43 730 418
[Market Value of Quoted Investments as on 31.03.2011 is Rs. 53 99 396 (P.Y. Rs. 6 10 75 730)]					
UNQUOTED					
Saraspur Nagrik Co-Op. Bank Ltd.	100.00	101	101	10 100	10 100
United Co-Op. Bank Ltd.	50.00	100	100	5 000	5 000
Total				15 100	15 100
INVESTMENT IN JOINT VENTURES					
Shree Matangi Projects LLP				42 06 791	0
Nilsan Realty LLP				10 00 000	10 00 000
Total				52 06 791	10 00 000
TOTAL INVESTMENTS				77 65 564	4 47 45 518

Schedules forming part of balance sheet as at 31st March, 2011

SCHEDULE 'F' - CURRENT ASSETS, LOANS & ADVANCES

Amount in Rs.

Particulars	Amount in Rs.	
	As at 31-03-2011	As at 31-03-2010
CURRENT ASSETS		
Stock-in-Trade / Inventories		
- Residential Projects	6 10 055	13 59 166
- Infrastructure Projects	23 58 935	8 14 898
- Land	2 54 71 651	9 52 21 072
	2 84 40 641	9 73 95 136
Work in Progress		
- Residential Projects	26 46 74 163	4 22 26 437
- Infrastructure Projects	16 76 609	57 38 237
	26 63 50 772	4 79 64 674
Sub-total (A)	29 47 91 413	14 53 59 810
Debtors		
(Unsecured considered good unless stated)		
- Outstanding for a period exceeding Six Months		
Infrastructure Projects	42 60 980	0
Residential Projects	87 49 101	0
Others	50 68 435	10 37 316
	1 80 78 516	10 37 316
- Outstanding for a period less than Six Months		
Infrastructure Projects	1 04 21 060	79 70 386
Residential Projects	4 52 38 033	12 03 00 870
Others	18 87 272	35 82 136
	5 75 46 365	13 18 53 392
Sub-total (B)	7 56 24 881	13 28 90 708
Cash on Hand (As certified by the management)	64 352	5 30 475
Bank Balances		
- in current accounts with scheduled Banks	2 20 97 455	55 80 867
- in unclaimed Dividend Account with scheduled Bank (to be credited to Investor education and protection fund, when due)	9 92 445	0
- in Fixed Deposit Accounts with scheduled Bank [Including fix deposit under lien of Rs. 2 09 12 200/- (P.Y.1 98 10 551)]	2 11 01 695	4 98 10 551
- in current Account with other Bank [Maximum Balance outstanding during the year is Rs. 10 77 66 591 P.Y. Rs. 6 17 72 871]	2 29 85 368	3 72 12 629
	6 71 76 963	9 26 04 047
Sub-total (C)	6 72 41 315	9 31 34 522

Schedules forming part of balance sheet as at 31st March, 2011

Particulars	Amount in Rs.	
	As at 31-03-2011	As at 31-03-2010
LOANS & ADVANCES		
(unsecured, considered good by the management)		
Loans	4 15 94 770	12 87 43 696
Advances Recoverable in cash or in kind or for value to be received		
- Advance for property purchase	40 76 45 810	15 12 35 000
- Advance payment for Taxes	3 23 62 255	2 72 43 789
- Advances to Suppliers	49 28 124	6 15 11 701
- Advances to joint ventures	14 32 81 627	5 15 00 000
- Other Advances	6 29 26 244	44 42 550
- Trade Deposits	4 26 06 945	1 27 32 902
- Sub-total (D)	73 53 45 775	43 74 09 638
Total (A+B+C+D)	117 30 03 384	80 87 94 678

SCHEDULE 'G' - CURRENT LIABILITIES & PROVISIONS

Amount in Rs.

Particulars	Amount in Rs.	
	As at 31-03-2011	As at 31-03-2010
CURRENT LIABILITIES		
Sundry Creditors		
- Residential Projects	75 94 225	1 95 64 491
- Infrastructure Projects	97 08 766	2 08 93 333
- Others	1 65 28 380	11 37 020
	3 38 31 371	4 15 94 844
Advances Received		
- Residential Projects	2 32 53 361	4 05 36 138
- Infrastructure Projects	0	21 21 806
- Others	50 48 138	1 12 98 969
- Trade Deposits - Infrastructure Projects	1 80 01 603	37 49 993
- Security Deposits - against rent	1 21 72 398	91 35 518
	5 84 75 500	6 68 42 424
Unclaimed Dividend	9 92 445	0
Statutory Liabilities	18 18 836	15 66 477
	9 51 18 152	11 00 03 745
PROVISIONS		
Provision for Gratuity	12 80 687	11 32 730
Provision for Leave encashment	7 55 556	4 37 934
Provision for Taxes	3 18 16 280	2 69 46 450
Proposed Dividend	2 95 22 620	2 95 22 620
Dividend Distribution Tax	47 89 455	50 17 665
	6 81 64 598	6 30 57 399
Total	16 32 82 750	17 30 61 144

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

for the year ended 31st March, 2011

SCHEDULE 'H' - PROJECT INCOME

Amount in Rs.

Particulars	For the year ended	
	31-03-2011	31-03-2010
SALES FROM		
Trading Activity	7 50 00 000	1 39 96 818
Residential Projects Activity	39 30 79 698	40 79 86 539
Infrastructure Projects Activity	37 01 72 397	19 87 89 070
Total	83 82 52 095	62 07 72 427

SCHEDULE 'I' - OTHER INCOME

Amount in Rs.

Particulars	For the year ended	
	31-03-2011	31-03-2010
Interest Earned Gross [TDS Rs. 30 95 048/- (P.Y Rs. 39 44 462/-)]	3 19 58 743	3 41 29 937
Excess Provision Written Back	75 376	13 05 210
Sundry Balances Written Back	20 84 204	8 45 423
Misc. Income	58 401	0
Rent Income Gross [(TDS Rs. 31 964/- (P. Y. 51 184/-)]	3 47 836	3 21 014
Share of Profit / (Loss) from LLP	38 06 791	0
Profit on Sale of Shares	83 51 495	2 19 55 040
Dividend	39 26 760	46 240
Profit / (Loss) on sale of Assets	(1 09 137)	0
Total	5 05 00 469	5 86 02 864

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

Amount in Rs.

Particulars	For the year ended	
	31-03-2011	31-03-2010
OPENING STOCK		
Trading Materials	0	44 75 999
Work-in Progress-Residential Project	4 22 26 437	9 01 09 309
Work-in Progress-Infrastructure Projects	57 38 237	0
Construction/Raw Material - Residential Projects	13 59 166	0
Construction/Raw Material - Infrastructure Projects	8 14 898	65 20 512
Land	9 52 21 072	2 54 71 651
	14 53 59 810	12 65 77 471
CLOSING STOCK		
Work-in Progress - Residential Project	26 46 74 163	4 22 26 437
Work-in-Progress - Infrastructure Projects	16 76 609	57 38 237
Construction/Raw Material - Residential Projects	6 10 055	13 59 166
Construction/Raw Material - Infrastructure Projects	23 58 935	8 14 898
Land	2 54 71 651	9 52 21 072
	29 47 91 413	14 53 59 810
Total	(14 94 31 603)	(1 87 82 339)



Schedules forming part of profit and loss account for the year ended on 31st March, 2011.

SCHEDULE 'K' - PROJECT EXPENSES

Amount in Rs.

Particulars		For the year ended	
		31-03-2011	31-03-2010
Purchases Trading Materials		0	84 23 033
- Residential Projects			
Purchases Land / Land development rights	12 09 78 789		4 00 00 000
Purchases of construction materials	3 94 36 907		5 07 19 294
Civil, Electrical, Contracting, Labour work etc.	8 10 98 403		12 19 72 462
Legal and Professional Charges	1 72 24 995		1 15 13 953
Plantation Expenses	1 94 889		2 18 513
Security Charges	7 55 854		6 13 399
Electricity Expenses	18 05 731		6 16 882
Other Expenses	12 64 443		19 27 186
		26 27 60 011	22 75 81 689
- Infrastructure Projects			
Purchases	26 61 38 665		13 06 50 142
Civil, Electrical, Contracting, Labour work etc.	4 88 48 256		2 10 24 293
Legal and Professional Charges	38 000		7 25 148
Welfare cess	6 54 583		10 02 165
Rebate	36 63 655		57 03 067
Other Expenses	10 85 970		7 83 778
		32 04 29 129	15 98 88 593
- Land / Land Development Rights			
Purchase cost and incidental Expenses		18 86 61 530	6 97 49 421
-Other Project Expenses			
Advertisement	42 82 987		53 32 608
Freight and Cartage Expenses	86 65 697		48 95 054
Insurance Expenses	4 08 629		4 57 818
Excise Duty	7 68 598		14 32 725
Service Tax	61 35 736		13 37 054
Value Added Tax	89 87 990		89 98 374
Other Expenses	8 80 808		7 11 027
		3 01 30 445	2 31 64 660
Total		80 19 81 115	48 88 07 396

SCHEDULE 'L' - PAYMENT TO AND PROVISIONS FOR EMPLOYEES

Amount in Rs.

Particulars		For the year ended	
		31-03-2011	31-03-2010
Salaries, Allowances and Bonus		1 34 82 719	73 39 986
Remuneration and Perquisites to Directors		32 67 912	23 02 188
Gratuity		1 47 957	5 92 952
Leave Encashment		3 17 582	4 37 934
Contribution to Provident Fund and ESIC		1 89 767	1 76 272
Total		1 74 05 937	1 08 49 332

Schedules forming part of profit and loss account for the year ended on 31st March, 2011.

SCHEDULE 'M' - OFFICE & ADMINISTRATIVE EXPENSES

Amount in Rs.

Particulars	For the year ended	
	31-03-2011	31-03-2010
Advertisement	2 96 747	2 18 609
Amalgamation Expenses	39 88 552	12 48 668
Fuel Expenses	12 32 166	6 71 533
Legal & Professional Fee	29 76 941	42 31 861
Directors' Sitting fees	17 000	14 000
Internal Audit Fees	1 25 000	1 00 000
Statutory Audit Fees	60 000	66 545
Donation Expenses	1 45 000	9 02 000
Electricity Expenses	3 12 783	2 71 709
Insurance Expenses	3 64 771	2 87 965
Office Rent	4 82 910	4 67 820
Municipal Taxes	9 29 590	5 78 381
Postage & Courier Charges	3 02 020	29 156
Share Trading Expenses	1 13 714	1 01 669
Repairs & Maintenance		
- Building	18 25 993	5 66 760
- Plant & Machinery	6 13 263	2 76 281
Printing & Stationary Expenses	7 57 685	7 22 616
Security Service Charges	1 21 177	1 74 390
Subscription & Membership	5 900	2 17 075
Telephone Expenses	5 97 436	3 71 300
Travelling Expenses	2 64 215	1 24 410
Misc. Expenses	4 69 105	5 49 095
Total	1 60 01 968	1 21 91 843

SCHEDULE 'N' - INTEREST & FINANCE CHARGES

Amount in Rs.

Particulars	For the year ended	
	31-03-2011	31-03-2010
Interest Expenses		
- on Term loans (Total Interest Rs. 3 36 66 766 less capitalised Rs. 11 61 425)	3 25 05 341	3 00 80 656
- on Working capital loans	98 96 890	89 89 316
- on others	15 81 509	8 173
Processing Fee	7 23 623	10 51 318
Bank Charges	1 49 231	3 55 820
Total	4 48 56 594	4 04 85 283

SCHEDULE 'O' - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31st March, 2011

(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 an accrual basis of accounting in accordance with generally accepted accounting principles in India ("Indian GAAP") and are to comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 as amended issued by the Central Government in exercise of the power conferred under sub-section 1(a) of section 642 and the relevant provisions of the Companies Act, 1956.

(b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

(c) Fixed Assets:

i. Tangible Assets

The Gross Block of fixed assets is stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition for their intended use.

Fixed assets are valued at cost less accumulated depreciation there on.

ii. Intangible Assets

All intangible Assets are initially measured at cost and amortized so as to reflect the

pattern in which the assets economic benefits are consumed.

(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 the fixed assets.

(e) Investments:

Investments are classified into long term and current investments. Investments are further classified as quoted and unquoted investments also.

Long term Investments are stated at cost of acquisition. If there is decline in value of quoted long term investment as on reporting date other than of temporary in nature, such decline is debited to profit and loss account as "Provision for diminution in value of Investments". However, realizable value is increased subsequently; the increase in value of investment will be credited to profit and loss account to the extent provision made for.

Current Investments / Short term investments, if any, are stated at cost or fair value and resultant decline is charged to revenue.

(f) Provision for Income Tax and Deferred Tax:

Provision for 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.

The deferred tax impact resulting from timing difference between accounting and taxable profit is accounted by using tax rates and tax laws enacted or substantially enacted as at the Balance sheet date. The Deferred tax asset is recognized and carried forwarded only to the extent there is reasonable certainty

that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(g) Revenue Recognition:

i. Infrastructures Development Income

Income from Infrastructures Project has been recognized on accrual basis.

ii. Real Estate Development

The Company records its revenue of its residential projects conforming to Accounting Standard 9 and also based on guidance note issued by ICAI.

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

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.

iii. Lease

Income from leasing of commercial complex is recognized over the tenure of lease or service agreement.

iv. Interest income is accounted on an accrual basis at contracted rates.

v. Dividend income is recognized when the right to receive the same is established.

vi. Income on investments is recognized based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments.

(h) Employee Benefits

i. Gratuity and leave encashment liabilities are provided for on the basis of an actuarial

valuation on projected unit credit method as at the reporting date.

ii. Company's Contribution to provident fund and employee state insurance are charged to profit and loss account of the year. The company has no other obligation other than contribution payable.

(i) Borrowing costs:

Borrowing costs are attributable to the acquisition and / or construction of qualifying assets is capitalized to as part of the cost of such assets. In accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for use or sale. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to profit and loss account as incurred.

(j) Inventories:

i. Land

Land is valued at cost or net realizable value whichever is less.

ii. Raw materials and stores

Stock of raw materials and stores are valued at cost or net realizable value whichever is less.

iii. Work-in-progress

Work-in-progress is valued at cost or net realizable value whichever is less.

(k) Segment Reporting Policies:

The Company has identified that its operating activity is a single business segment viz., Real Estate & Infrastructure Development from the risks and return point of view and Geographical point of view.

(I) Impairment of Assets:

At each Balance sheet date, the company consider whether there is any indication that an asset may be impaired. If any indication exists the recoverable amount of the asset is estimated. An impairment loss is recognized immediately whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use, estimated future cash flows are discounted to their present value based on an appropriate discount factor.

(m) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

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

Contingent Assets are neither recognized nor disclosed in the financial statements.

(B) NOTES ON ACCOUNTS:

(1) Figures of previous year have been regrouped, rearranged and recast wherever necessary.

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

(i) The Cash Credit facility from Allahabad Bank against Hypothecation of Stocks, book debts and all other current assets of the company both present and future as well as collateral security of registered mortgage of open land situated at mouje Ranip Taluka : City and Registration District Sub-District at Ahmedabad - 4 (Paldi) Land Revenue Survey No. 224/1/1 paiki eastern side land admeasuring about 9 150 Sq. mtrs out of total admeasuring about 19 155 sq. mtrs.

(ii) The Overdraft facility from Allahabad Bank is against Lien on Fixed Deposit of Rs. 1.70 Crores.

(iii) The Loan from Dena Bank is secured by way of second charge through extension of equitable mortgage on property situated at 2nd to 9th Floors, Sambhaav House, Bodakdev, Ahmedabad and first charge through equitable mortgage on promoters land bearing FP 48/1 of TPS no. 84A of Makarba [survey no. 47/1 of mouje Makarba], Ahmedabad admeasuring about 7 499 Sq. Meters. It is further secured by personal guarantee of Directors and their relatives.

(iv) 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.

(v) The Term Loan from Gruh Finance Ltd. is secured by way of

a. Equitable mortgage of land admeasuring 1 26 624 sq.ft of the project - "Asmaakam" located at Revenue Survey no.764 paiki, 768/1 and 768/2 village Vejalpur, Ahmedabad along with existing construction thereon, both present and future.

b. Lien on 117 flats aggregating to 1 30 221 sq. fts in the project - "Asmaakam" and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Shailesh Vadodaria and Mr. Kiran Vadodaria.

c. Equitable mortgage of land admeasuring 28 320 sq.fts of the Project - "Anaahata" located at Revenue Survey no.16/5 and 16/14 situated at Mouje: Makarba, Ahmedabad along with existing construction thereon, both present and future.

d. Lien on 25 flats aggregating to 30 825 sq. fts in the project - "Anaahata" and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Shailesh Vadodaria and Mr. Kiran Vadodaria.

- e. Equitable mortgage of land admeasuring 29 633 sq.fts of the Project-“Anvayaa” located at Revenue Survey no.16/2/3, 16/11, 16/16, 16/20 and 16/22 situated at Mouje: Makarba, Ahmedabad along with existing construction thereon, both present and future.
- f. Lien on 28 flats aggregating to 51 660 sq. fts in the project - “Anvayaa” and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Shailesh Vadodaria and Mr. Kiran Vadodaria.
- (vi) All vehicle Loans are secured against hypothecation of Cars.
- (vii) The Inter corporate Deposit accepted from Adani Enterprise Limited is secured by way of Personal Guarantees and mortgage of land situated at Thaltej, being subplots of survey no. 190 admeasuring 9 541 sq. mtrs. in the name of shri Kiran Vadodaria and subplot of survey no. 190 admeasuring 259 sq. mtrs. in the name of shri Manoj Vadodaria.

(3) Contingent Liabilities not provided for

Amount in Rs.

Particulars	As on 31-03-2011	As on 31-03-2010
Bank Guarantee of Rs. 73 29 706 [P.Y. 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. 20 98 070 [P.Y. Rs. 20 39 129] is kept.	52 31 636	52 90 577
Bank Guarantee of Rs. 52 40 200 [P.Y. Rs. 52 40 200] given to Municipal Commissioner, Ahmedabad in respect of development of 28 Nos. Bus Shelters on BRTS Route from RTO to Pirana against which margin money in the form of F.D. of Rs. 15 09 190 [P.Y. 14 98 837] is kept.	37 31 010	37 41 363
Bank Guarantee of Rs. Nil [P.Y. Rs. 6 50 000] given to Municipal Commissioner, Ahmedabad in respect of tender for work of fabrication of Bus Shelters at various locations along Ahmedabad BRTS corridor against which margin money in the form of F.D. of Rs. Nil [P.Y. 1 62 500] is kept.	Nil	4 87 500
The Company had given corporate guarantee to Dena Bank for credit facility of Rs. 5 564.48 Lacs obtained by Sambhaav Media Limited. The said guarantee have originally been provided by Pearl Stock Holdings Pvt. Ltd. (the transferor company) before amalgamation.	Nil	55 64 48 000

(4) Employee Benefits
(a) Gratuity (non funded)

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:

Amount in Rs.

Particulars	As on 31-03-2011	As on 31-03-2010
Reconciliation of Benefit Obligation		
Obligation at the beginning of the year	11 32 730	5 39 778
Current Service Cost	2 89 037	1 98 339
Interest Cost	90 618	43 182
Actuarial (Gain)/ Loss	(2 31 698)	3 51 431
Benefits Paid	Nil	Nil
Obligations at the year end	12 80 687	11 32 730
Change in Plan Assets		
Fair value of the Plan at period beginning	Nil	Nil
Actual return on Plan Assets	N.A.	N.A.
Employer's contribution	N.A.	N.A.
Benefits Paid	N.A.	N.A.
Plan Assets as at year end	Nil	Nil
Liability recognized in Balance Sheet		
Present value of the Obligation at year end	12 80 687	11 32 730
Fair Value of plan assets	Nil	Nil
Un-funded Liability	12 80 687	11 32 730
Unrecognized actuarial gains/losses	Nil	Nil
Un-funded liability recognized in Balance Sheet	12 80 687	11 32 730
Net Cost recognized in the Profit and Loss Account		
Interest Cost	90 618	43 182
Service Cost	2 89 037	1 98 339
Expected/Actual return on Plan Assets	Nil	Nil
(Gain)/Loss recognized	(2 31 698)	3 51 431
Net Cost provided as Expense in P & LA/c	1 47 957	5 92 952
Assumptions used to determine the benefit obligations		
Discounting Rate	8.00 % p.a	8.00 % p.a
Expected rate of increase in salary	5.00 % p.a	5.00 % p.a
Expected rate of return on Plan Assets	N.A.	N.A.
Mortality Table	L.I.C. (1994-96) ULTIMATE	

(b) Leave Encashment (non funded):

The leave encashment benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

Particulars	Amount in Rs.	
	As on 31-03-2011	As on 31-03-2010
Reconciliation of Benefit Obligation		
Obligation at the beginning of the year	4 37 974	Nil
Current Service Cost	1 99 083	1 36 449
Interest Cost	35 038	Nil
Actuarial (Gain)/ Loss	83 461	3 01 525
Benefits Paid	Nil	Nil
Obligations at the year end	7 55 556	4 37 974
Change in Plan Assets		
Fair value of the Plan at period beginning	Nil	Nil
Actual return on Plan Assets	N.A.	N.A.
Employer's contribution	N.A.	N.A.
Benefits Paid	N.A.	N.A.
Plan Assets as at year end	Nil	Nil
Liability recognized in Balance Sheet		
Present value of the Obligation at year end	7 55 556	4 37 974
Fair Value of plan assets	Nil	Nil
Un-funded Liability	7 55 556	4 37 974
Unrecognized actuarial gains/losses	Nil	Nil
Un-funded liability recognized in Balance Sheet	7 55 556	4 37 974
Net Cost recognized in the Profit and Loss Account		
Interest Cost	35 038	Nil
Service Cost	1 99 083	1 36 449
Expected/Actual return on Plan Assets	Nil	Nil
Gain/Loss recognized	83 461	3 01 525
Net Cost provided as Expense in P & LA/c	3 17 582	4 37 974
Assumptions used to determine the benefit obligations		
Discounting Rate	8.00 % p.a	8.00 % p.a
Expected rate of increase in salary	5.00 % p.a	5.00 % p.a
Expected rate of return on Plan Assets	N.A.	N.A.
Mortality Table	L.I.C. (1994-96) ULTIMATE	

**(5) 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.

(6) Disclosure in respect of Accounting Standard-27:**(a) List of Joint ventures**

Amount in Rs.

Name of Joint Venture	Description of Interest	Description of Job	Proportion of Ownership Interest	Country of Resident	Capital Contribution Amount in Rs.
1. Nilasan Realty LLP	Partner	Development of Real Estate Project	50%	India	10 00 000
2. Shree Matangi Projects LLP	Partner	Development of Real Estate Project	40%	India	4 00 000

(b) Financial Interest in Joint controlled entity

Amount in Rs.

Name of Joint Venture	Assets	Liabilities	Income	Expenses	Tax
1. Nilasan Realty LLP	8 07 02 691	7 97 02 691	2 198	96 027	(4 086)
2. Shree Matangi Projects LLP	6 93 44 577	6 51 37 786	3 32 69 696	2 87 52 480	17 02 331

(7) Related Party Disclosure : (In terms of Accounting Standard-18)**(a) List of related parties and nature of relationships thereto**

Relationship	List of Related Parties
Associates	Sambhaav Media Limited NilsanRealty LLP Shree Matangi Projects LLP
Key Managerial Personnel	Manoj B. Vadodaria Kiran B. Vadodaria
Relatives of Key Managerial Personnel	Shailesh B. Vadodaria*

* Remuneration paid by the Transferor Company Pearl Stock Holdings Pvt. Ltd.

(b) Transactions with Related Parties:

Amount in Rs.

Nature of Transactions	Associates		Director's & their relatives		Key Managerial Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
1. Rent Paid	4 82 910	5 16 000	Nil	Nil	Nil	Nil
2. Sales- Infrastructure Projects	3 92 83 236	3 75 00 000	Nil	Nil	Nil	Nil
3. Repayment of Advance received	Nil	Nil	Nil	9 20 000	Nil	Nil
4. Repayment of Loans given	Nil	1 52 326	Nil	35 72 844	Nil	3 90 43 200
5. Advances Given	8 35 24 263	5 15 00 000	Nil	1 66 05 000	Nil	3 90 43 200
6. Deposit Given	Nil	5 87 390	Nil	Nil	Nil	Nil
7. Advertisement Exp.	42 59 437	47 92 422	Nil	Nil	Nil	Nil
8. Assets Purchased	Nil	7 34 600	Nil	Nil	Nil	Nil
9. Interest Paid	Nil	Nil	Nil	1 52 844	Nil	Nil
10. Interest Received	82 57 364	15 23 256	Nil	Nil	Nil	Nil
11. Remuneration and Perquisites to Directors	Nil	Nil	2 43 243	Nil	30 24 669	23 02 188
12. Capital Contribution	4 00 000	10 00 000	Nil	Nil	Nil	Nil
13. Share of Profit / (Loss)	38 06 791	Nil	Nil	Nil	Nil	Nil
14. Re-imbursement of exp.	23 853	Nil	Nil	Nil	Nil	Nil
15. Land Development rights acquired	Nil	Nil	Nil	Nil	11 35 24 000	Nil

(c) The above related party transactions contains following material transactions:

Amount in Rs.

Sr. No.	Particulars	2010-11	Closing Balance As on 31st March, 2011
1	Rent Paid		
	Sambhaav Media Limited	4 82 910	34 086
2	Sales Infrastructure Projects		
	Sambhaav Media Limited	65 29 315	Nil
	Shree Matangi Projects Lip	3 14 99 539	45 72 256
3	Advances given		
	Shree Matangi Projects Lip	7 32 24 263	81 48 1627
	Nilsan Reality Lip	1 03 00 000	6 18 00 000
4	Advertisement given		
	Sambhaav Media Limited	42 59 437	Nil
5	Interest received		
	Shree Matangi Projects Lip	82 57 364	81 48 1627
6	Remuneration and Perquisites to Directors		
	Manoj B. Vadodaria	22 66 604	Nil
	Kiran B. Vadodaria	7 58 065	Nil
7	Capital Contribution		
	Shree Matangi Projects Lip	4 00 000	42 06 791
8	Share of Profit / (Loss)		
	Shree Matangi Projects Lip	38 06 791	42 06 791
9	Re-imbusement of Expenses		
	Shree Matangi Projects Lip	23 853	45 7 2256
10	Purchase of Land/Development Right		
	Manoj B. Vadodaria	7 58 8 0000	Nil
	Kiran B. Vadodaria	3 76 44 000	Nil

(8) Leases: (In terms of Accounting Standard – 19)

Lease Income from operating leases is recognized on a straight line basis over the period of lease. The information required to be disclosed are as under:

Amount in Rs.

Particulars	As on 31-03-2011	As on 31-03-2010
Gross Carrying Amount of Premises	27 44 06 648	29 80 72 964
Accumulated Depreciation	44 68 566	Nil
Depreciation for the year	47 64 665	48 45 013
Future minimum lease payments under non-cancellable operating leases		
• Not later than 1 year	1 83 63 602	1 85 85 252
• Later than 1 year and not later than 5 years	7 96 79 139	8 29 30 341
• Later than 5 years	2 09 80 958	4 22 37 358

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

Amount in Rs.

Particulars	2010-2011	2009-2010
Basic Earnings per share		
A Profit / Loss after tax	13 49 17 720	13 74 31 625
B Weighted Average No. Of Equity Shares	24 38 61 816	12 32 26 200
C Nominal Value of Shares	1/-	1/-
D Basic Earnings per share		
(a) Before Extraordinary item	0.55	1.12
(b) After Extraordinary item	0.55	1.12
Diluted Earnings per Share		
A Profit / Loss after tax	13 49 17 720	13 74 31 625
B Weighted Average No. Of Equity Shares	29 52 26 200	29 52 26 200
C Nominal Value of Shares	1/-	1/-
D Basic Earnings per share		
(a) Before Extraordinary item	0.46	0.47
(b) After Extraordinary item	0.46	0.47

(10) Deferred Tax:

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

Amount in Rs.

Particulars	As on 31-03-2011	As on 31-03-2010
Deferred Tax Asset:		
On account of Timing Differences in		
Gratuity	50 291	2 01 544
Bonus	1 07 960	54 391
Leave Encashment	29 052	1 48 854
Amalgamation Expenses	12 99 678	3 39 538
Total (A)	14 86 981	7 44 327
Deferred Tax Liability :		
On account of Timing Differences in		
Depreciation	(9 11 772)	20 42 923
Total (B)	(9 11 772)	20 42 923
Net Deferred Tax Liability (A - B)	23 98 753	(12 98 596)

(11) The company had not received any intimation from "suppliers" regarding their status under the Micro, Small & Medium Enterprise Act, 2006, and hence disclosures, if any, relating to amounts unpaid as at 31st of March 2011 together with interest paid or payable as required under said act, have not been given.

(12) Managerial Remuneration:

a. Computation of net profit for calculation of Managerial Remuneration

Amount in Rs.

Particulars	2010-11
Net Profit Before Tax	17 28 67 232
Less :	
Profit on sale of Investments	83 51 495
Add:	
Loss on Sale of Assets	1 09 137
Perquisites and Director's Remuneration	32 67 912
Net Profit as per Sec 349 of the Companies Act, 1956	16 78 92 786

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:

Amount in Rs.

Particulars	2010-2011	2009-2010
Salary	28 58 423	18 00 000
Perquisites and Allowances	4 09 489	5 02 188
Total	32 67 912	23 02 188

(13) Auditors' Remuneration

Amount in Rs.

Particulars	2010-2011	2009-2010
Statutory Audit Fees	60 000	65 000
Service Tax	6 180	6 695
Total	66 180	71 695

(14) During the year, the company had purchased and sold following mutual fund units:

Amount in Rs.

Particulars	As at 01-04-10	Purchased during the year	Sold during the year	As at 31-03-11
Axis Liquid Fund	-	1 10 998	1 10 998	-
JM High Liquid Fund	-	30 32 708	30 32 708	-
Axis Short Term Fund	-	1 51 593	1 51 593	-
HDFC Cash Management Fund	-	60 67 897	60 67 897	-

(15) As this is an 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.

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

Amount in Rs.

	2010-2011	2009-2010
a) C.I.F. Value of Imports	Nil	Nil
b) Earnings in Foreign Exchange	Nil	Nil
c) Expenditure in Foreign Exchange	Nil	Nil

(17) The information required as per Paragraph 3 of Part II of Schedule VI of the Companies Act, 1956, regarding quantitative information are as follows.

(a) Trading Activity

Particulars	2010-2011		2009-2010	
	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
i) Opening Stock				
Land (Sq. mts)	28 279	9 52 21 072	25 545	2 54 71 651
Trading Materials	—	Nil	—	44 75 999
ii) Purchases				
Land (Sq. mts)	—	Nil	2 734	6 97 49 421
Trading Materials	—	Nil	—	84 23 033
Expenses	—	10 78 000	—	5 24 749
iii) Closing Stock				
Land (Sq. mts)	25 545	2 54 71 651	28 279	9 52 21 072
Construction Material			Nil	Nil
iv) Sales				
Land (Sq. mts)	2 734	7 50 00 000	Nil	Nil
Trading Materials			—	1 39 96 818

(b) Construction Activity – Residential Project

Particulars	2010-2011		2009-2010	
	Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
i) Opening Stock				
Land (Sq. mts)	2 786	2 80 34 423	10 881	7 24 38 148
Construction Material	—	13 59 166	—	76 43 926
Expenses	—	141 92 014	—	1 00 27 235
ii) Purchases				
Land (Sq. mts)	—	30 96 40 319	—	4 00 00 000
Construction Materials	—	3 94 36 907	—	5 07 19 294
Expenses	—	11 43 57 503	—	14 99 88 848
iii) Consumption				
Land (Sq. mts)	2 786	7 38 44 598	8 095	8 44 03 725
Construction Material	—	4 01 86 018	—	5 70 04 054
Expenses	—	12 77 05 498	—	14 58 24 069
iv) Work-in-progress				
Land (Sq. mts)	—	26 38 30 144	2 786	2 80 34 423
Construction Material	—	6 10 055	—	13 59 166
Expenses	—	8 44 019	—	1 41 92 014
v) Sales				
Gross Income	—	39 30 79 698	—	40 79 86 539

(c) Infrastructure Activity

Particulars	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
I) Opening Stock		
Raw Material	8 14 898	65 20 512
Expenses	57 38 237	Nil
ii) Purchases		
Raw Material	26 61 38 665	13 06 50 142
Expenses	7 13 29 721	3 87 51 911
iii) Consumption		
Raw Material	26 45 94 628	13 63 55 756
Expenses	7 53 91 349	3 30 13 674
iv) Work-in-progress		
Raw Material	23 58 935	8 14 898
Expenses	16 76 609	57 38 237

(d) Value of Imported & Indigenous Raw Material Consumed

Particulars	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
Imported	Nil	Nil
Indigenous	37 86 25 244	27 77 63 535
Total	37 86 25 244	27 77 63 535
% imported	Nil	Nil
% Indigenously obtained	100%	100%
Total	100%	100%

(18) In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realised, 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

For, O. P. Bhandari & Co.
Chartered Accountants
Firm Regd. No. 112633W

O. P. Bhandari
Proprietor
M. No. 34409

Place: Ahmedabad
Date : 06th August, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria Managing Director

Kiran B. Vadodaria Director

Prashant Sarkhedi Chief Finance Officer

Dipen Parikh Company Secretary

ADDITIONAL INFORMATION AS REQUIRED UNDER PART- IV TO THE COMPANIES ACT, 1956

I. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGIONAL DETAILS

Registration No.	:	04-13417	State Code	:	04
Balance Sheet Date	:	31-03-2011			

2. CAPITAL RAISED DURING THE PERIOD (Rs. in Thousands)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placements	:	NIL

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. in Thousands)

Total Liabilities	:	13 36 669	Total Assets	:	13 36 669
SOURCES OF FUNDS			APPLICATION OF FUNDS		
Paid up Capital	:	2 95 226	Net Fixed Assets	:	3 18 979
Reserves & Surplus	:	5 36 996	Investment	:	7 766
Secured Loans	:	5 04 447	Net Current Assets	:	10 09 720
Unsecured Loans	:	—	Misc. Expenditure	:	—
Deferred Tax Liabilities	:	—	Deferred Tax Assets	:	204

4. PERFORMANCE OF COMPANY (Rs. in Thousands)

Turnover / Income	:	9 10 903	Total Expenditure	:	7 38 036
Profit/(Loss) Before Tax	:	1 72 867	Profit/(Loss) After Tax	:	1 34 918
Earning Per Share (Rs.)	:	0.55	Dividend rate (%)	:	10 %

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per Monetary terms)

Item Code No.	:	Not Applicable
Product Description	:	Construction and Infrastructure Activities

For, O. P. Bhandari & Co.
Chartered Accountants
Firm Regd. No. 112633W

O. P. Bhandari
Proprietor
M. No. 34409

Place: Ahmedabad
Date : 06th August, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria	Managing Director
Kiran B. Vadodaria	Director
Prashant Sarkhedi	Chief Finance Officer
Dipen Parikh	Company Secretary

CASH FLOW STATEMENT

as on 31st March, 2011

(Rs. In Lacs)

Particulars	For the year ended on	
	31st March, 2011	31st March, 2010
(1) CASH FROM OPERATING ACTIVITIES		
(a) Net profit before taxation, and prior period items	1 728.67	1 596.06
(b) Adjustments		
Add: Expense		
i) Depreciation	72.21	65.42
ii) Interest and Finance charges	447.07	401.29
iii) Provision for Gratuity	1.48	5.93
iv) Provision Leave Encashment	3.18	4.38
v) Bonus Payable	4.10	3.62
vi) Loss on sale of vehicles	1.09	0.00
vii) Sundry Balances Written Off	1.16	0.00
viii) Assets Discarded / Disposed off	0.33	0.51
	530.62	481.15
Less: Income		
i) Profit on Sale of Assets/Investment	83.51	219.55
ii) Share of Profit from Joint Ventures	38.07	0.00
iii) Rent Income	3.48	3.21
iv) Interest Income	319.59	341.30
v) Excess Provision Written Back	0.75	13.05
vi) Sundry Creditors Written Back	20.84	8.45
vii) Dividend	39.27	0.46
viii) Other Income	0.06	0.00
	505.57	586.02
	25.05	(104.87)
	1 753.72	1 491.19
Operating Profit before Working Capital Changes		
(c) (Increase)/Decrease in Current Assets		
i) Sundry Debtors	572.66	(1 100.08)
Less : Transfer from transferor company	0.00	13.36
ii) Stock in Trade / Inventories and W.I.P	(1 494.33)	(187.82)
iii) Loans & Advances	(3 030.81)	(1 608.01)
Less : Transfer from transferor company	0.00	789.30
	(3 952.48)	(2 093.25)
(d) Increase/(Decrease) in Current Liabilities	(131.37)	819.86
Less : Transfer from transferor company	0.00	(264.96)
	(2 330.13)	(47.16)
Cash flow before Taxes and Prior Period Items		
Less : Taxes Paid	(317.51)	(208.75)
Prior Period Expenses	(1.64)	(0.18)
Net Cash Flow from Operating Activities(A)	(2 649.28)	(256.09)
(2) CASH FLOW FROM INVESTING ACTIVITIES		
(a) Purchase of Fixed Assets	(77.61)	(3 102.08)
Less : Transfer from transferor company	0.00	2 972.83

Cash Flow Statement

(Rs. In Lacs)

Particulars		For the year ended on 31st March, 2011	For the year ended on 31st March, 2010
(b) Purchase of Investment	(4.00)		(579.40)
Less : Transfer from transferor company	0.00		569.40
(c) Sale/Adjustment of Fixed Assets	4.34		10.75
(d) Sale of Investment	495.38		351.65
(e) Adjustment for depreciation	0.00		0.07
(f) Rent Income	3.48		3.21
(g) Interest Income	319.59		341.30
(h) Interest Income	39.27		0.46
(i) Other Income	0.06		0.00
Net Cash Flow from Investing Activities (B)		780.51	568.19
(3) CASH FLOW FROM FINANCING ACTIVITIES			
(a) (Repayment of)/proceed from Long term Borrowings	2 389.28		1 110.00
Less : Transfer from transferor company	0.00		(299.97)
(b) Interest and Finance Charges	(434.05)		(401.29)
(c) Share Capital suspense	0.00		1 720.00
Less : Transfer from transferor company	0.00		(1 720.00)
(d) Reserve arising on amalgamation	0.00		0.42
Less : Transfer from transferor company	0.00		(0.42)
(e) Share Premium on amalgamation	0.00		2 064.00
Less : Transfer from transferor company	0.00		(2 064.00)
(f) Payment of Dividend and Dividend distribution tax	(345.40)		0.00
Net Cash Flow from Financing Activities (C)		1 609.83	408.74
Net Change in Cash & Cash Equivalents (A+B+C)		(258.94)	720.84
Cash & Cash Equivalents on amalgamation		0.00	4.45
Cash & Cash Equivalents as at 1st April (Opening)		931.35	206.06
Cash & Cash Equivalents as at 31st March (Closing)		672.41	931.35

Notes:

- Cash Flow is prepared under indirect method.
- Cash and Cash Equivalent includes Fixed deposits with banks of Rs. 211.02 Lacs (P.Y. 498.11 Lacs) with accrued interest.
- Figures in bracket indicate negative amount.

As per our separate report of even date

For, O. P. Bhandari & Co.
Chartered Accountants
Firm Regd. No. 112633W

O. P. Bhandari
Proprietor
M. No. 34409

Place: Ahmedabad
Date : 06th August, 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria	Managing Director
Kiran B. Vadodaria	Director
Prashant Sarkhedi	Chief Finance Officer
Dipen Parikh	Company Secretary



COMPANY DETAILS

Board of Directors

Shri Manoj B. Vadodaria	Chairman & Managing Director
Shri Kiran B. Vadodaria	Joint Managing Director
Shri Hiren G. Pandit	Director
Shri Akhilesh C. Mehta	Director
Shri Dilip D. Patel	Director
Shri Shyamal S. Joshi	Director

Chief Finance Officer

Shri Prashant H. Sarkhedi

Company Secretatry

Shri Dipen Y. Parikh

Bankers

The Kalupur Commercial Co-operative Bank Ltd.
Allahabad Bank
HDFC Bank
Dena Bank

Auditors

O. P. Bhandari & Co. Chartered Accountants
Ahmedabad

Registered Office

1st Floor, Sambhaav House,
Opp. Chief Justice's 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 Ltd.

PROXY

Regd. Office : "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380 015.

I/We _____ Folio/DPID _____
 Of _____ being a Member 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 TWENTY
 FIRST ANNUAL GENERAL MEETING of the Company to be held on Saturday the 10th September, 2011 at 10:00 a.m. at
 Registered Office and any adjournment thereof.

Signed this _____ day of _____ 2011

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.



Nila Infrastructures Ltd.

ATTENDANCE SLIP

Regd. Office : "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380 015.

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company held on **Staurday the 10th September, 2011 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.

BOOK-POST



Nila Infrastructures Ltd.

1st Floor, Sambhaav House, Opp. Chief Justice's Bungalow,
Bodakdev, Ahmedabad 380 015. (Gujarat - India)
Ph. : +91 79 4003 6817 / 2687 0258 • Fax : +91 79 3012 6371
info@nilainfra.com • www.nilainfra.com