



**NILA
INFRASTRUCTURES
LIMITED**

FORM A

Sr No	Particulars	Details
1	Name of the Company	Nila Infrastructures Ltd.
2	Annual Financial Statements for the year ended	31 st March, 2014
3	Type of Audit Observation	Un-qualified Audit Report
4	Frequency of Observation	Not Applicable

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Managing Director - CEO
DIN: 00092053

Mr. Prashant H. Sarkhedi
Chief Finance Officer

For, O P Bhandari & Co.,
Firm's Registration No. 113633W
Chartered Accountants

O P Bhandari
Partner
Membership No: 34409

Mr. Shyamal S. Joshi
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— THE NEXT —
MILESTONE

24th ANNUAL REPORT: 2013-14



ENVISION NEWER

FOCUS SHARPER

The next milestone is what keeps us going

Imagine getting up every morning and having to run the equivalent of a marathon, about 42 kms every day. If that wasn't tough enough, imagine doing that on only one healthy leg. But, that's exactly what Terry Fox did.

One of the most famous athletes in Canadian history, Terrance Stanley "Terry" Fox was a distance runner and basketball player for his school and university before losing his right leg to cancer in 1977. Even after the amputation of his leg, he continued to run on an artificial leg and play wheelchair basketball, winning three national championships in the process.

That, by itself, would have been enough for most. Not for Terry Fox. In 1980, at the age of 22, he began what he called the Marathon of Hope – an attempt to raise money and awareness for cancer research by running all the way across Canada, 26 miles every day. An astounding 143 days and 5373 kms later, the spread of the cancer forced Terry to give up his run and ultimately his life – but not before he inspired an entire country and became a national hero. His worldwide legacy, the annual Terry Fox Run, first held in 1981, has grown to involve millions of participants in over 60 countries and is now the world's largest one-day fundraiser for cancer research.

The vision of the Marathon of Hope by a physically challenged athlete was new, but it had to be executed with a sharp focus on completing 42 kms each day. It was this continual cycle of going from a big vision to a narrow focus that made the huge achievement possible.

At Nila Infrastructures, we use a new vision as an anchor, a reference point and a guiding light to keep coming back to, while our focus is on the next achievement, the next milestone.

Our 'The next milestone' process: **ENVISION NEWER - FOCUS SHARPER - ACHIEVE BIGGER**

ACHIEVE BIGGER





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ENVISION NEWER

Sticky Problem

In 1968, a scientist with the innovative American multinational 3M, Dr Spencer Silver came up with the formula for a new kind of glue, one which didn't stick properly. Although, Dr Silver tried to promote it within the company, for years it remained 'a solution without a problem'.

Six years later, such a problem presented itself to Dr Silver's colleague, Art Fry. While singing at church choir, Fry found his bookmarks frustratingly falling off his hymnbook, thus making him lose the page. He needed a repositionable note, one which would stick, but would not remain stuck. He went to work on it and three years later the iconic Post-it brand of notes was born.

At Nila Infrastructures, we believe a new vision need not always be about new things; it can be about old things thought of in a novel way.

Newer Business Avenue

Affordable and low-cost housing has always been there. It is only in recent times that it is being treated as part of urban infrastructure and development, and not real estate, because of its critical nature; it is the absolute necessity of a thriving metropolis, driving the urbanization phenomenon, providing cheaper migrant labour to the urban economy and replacing unorganized slums.

Nila Infrastructures won the following construction mandates in affordable and low-cost housing:

From	At	Category	Units	Total units
RAVIL (Rajasthan Avas Vikas Infrastructure Ltd) - Rajasthan Government undertaking	Jodhpur	EWS	576	1152
		LIG	448	
		MIG	128	
AMC (Ahmedabad Municipal Corporation) – under Mukhya Mantri Avas Yojana	Ahmedabad	LIG	608	608
		Shops	40	40
		Offices	8	8

Newer Business Territory

Rajasthan boasts of a good growth climate - easy access to major markets of northwestern India; 23% of the area of NCR (National Capital Region), one of the world's largest urban agglomerations; well-developed industrial areas and sectorial parks; skilled manpower; proactive government and single-window clearances. From 2004-05 to 2011-12, the state's GSDP registered a CAGR of 7.8%.

Rajasthan Government has been making rapid progress in low-cost housing through its 'Housing the Poor' programme. An ambitious target of building 5,00,000 EWS, LIG & MIG units over 5 years has been set. For the period from June 2011 to January 2013, the number of low-cost housing units built in Jaipur (309) exceeded the number of units in Delhi/NCR (66), Chennai (30), Hyderabad (200), Bhopal (285), etc.





FOCUS SHARPER

'Journey of a thousand miles begins with a single step'

~ Chinese proverb

Distinguished journalist, Eric Sevareid was part of an elite group of war correspondents for CBS during the Second World War. Once while flying over Burma, the transport plane carrying him was shot down and he was forced to parachute down into the jungle on the Indo-Burma border. Knowing that any rescue attempt would take several weeks, Sevareid and the other survivors decided they had no option but to keep walking towards India, a country friendly to the allied war cause.

The goal seemed impossible – tropical heat, monsoon rains and a very demanding 140 mile trek over mountainous terrain. In the words of Sevareid: “In the first hour of the march, I rammed a boot nail deep into one foot: by evening, I had bleeding blisters. . . .on both feet. Could I hobble 140 miles? Could the others, some in worse shape than I, complete such a distance? We were convinced we could not. But we could hobble to that ridge; we could make the next friendly village for the night. And that, of course, was all we had to do. . . .”

At Nila Infrastructures, we don't allow a big vision to overwhelm us. We break it into smaller goals, and then those goals into smaller steps. We focus sharper and narrower so that things become achievable.



Sharper Execution

Nila Infrastructures' known execution abilities allow the company to finish projects on time, put them on the balance sheet and thus, register higher turnover every year.

Besides own projects, the company has a strong order book that scores high on volume, quality and conversion. The confirmed orders position at present runs into a total volume of Rs 258.65 crore.

Government projects account for Rs 182.54 crore or 70.57% of the total confirmed contracts. This affects order book quality as Government contracts are known for their surety and stability of receipts. Even the private contracts amounting to a total of Rs 76.11 crore are to reputed corporate groups like Adani and Sandesh.

Of the total volume, projects totaling a contract value of Rs 207.71 crore have commenced on schedule and are being executed, making for a order book conversion of 80.31%. Nila was not able to start the Rs 50.94 crore Rajasthan Government project on time, because of delay on the part of the state Government in giving site possession, brought on by the recent Lok Sabha elections.

Sharper Outlook

Nila's order book depth gives the company the confidence to sustain turnover levels above Rs 100 crore. With total amount received till date a low Rs 13.31 crore, the remaining amount of Rs 245.33 crore will be part of turnover across future project years. The company has taken on projects to be completed in periods ranging from 0.75 years to 2.67 years, with an average project period of 1.86 years.

So, if the total order book receivables of Rs 245.33 crore are distributed over 1.86 years, the average contracts turnover per year works out to be Rs 131.89 crore.

This means that the projects for other parties – Government and private, can on their own sustain turnover levels of Rs 100 crore for the next two years. Add to this figure the company's own developed projects, and turnover is likely to be still higher in the coming years.



ACHIEVE BIGGER

Dream bigger than you think possible

Ted Turner (founder of CNN) joined his father's billboard advertising business full-time in his early 20s. His father, Ed Turner, was a child of the depression and his parents almost lost everything during that dark time. This only strengthened Ed's resolve to succeed and he promised his parents to work hard and one day be a millionaire and own a plantation and a yacht. By the time Ted joined the billboard company his father had all those things and Ted remembers clearly his father taking him aside and saying, "Son, you be sure to set your goals so high that you can't accomplish them in one lifetime. That way you'll always have something ahead of you. I made the mistake of setting my goals too low and now I'm having a hard time coming up with new ones." (from anecdote.com)

At Nila Infrastructures, we start thinking of our next big goal the moment we achieve the current one. Sometimes, it seems impossible, but over time it starts to get more real and achievable. Thinking of our next milestone and raising the bar higher every time gets us going and achieving bigger.



Bigger Turnover Mark

A turnover high of Rs 100 crore plus is quite an achievement for Nila Infrastructures, given that general economic conditions were severe and have been so for a long time. Dependence on urban infrastructure projects and faster project execution were largely responsible for the good performance.

It is a known fact that urban infrastructure projects, unlike private projects, are not stalled during periods of economic downturn. In fact, governments roll out more of such projects to counter negative effects like high unemployment and low incomes and revive the economy. Nila positioned itself well to take on urban development projects in both old and new fields.

Continuing a precedent, the company built 23 BRTS (Bus Rapid Transit System) stations for AMC (Ahmedabad Municipal Corporation) in the financial year under review and secured the contract for building 13 more by next year. Setting a new precedent, Nila Infrastructures ventured into the relatively new area of affordable and low-cost housing by winning contracts from Rajasthan Government and AMC. The company's projects for Government constitute a high 70% of total contracts awarded to it.

Bigger Recognition

For the second time during the ongoing recession, Nila found its way into Inc. India 500 2013 rankings of the fastest growing mid-sized companies in India. This is all the more commendable since, according to the magazine, the 2013 winners have registered the lowest growth among all the Inc. India 500 rankings.

Bigger Credit Rating

Nila Infrastructures was assigned the rating of BWR BBB for its long-term (fund based) debt, with an Outlook Stable pronouncement by Brickwork Ratings. This was an improvement over the BBB - received in the previous fiscal of 2012-13. The company secured the BWR A3 rating for its short-term (non fund based) debt.



VISION

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

VALUES

Passion | Reliability | Dedication

Passion for ideas and innovations

Reliability of processes and practices

Dedication to goals and targets

ABOUT

Business

Nila Infrastructures Ltd has a presence in two broad business avenue – real estate and urban infrastructure. It adopts the following business routes: 1. Develops and markets own projects, especially in residential real estate 2. Secures construction mandates for real estate projects of other private players or urban infrastructure projects of government bodies 3. Leases developed properties to corporate houses.

Performance

Despite the grip of recession on the economy, Nila Infrastructures has shown a 2.67% rise in turnover, from Rs 9754.65 lakh in 2012-13 to Rs 10014.92 lakh in 2013-14. This was possible because the company worked hard at timely execution of a number of infrastructure and construction projects during the fiscal. However, because of lower margins associated with construction contracts and other factors like increase in finance charges and bad debt write-offs, profit before tax declined from Rs 1929.04 lakh in 2012-13 to Rs 1818.21 lakh in 2013-14.

Credentials

Nila Infrastructures Ltd is a Sambhaav Group company based in Ahmedabad, Gujarat. Incorporated on 20th February, 1990, under the Companies Act, 1956, Nila Infrastructures is a public limited company listed on BSE (Bombay Stock Exchange).





Aspiration is permanent; achievement isn't

It was truly a proud moment for us Indians when the US President Barack Obama declared, “India is not simply emerging; India has emerged” at the Joint Session of the Indian Parliament in New Delhi during his November 2010 visit to India. But, the euphoria has long since evaporated with India’s GDP growth rate at sub 5% for the second financial year running. **I believe the Indian economy lost steam from the heady days of 9.6% in 2006-07, because we got complacent and sat on our achievements, instead of working harder for the next peak.** China is a good example of how to push harder despite reaching amazing milestones. Although, global economic growth is expected to be only 2.6% in calendar year 2014, China will still grow at 7% plus and that too on a much larger economic base.

Achievements are to be celebrated, but they have to be taken in the right spirit. Like stairs on an ascending stairway, a particular achievement is simply a step closer to the next higher step, the next higher level. **Like me, I am sure other people at Nila Infrastructures are filled with pride that we were able to reach the Rs 100 crore turnover peak for the first time in the financial year of 2013-14.** What is more satisfying is that this was achieved amidst a seemingly never-ending slow down elsewhere in the economy. Even more satisfying is the fact that we have a confirmed order book to support turnover levels above Rs 100 crore from here on.

Another first for the company was that we forayed into an allied business segment, affordable housing, in a big way. In the process, we also notched another first – doing business in a state other than Gujarat, in nearby Rajasthan.

I am glad that recognition of our performance has come from neutral market watchers. **Nila Infrastructures has been accorded a place in the coveted Inc. India 500 ranking of the fastest growing mid-sized companies in India for the second time.**

Taking into account our credentials and performance, **Brickwork Ratings has assigned BWR BBB/A3 ratings for the company’s Long-term / Short-term debts** with an Outlook Stable pronouncement for our Long-term debt, an improvement over the BBB- rating of 2012-13.

I am truly and deeply proud of all our achievements in this year. But, I know this surely in my heart – our company’s best days are still ahead.

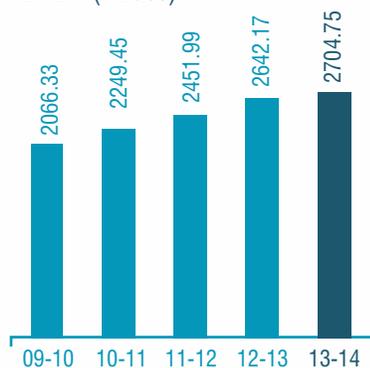
Manoj B Vadodaria
CMD, Nila Infrastructures
DIN: 00092053

Financial Snapshot

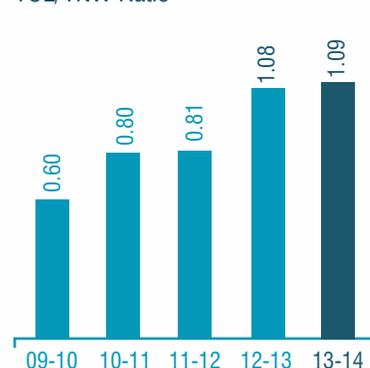
Turnover (₹ Lacs)



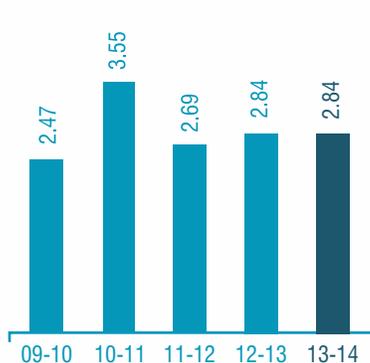
EBITDA (₹ Lacs)



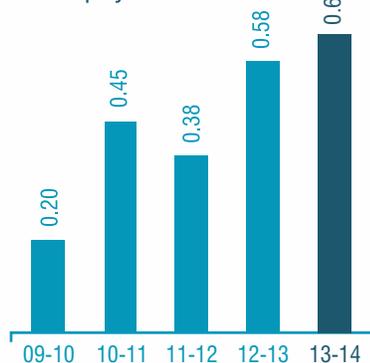
TOL/TNW Ratio



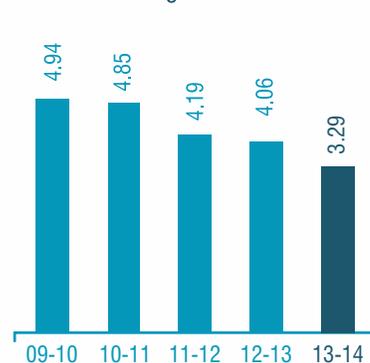
Current Ratio



Debt Equity Ratio



Interest Coverage Ratio



Business Snapshot

Real Estate

- Construction of 200 apartments for Atulyam, the high-end residency project, over; possession to homeowners going on
- Sample bungalow for the 58-bungalow project at Thaltej, Ahmedabad built; construction of remaining bungalows will follow suit

Urban Infrastructure & Development

- 23 BRTS stations for Ahmedabad Municipal Corporation (AMC) built; contract for an additional 13 BRTS stations already awarded
- Construction of AMC's multi level parking facility at Navrangpura, Ahmedabad initiated
- Nila Infrastructures bid and won the tender for construction of affordable housing at Jodhpur from a Rajasthan Government undertaking, Rajasthan Avas Vikas Infrastructure Ltd; project construction will start as soon as site is handed over to the company
- Another affordable housing project was secured by Nila Infrastructure from AMC – construction of LIG residential scheme under the Mukhya Mantri Avas Yojana

Private Construction

- Construction of 68 residential bungalows under the premier Applewoods Estate Township scheme of the Sandesh Group concluded; the company acquired the finishing work contract for an additional 31 bungalows under the same scheme
- Nila Infrastructures has started construction for both First & Second Phases of Pratham, the mini-township project of Adani Infrastructure & Developers at Tragad, Ahmedabad

Leasing

- The company has leasing rights over 88,000 sq ft of prime commercial property at Ahmedabad for the benefit of large corporate entities



Upside in the Industry; Uptick in the Company

Signs of Global Recovery and Caution

The world's advanced economies like the US, UK, Germany and Japan are showing signs of sustainable growth for the first time since the global recession of 2008-09. But, these come with a dose of caution. Geopolitical shocks like the recent ones in Iraq, Syria and other trouble spots could put the brakes on global economic recovery.

Also, the growth sentiment in some developed countries is not echoed by the emerging economies. For instance, India's economy is more vibrant now with a growth of 5.9% year on year on an expenditure basis, but the January-March quarter has been slow by historical standards. Despite all this, the June 2014 outlook of EIU (The Economist Intelligence Unit) forecasts global economic growth to accelerate in 2014, to 2.6% at market exchange rates, from 2.1% in 2013. The Economist Intelligence Unit or EIU is the business information arm of The Economist Group, publisher of The Economist.

Is this the dawn of the Asian Century?

The balance of global economic power is surely shifting to Asia. Despite relatively sluggish growth in recent times, Asia is charging ahead. In late April, the World Bank's International Comparison Programme (ICP) published new data that showed that the shift of economic weight from developed to emerging markets is even more rapid when economic activity is measured at Purchasing Power Parity (PPP) exchange rates.

Where does India figure in all this?

According to the ICP calculations, India ranked in 2011 as the world's third largest economy. In an August 30th, 2013 country summary of India, EIU (The Economist Intelligence Unit) says – "We forecast that real GDP expansion will average 6.1% a year in 2013-30, making India the fastest-growing major economy in the world during the period." The EIU also expects India's business environment to improve during the period 2013-30. The laggard monsoon and scanty rains may stifle India's growth potential.





Gujarat's Growth Bandwagon Rolls On

Although Gujarat's growth has slipped in recent times, it is still among the fastest growing states with an 8% increase in 2012-13 as compared to 7.7% in 2011-12; the per capita income grew 6.6% in 2012-13 as against 6.8% in the previous fiscal.

As per a report by apex industry body ASSOCHAM, with proposals worth Rs 13,98,347 crore as of December 2013, Gujarat is India's second most preferred investment destination after Maharashtra. The state's business environment is nurtured well by a proactive government. One of the foundations of sustainable growth is prudent fiscal management by the state government. Public debt as a percentage of Gujarat's GSDP has been on a decline since 2009-10, from 22.73% in 2009-10 to 19.40% in 2013-14.

Gujarat's Real Estate And Urban Infrastructure Strength

An ASSOCHAM study found Gujarat to attract the maximum share of 41% of new investments in real estate across India during 2012-13. Government revenue collections suggest the size of Gujarat's real estate industry to be at Rs 76,271 crore during the same period, although this is likely to be an undervalued figure.

Gujarat has been a fertile ground for conception and execution of infrastructure projects. With a good track record of project execution, the state was given Rs 2578.81 crore between 2005 to 2012 under urban infrastructure and governance (UIG) sub-mission of Jawaharlal Nehru National Urban Renewal Mission (JnNURM): a figure more than 8% of the total allocation of Rs 31,500 crore.

Ahmedabad: A Global Hot Spot

According to a 2013 EIU study commissioned by Citi group, Hot spots 2025 - Benchmarking the future competitiveness of cities, Ahmedabad is ranked 14th in the list of 20 most economically strong cities in the world. Economic strength measures how fast a city grows, how rich or poor its citizens are and how well a city is integrated into the global economy.

This is an improvement from the 19th rank received by Ahmedabad in the 2012 EIU report.

Ahmedabad's Real Estate Attractions

Ahmedabad's real estate market has grown a lot and evenly across many areas over the past decade. Capital values of commercial properties have risen by as much as 20-30% in certain premium locations. Residential property appreciation in the city has been to the tune of 50% over the last three years. A steady 10-15% surge in property rates across all sectors is expected in the city.

Effective Urban Planning, Governance And Infrastructure

Major factors for bright real estate prospects in the city are efficient Development Plan (DP) execution, concentric road networks, liberal Town Planning (TP) policies and multimodal public transport facilities. By January 2013, 89% of Ahmedabad's 20-year DP of 2002, outlining plans for urban development, including land use regulations, transport networks, public amenities and infrastructure services had already been implemented. To put this extraordinary achievement into perspective, only 15% of Mumbai's last DP was implemented. Expansion of city limits has kept pace with the city's population growth – to avoid both congestion in the central areas of the city and low-density sprawl in its peripheral areas. The city's municipal area officially expanded from 186 sq km to 466 sq km to cope with the increase in population from 4.5 million in 2001 to 6.4 million in 2011.

Ahmedabad's concentric road network is also a huge asset in preventing congestion and facilitating peripheral expansion. There are 5 rings and 17 radials of reasonable size, starting from the city centers and going straight out to the periphery, a network unlike any other city in India.

Town Planning (TP) Schemes are public participation driven micro-level plans based on the city Development Plan that identify locations of public amenities and infrastructure, in consultation with citizens, who then give up 40% of their private land to the local government in exchange for better roads, water supply and other amenities. Better public infrastructure drives up land prices, thus allowing a decent return on the remaining 60% land belonging to the private landowner. The prospect of land appreciation attracts public participation and ensures success of the TP. 271 TP Schemes have been implemented in the city till the early part of 2013.



Atulyam - The High-rise Residency



Ahmedabad BRTS



Urban Transportation Of World Standards

Ahmedabad has made a good start in creating multimodal, integrated public transport systems with the BRTS (Bus Rapid Transit System). With the aim of providing economical bus corridors for fast and congestion-free commutes, the BRTS project plans to reach a total corridor length of 126.5 km; 87 km are already operational and average daily ridership is about 1,45,000 people. It has been a feather in the cap for Ahmedabad Municipal Corporation; the project has won many international and national laurels. Ahmedabad BRTS will integrate with the city's metro rail project, Metro-Link Express between Gandhinagar and Ahmedabad (MEGA); while BRTS will provide access within the city, MEGA will ensure connectivity for those outside the city.

Nila Infrastructures Enjoys The Best Of Both Worlds

With its presence in both real estate and urban infrastructure, Nila Infrastructures can take advantage of the particular characteristics of each business sector. During a real estate boom, the company can ride on the concurrent rise in margins coming from real estate projects; during a recession, the company can realize volumes through the recession-proof character of urban infrastructure projects.

This judicious mix has resulted in stability of the company's turnover even under extended recessionary conditions. It is a matter of pride that Nila Infrastructures has breached the turnover figure of Rs 100 crore for the first time; it has also found mention for the second time in the prestigious Inc. India 500 rankings of the fastest growing mid-sized companies; all in one financial year (2012-13).

Nila Infrastructures' Real Estate Projects

Atuulyam, the high-rise residency for the upper middle class with total construction of 200 apartments (80 3BHK and 120 2BHK) was concluded during 2013-14 (FY14); handover of units to buyers is underway. Construction of the show bungalow for the 58-bungalow project at Thaltej, Ahmedabad is over; other bungalows are going to be built in 2014-15 (FY15).



Nila Infra's Infrastructure and Construction contracts

The company was able to complete construction of 23 BRTS stations for Ahmedabad Municipal Corporation (AMC) during FY14; the contract for an additional 13 BRTS stations has been awarded to the company during the same fiscal. Nila Infrastructures also secured the mandate for building a multilevel parking facility at Navrangpura, Ahmedabad from AMC; construction work has already commenced.

Nila Infrastructures was able to execute the construction contract of 68 residential bungalows under the premier Applewoods Estate Township scheme of the Sandesh Group; the company was awarded the finishing work for an additional 31 bungalows under the same project. Nila is executing the contract for building flats at the mini-township project of Adani Infrastructure & Developers at Tragad, Ahmedabad; construction of Part A of the First Phase has been

Applewoods Estate Township Scheme of The Sandesh Group



completed; construction for Part B of both First and Second phases is proceeding smoothly.

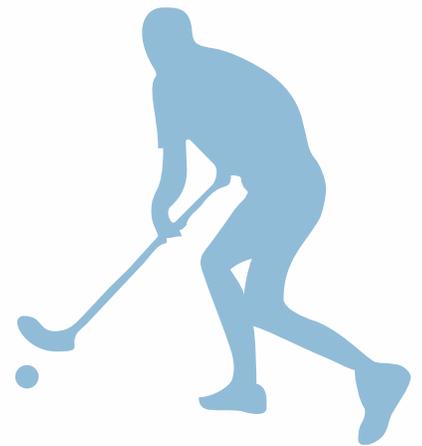
Nila Infrastructures has ventured recently into a relatively new business avenue – affordable housing, and a new state – Rajasthan. The company has acquired the mandate from The Rajasthan Government for construction of affordable housing for Economically Weaker Section (EWS), Low Income Group (LIG) and Middle Income Group (MIG) segments at Jodhpur. Once Rajasthan Government gives permission for site possession, Nila will initiate project construction. The company also won a tender from AMC for construction of LIG flats at various locations in Ahmedabad under the Mukhya Mantri Avas Yojana.

Nila Infrastructures earns leasing rental income from leasing rights over 88,000 sq ft of prime commercial property at Ahmedabad.





Statutory Information
And
Annual Report 2013-14



DIRECTORS' REPORT

Dear Members,

The Directors of your company are pleased to present the 24th Annual Report to the Members with the audited financial statements for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The performance of the Company for the financial year 2013-14 is as under:

(₹ in Lacs)

Particulars	For the year ended	
	31st March, 2014	31st March, 2013
Total Income	10014.92	9754.65
Less: Total Expenditure	8196.71	7825.61
Profit Before Tax	1818.21	1929.04
Less: Current Tax	632.33	641.50
Deferred Tax	0.82	4.57
Net Profit After Tax	1185.06	1282.97
Add: Balance Brought Forward from previous year	4105.78	3268.20
Profit available for appropriation	5290.84	4551.17
Less: Transfer to General Reserve	100.00	100.00
Less: Proposed Dividend	295.23	295.23
Less: Dividend Distribution Tax	50.17	50.17
Surplus carried to Balance Sheet	4845.44	4105.77
Security Premium	2678.34	2678.34
General Reserve	524.77	424.77
Reserves [Excluding Revaluation Reserve]	8048.55	7208.88
Paid up Share Capital	2952.26	2952.26
Net Worth	11000.81	10,161.14

REVIEW OF OPERATIONS:

Your Company is engaged primarily in the business of urban infrastructure development, real estate, construction of housing projects and leasing of properties.

In spite of the slow down in the economy in general and in real estate and construction sector in particular, your Company has reported increase in turnover due to efficient management of resources and timely execution of projects.

During the year under review, total turnover of the Company increased by 2.67% from Rs. 9754.65 to Rs. 10014.92 as compared to the previous financial year.

EXPANSION PLANS:

Your Company foresees acceleration in growth of infrastructural development in the nation in general and in the city where your

company mainly operates owing to the expectation of steady government, reforms of policies, faster approvals of pending projects and overall improvement in the investment sentiment of the economy. This is likely to provide ample opportunities to infrastructure developers in one or another way. Your Company endeavors to identify profitable projects and bid for the same.

As mentioned during previous year, your Company has obtained several projects of construction of Affordable Housing and is also looking to bid several other projects as and when opportunity appears. The Company anticipates enormous opportunity in the affordable housing segment in years to come. The Company is also under planning to develop its own land by various residential housing schemes in the back of expected housing demand in years to come.

Your Company foresees to expand its leasing activities to ensure steady cash flow income and planning is under process to offer some immovable properties and land on long term lease to reputed corporate.

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 16th September, 2014.

CORPORATE SOCIAL RESPONSIBILITY:

During the year under review your Company has approached the Waste Management Department of the Ahmadabad Municipal Corporation with a proposal to initiate a campaign, for awareness of environmental protection, proper removal of solid waste, at Makarba area where the majority of the residential schemes of the Company are constructed. The proposal is under active consideration with the corporation.

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.

ISO 9001:2008

Your Company has maintained its Quality Management System to the international standards of ISO 9001:2008 Company is striving to maintain its commitment to customer's expectations for quality work and adherence of time schedule and safety at work sites.

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.

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.

DIRECTORS:

Pursuant to Section 152 of the Companies Act, 2013 (Corresponding section 256 of the Companies Act 1956), Mr. 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.

During the year under review Mr. Ashok R Bhandari has been appointed as an additional director of the Company. Further in terms of section 161 (1) of the Companies Act, 2013, the Board of Directors has, at its meeting held on 29th May, 2014, appointed Mr. Harcharansingh P. Jamdar as an additional director.

Mr. Ashok R. Bhandari, Mr. Harcharansingh P. Jamdar, Mr. Hiren G. Pandit and Mr. Shyamal S. Joshi, directors of the Company, are being appointed as independent directors for five consecutive years for a term w.e.f 20th September, 2014 as per provisions of Section 149 and other applicable provisions of the Companies Act 2013

AUDITORS:

The present Auditor M/s O. P. Bhandari & Co, Chartered Accountants, Ahmedabad retires at the forthcoming 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.

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.

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.

CORPORATE GOVERNANCE:

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

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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.

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

Detail of foreign exchange earning and outgo form part of the financial statement for the year under review. Conservation of energy has always been of immense importance to your Company and all the equipments consuming energy have been placed under continuous and strict monitoring. In view of the nature of the operations, no report on the other matters is required to be made under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particular in the Report of the Board of Directors) Rules, 1988.

INSURANCE:

All the existing properties of the Company are adequately insured.

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

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.

COST AUDIT COMPLIANCE CERTIFICATE:

Your Company has, in compliance of the provisions of the Companies (Cost Accounting Record) Rules 2011, read with Rules and Regulation made there under by the Cost Audit Branch of the Ministry of Corporate Affairs; obtain compliance certificates from M/s J B Mistri & Co., Cost Accountants, Ahmedabad.

LISTING OF SHARES:

Equity shares of your Company are presently listed at Bombay Stock

Exchange Limited (BSE). The Company has duly paid the annual listing fees for the year 2014-15 to the exchange. Adequate care has been taken to comply all the norms and requirements as per the provisions of the Listing Agreement. The Companies shares are under 'Compulsory Demat'. The ISIN allotted to the equity share of the Company is INE937C01029. As directed by the SEBI Circular, your Company has appointed M/s MCS Ltd as its Registrar and Share Transfer Agent to undertake transfer of physical share certificates besides acting as electronic registrar.

ACKNOWLEDGEMENT:

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

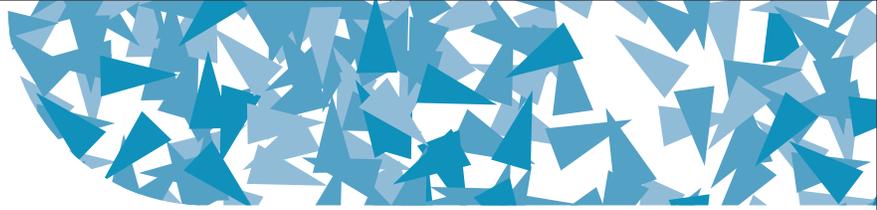
Place: Ahmedabad
Date: 29.05.2014

For & on Behalf of the
Board of Directors

Manoj B. Vadodaria
Chairman & Managing Director

DIN : 00092053





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC SCENARIO:

At the macro economy level, the challenges of the previous financial year in terms of low growth rate, persistently high inflation, sluggish Index of Industrial Production, slowdown in the investment cycle and increasing current account deficit continued during the financial year 2013-14. The major hurdles that the Indian economy experienced during the year were steep fall in the value of currency, high interest rates, high prices of food and commodities, low demand of industrial products, and deteriorated sentiment of capital investment.

The cumulative growth rate of eight core sectors during year 2013-14 has slowed down to 2.6% from 6.5% of the previous year 2012-13. The Index of Industrial Production has contracted to -0.10% in March 2014 as compared to 1.10% in the corresponding month a year ago.

In spite of the obstacles, the Indian economy is likely to accelerate in the next fiscal predominantly due to implementation of stalled projects, prospects of steady government and recovery in industry on higher internal and external demand. The improved GDP for the next fiscal may be driven by reforms in domestic policies as well as improved global growth prospects. This, together with improved domestic consumption demand, is likely to trigger acceleration in growth. As we have stated in earlier reports, the prominent factor for India to grow in years to come shall be its aspirant youth generation. Their aspirations and demands are increasing and channelizing the cycle of economy by increasing domestic consumption.

2. THE INDUSTRY SCENARIO:

2a. Real Estate Sector:

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise, financial resource, lesser transparency and governance by different local laws. This scenario underwent a change in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy.

Residential sector in India has witnessed rapid growth in the past decade mainly due to continuous growth in population, migration towards urban areas, ample job opportunities in service sectors, growing income levels, rise in nuclear families, and easy availability of housing finance. During the years 2006-08 demand for houses increased considerably whilst supply of houses could not keep pace with demand thereby leading to a steep rise in residential price values especially in urban areas.

Thereafter during the year 2009-10, the industry witnessed slowdown in demand due to spoiled affordability and deteriorated economic environment. What we have been witnessing since 2011 may be consolidation of the industry with demand, supply and prices gradually moving up in line with the improvement in economic scenario.

Real estate in India continues to be a favoured sector globally for investors, developers and non-resident Indians. The real estate sector, with its growing investment opportunities, is expected to post annual revenues of US\$ 180 billion by 2020. The foreign direct investment (FDI) in the sector is expected to touch US\$ 25 billion in the next 10 years from its current US\$ 4 billion.

The real estate sector which is deeply linked to the economic performance is expected to be major beneficiary in the expected strong Indian economic growth. The share of real estate sector in the overall GDP is also expected to increase from 6.3% in 2013 to 13% by 2018. Further the residential segment which contributes about 80% of the real estate sector is expected to grow significantly over the next few decades. In order to cater the housing need as per an estimate India needs to develop 45 to 50 Million housing units by 2028. Further the Affordable Housing segment which refers to housing for economically weaker section and lower income group is expected to account for 85 to 90 percent of the total development of housing units.

The Government is also keen for the growth of the real estate sector because of its ability to generate employment due to cascading effect on multiple industries. According to the existing FDI policy, 100 per cent FDI in the construction development sector is permitted through the automatic route. One of the major initiatives of the Ministry of Housing and Urban Poverty Alleviation (MHUPA) is to provide affordable housing for poor people living in urban areas. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is one its flagship schemes. Further the Real Estate (Regulation and Development) Bill, 2013, as approved is a pioneering initiative aimed at for uniform regulatory environment to protect the consumer, help in quick judgments of disputes and ensure systematic growth of the sector.

2b. Urban Infrastructure:

India is poised to have nearly fifty per cent of population living in urban areas in next decade and that poses a challenge for the urban development. According a study, in 2001 the number of people lived in urban India was around 285 Million and it is projected that around 433 Million people will live in urban area of India by 2021. According to a report from Barclays the urban sector is likely to contribute nearly 70 to 75 percent of the GDP by 2020. The rapid increase in urban population is the result of

aggressive industrialization. This increased population in cities will demand for development of urban infrastructures including town planning, construction of roads, bridges, mass transportation facilities, sewerages, sanitation and solid waste management, water management, amusement parks, and much more unique kind of developments.

With respect to Ahmedabad city, it is considered as one of the growth engines of nation and due to integration of nearby villages during past several years the city has been spreading rapidly. This has necessitated the development of quality infrastructure all across the city. During past several years there has been many infrastructural projects taken up by the Government of Gujarat under various schemes and plans. Dholera SIR, Dahej PCPIR, Metro Rail, BRTS, Sabarmati River Front, GIFT City at Gandhinagar are few prestigious projects to name. The Government at Gujarat is encouraging in a big way investments in infrastructural development of the state.

3. BUSINESS OVERVIEW:

3a. Real Estate Projects:

During the year under review the construction of residential project "ATUULYAM" has been completed successfully. The Company is in process of handing over possession to the buyers of the units of the project. Construction of sample house for 58 bungalows scheme at Thaltej, Ahmedabad is completed and the construction of the bungalows is likely to start during the current year.

3b. Infrastructure Projects:

Your Company has during the year completed construction work of 23 bus shelters of BRTS corridor from (1) Kalupur bridge to Naroda – 16 bus shelters (2) Soni ni Chali to Odhav – 7 bus shelters.

The Company has during the year completed the construction work of 68 residential bungalows awarded by "Applewoods Estate Township" of Applewoods Estate Pvt. Ltd – The Sandesh Group. Your Company has been allotted finishing work of further 31 bungalows for the same township.

As mentioned previous year, your Company has been awarded construction contract for mini township at Tragad, Ahmedabad by Adani Infrastructure & Developers Pvt. Ltd. The work allotted is in two phases and two parts of each phase. Your company has successfully completed construction of Part A of the First Phase and the possession of site for Part B of First Phase and Second Phase has been given recently. The Construction work is being carried out as per schedule.

During the year under review, your Company has been allotted a tender from Rajasthan Government for construction of affordable housing for Economic Weaker Section (EWS), Low Income Group (LIG), and for Middle Income Group (MIG)

segment at Jodhpur. The company is expecting to start construction of the project during the current year after obtaining possession of the site. Similarly a tender from Ahmedabad Municipal Corporation has been allotted for construction of LIG Package - 6 at various locations in Ahmedabad under affordable housing scheme.

Your Company has bided aggressively during the year under review for several government tenders at Ahmadabad and has successfully obtained work of construction of multi level car parking at Navrangpura, Ahmedabad. The construction work is expected to be completed in two years.

3c. Leasing Activities:

The Company possesses leasing rights for 88000 sq. fts of constructed property situated at the most prominent area of Ahmedabad and the same been given on lease to various renowned corporate.

4. OPPORTUNITIES:

Your Company expects ample opportunities of infrastructural development in Ahmedabad city and surrounding area. The City is likely to experience metaphorical growth in years to come with the growth of population and migration from other cities. The state of Gujarat has become a corporate hub with the entry of the big national and multinational companies which has lead to rising employment. All these would ultimately generate demand of homes for all segments of people. Further the various government tenders envisaging development of infrastructure in the city shall also offer opportunity to the developers to grow in years to come.

Apart your company envisage to expand its activities in infrastructures projects in other state by participating in bidding mainly for affordable housing.

5. RISK AND CHALLENGES:

There are many constraints affecting smooth functioning of this industry. The company is operating in a business segment which is cyclic in nature and in which the price is mainly driven by demand and supply factors. It is not largely based on the cost of the product. Timely supply of raw material like cement, steel, bricks are essential for timely completion of the projects. Shortage of labour and raw material may delay the execution of projects of the Company. The infrastructure development is capital intensive in nature. The Company's business requires long term commitment of capital to meet financial requirement of long term projects. Further timely availability of skilled and technical personnel is also one of the key challenges. Real Estate and Infrastructure sectors are mainly dependent on the economic scenarios and any adverse events affecting the whole economy may deteriorate the industry as well. Further the approval process and time for projects are generally uncertain



which may delay the execution and thereby affect financials

6. INTERNAL CONTROL SYSTEM:

The Company 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. The Company has developed and implemented computer based "Enterprise Resource Planning" within the organization to ensure timely MIS, reporting and control system.

7. FINANCIAL PERFORMANCE:

7.1 Net Worth

The total net worth of the Company as on 31st March, 2013 was Rs. 101.61 Crores which is Rs. 110.01 Crores as on 31st March, 2014 indicating increase of 8.27 % in the net worth.

7.2 Earnings per Share

Basic and Diluted EPS after extraordinary items of the Company as on 31st March, 2013 was Rs. 0.43 both of which stands to Rs. 0.40 as on 31st March, 2014.

7.3 EBITDA and PBT:

During the year 2013-14 the Company has earnings before interest, depreciation and tax amounting to Rs. 2704.75 Lacs.

After providing for interest of Rs. 793.04 Lacs and Rs.93.51 Lacs depreciation, Profit before tax was Rs 1818.21 Lacs for the year 2013-14 which was Rs 1929.04 Lacs during the year 2012-13.

CAUTIONARY STATEMENT:

Statement in various parts in this Annual Report, the Directors Report and Management Discussion & 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 may differ materially from those expressed or implied. 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 opinion expressed by the management herein contains its perception on the material impact 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 commitments 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 believe that firm 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 seven Directors comprising of one Executive Chairman & Whole Time Director, two Non Executive Directors and four other Non Executive Independent Directors. The appointment of four 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 Director's Profile:

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

- a) Mr. Manoj B. Vadodaria is a commerce Graduate and self-made businessman. His induction into the business world was at a very early age. Mr. Manoj B. Vadodaria combated harsh realities and adversities of business life successfully. This experience culminated into maturity and fervor 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 craving out ambitious expansion plans.
- b) Mr. 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 CMD of Sambhaav Media Ltd. He has been elected as a Deputy President in Indian Newspaper Society [INS] this year. He is Part time non executive director in United Bank of India, 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.
- c) Mr. 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 Institution 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.
- d) Mr. Akhilesh C. Mehta is an MBA-Finance with 18 years of experience in Investment Banking and Financial Advisory with specialization in Equity Placement, International Finance and Joint Ventures. He is a Co-Founder and CMD of Captus Finance Services Private Limited, which has a strong client base comprising of the majority of large and mid cap companies. Most of them are domestic and international banks, financial institutions, equity funds, mutual funds, asset management Companies. He is advisor to many Infrastructure, Real Estate and Power Project Companies for their Financial Planning, Equity Structuring and loan Syndication. He is partner in 'IS-IN Business Development Company' in Israel with Mr. Oshman Benjamin, Former CEO & President of Union Bank of Israel, for Indo-Israel Business Development in Real Estate, infrastructure, power, Engineering and Security Solutions.
- e) Mr. 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 legal advisor to various corporate groups of Ahmedabad. He is looking after Company's revenue and civil matters.
- f) Mr. Shyamal S. Joshi is a fellow member of the Institute of Chartered Accounts of India and possesses rich experience in financial planning, funding, taxation and accounting and served number 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 corporation.

- g) Mr. Ashok R. Bhandari is B.com (Horns) and is a Chartered Accountant from ICAI, India. He is having more than 35 years of experience in the field of accountancy, auditing, investment banking and finance. He possesses outstanding exposure as a chartered accountant with various prominent groups of varied

industries in India and abroad. Mr. Ashok R. Bhandari possesses extensive experience of project report, feasibility study, implementation of projects, listing of securities, amalgamation, mergers, takeovers and funds/assets management.

The name and category of the Directors on the Board, their attendance at Board Meeting held during the year and the number of directorship and committee chairmanship / membership 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 Vadodaria	Executive Chairman & Managing Director	9	Yes	1	1
2	*Kiran Vadodaria	Non Executive Director	9	Yes	2	-
3	**Dilip Patel	Non Executive Independent Director	4	Yes	1	1
4	**Akhilesh Mehta	Non Executive Independent Director	-	No	-	-
5	**Hiren Pandit	Non Executive Independent Director	2	No	-	-
6	**Shyamal Joshi	Non Executive Director	8	Yes	5	-
7	**#Ashok Bhandari	Non Executive Independent Director	-	NA	3	-

*Promoter Director; ** Non-Promoter Director, # Appointed w.e.f 14.02.2014

Details of the Board Meeting held during the year 2013-14

Date of Board Meeting	Board Strength	No of Directors Present
14-05-2013	6	4
29-05-2013	6	3
25-07-2013	6	4
12-08-2013	6	4
16-09-2013	6	3
31-10-2013	6	4
28-01-2014	6	3
14-02-2014	7	4
25-03-2014	7	3

Board and committee Meetings:

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

Code of Conduct for the Board of Directors and Senior Management Personnel:

In terms of Clause 49 of 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 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, 2014 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
Date: 29.05.2014

Manoj B. Vadodaria
Chairman & Managing Director
DIN : 00092053

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 of Clause 49 of the Listing Agreement is made available to the Board. The agenda for the meeting of the Board and committees together with the appropriate supporting documents and papers are circulated well in advance of 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 concludes.

The meeting 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 three Directors of which two are Non Executive Independent Directors. Mr. Dilip D. Patel is the Chairman of the Committee. He possesses adequate financial accounting knowledge. The Constitution of the Audit Committee is in line with Clause 49 of the Listing Agreement with the Bombay Stock Exchange read with Section 292A of the Companies Act, 1956. Mr. Akhilesh C. Mehta and Mr. 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 term of reference / powers of the Audit Committee has been specified by the Board of Directors as under:

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

3.3 Role of the Audit Committee:

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment 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 Section 134 (5) of the Companies Act, 2013.
 - (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 operation;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

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

Four Audit Committee meetings were held during the year on 14th May, 2013, 12th August, 2013, 31st October, 2013 and 14th February, 2014. The time gap between two Audit Committee meetings was not more than four months. The name of the members of 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	4	4
Akhilesh C. Mehta	Member	4	-
Kiran B. Vadodaria	Member	4	4

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

4.2 Composition of Committee and attendance of members:

Sr. No	Name of the Director and position	No. of Meetings	
		Held	Attended
1	Dilip D. Patel, Chairman	1	1
2	Hiren G Pandit, Member	1	1
3	Akhilesh C. Mehta, Member	1	-

4.3 Remuneration Policy:

4.3a Executive Directors

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

4.3b Non-Executive Directors

- Eligible for commission based on time, efforts and output given by them.
- Sitting fees and commission not to exceed limits prescribed under the Companies Act, 2013.
- Eligible for ESOP (other than Promoter directors)

Sr. No.	Name of Directors	Salary (₹)	Perquisites (₹)	Bonus/ Commission	Sitting Fees (₹)	Total (₹)
1	Manoj B. Vadodaria	2400000	Nil	Nil	Nil	2400000
2	Kiran B. Vadodaria	1200000	Nil	Nil	Nil	1200000
3	Dilip D. Patel	Nil	Nil	Nil	Nil	Nil
4	Akhilesh C. Mehta	Nil	Nil	Nil	Nil	Nil
5	Hiren G. Pandit	Nil	Nil	Nil	2000	2000
6	Shyamal S. Joshi	Nil	Nil	Nil	8000	8000
7	Ashok R. Bhandari	Nil	Nil	Nil	Nil	Nil

5 SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE

5.1 Constitution of the Committee:

The share transfer and investor's grievance Committee consists of three 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 Terms 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: NIL

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
2010-11	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	10-09-2011	10:00 AM
2011-12	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	15-09-2012	10:00 AM
2012-13	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	06-07-2013	10:00 AM



6.2 Special Resolution passed at last 3 AGMs:

- 2010-11: No special resolution was passed.
- 2011-12: No special resolution was passed.
- 2012-13: To re-appoint Mr. Manoj B. Vadodaria as Chairman & Managing Director for further period of 5 years.

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. 29 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 year on any matter related to the capital market.

7.3 Code of Conduct:

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

7.4 Listing Agreement Compliances:

The Company complies with all the requirements of the Listing Agreement including the mandatory requirements of Clause 49 of the Agreement.

7.5 Risk Management:

Business risk management and management of affairs is an ongoing process within the Company. The Audit Committee, Risk Management Team and the Board of directors regularly review the risk management policy and procedures. The

Company is in the process of setting up a system to appraise the Board of Directors of the Company on the key risk assessment areas and suggestive risk mitigation mechanism.

8 MEANS OF COMMUNICATION

8.1 Quarterly Results:

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

8.2 Website of the Company: www.nilainfra.com

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

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

9. GENERAL SHAREHOLDER INFORMATION

9.1 Day, Date, time and venue of the 24th Annual General Meeting:

Day	: Saturday
Date	: 20.09.2014
Time	: 10:00 a.m.
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 2014-2015

Quarter Ending	Release of Results
30-06-2014	Mid of August, 2014
30-09-2014	Mid of November, 2014
31-12-2014	Mid of February, 2015
31-03-2015	Mid of May, 2015

9.4 Date of Book Closure: from 17.09.2014 to 20.09.2014 [both days inclusive]

9.5 Dividend: The Board of Directors have recommended dividend of Rs 0.10 per share (10 %) for the financial year 2013-14

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 2014-15 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 Service (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 Exchange and the monthly high/low of the said exchange are as under:

Month	Company			BSE		
	BSE Sensex	High (₹)	Low (₹)	Volume	BSE Sensex High	BSE Sensex Low
April 2013		4.20	2.71	6811750	19622.68	18144.22
May 2013		5.07	3.53	6764060	20443.62	19451.26
June 2013		4.60	3.26	5110284	19860.19	18467.16
July 2013		3.77	2.72	1351742	20351.06	19126.82
August 2013		3.49	2.53	384057	19569.20	17448.71
September 2013		3.40	2.31	1622058	20739.69	18166.17
October 2013		3.15	2.65	1467642	21205.44	19264.72
November 2013		2.99	2.58	300939	21321.53	20137.67
December 2013		3.19	2.53	696103	21483.74	20568.70
January 2014		3.15	2.40	652236	21409.66	20343.78
February 2014		3.00	2.52	712766	21140.51	19963.12
March 2014		2.86	2.50	589074	22467.21	20920.98

9.8 Distribution of shareholding as on 31-03-2014:

Shareholding of nominal value of	Number of Shares		Number of Holders	
	In Rs	Nos	% of total	Nos
1 - 500	765126	0.26	2728	21.51
501 - 1000	4600371	1.56	4677	36.88
1001 - 2000	3258701	1.10	1746	13.77
2001 - 3000	2131136	0.72	753	5.94
3001 - 4000	1410790	0.48	365	2.88
4001 - 5000	3836712	1.30	773	6.09
5001 - 10000	6557083	2.22	791	6.24
10001 - 50000	14836324	5.03	654	5.16
50001 - 100000	5962652	2.01	81	0.64
100001 and Above	251867305	85.32	114	0.89
Total	295226200	100	12682	100



9.9 Shareholding Pattern as on 31-03-2014:

Category	No. of shares held	% of total share capital
Promoters' Holding	22,13,25,187	74.97
Public holding		
Institutions	22,33,900	0.76
Non Institutions		
Bodies Corporate	90,69,192	3.07
Individuals	5,69,41,462	19.29
HUF	31,36,766	1.06
Non Resident Indians	25,19,693	0.85
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, 2014, 93.78% of the paid up share capital has been dematerialized. For those shareholders who hold the shares in physical form may contact their Respective 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 Limited
1st Floor, "Sambhaav House",
Opp: Chief Justice's Bungalow,
Bodakdev, Ahmedabad-380015
Email: secretarial@nilainfra.com
www.nilainfra.com
Fax: +91 79 30126371
Phone: +91 79 40036817 , +91 79 26870258

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 report has been carried out by an independent Practicing Company Secretary at the end of the financial year to ensure timely compliance 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 condition of Corporate Governance as stipulated in Clause 49 for the financial year ended 31st March, 2014.

It is responsibility of the Company to prepare and maintain the relevant necessary record under the SEBI guidelines, Listing Agreement and other application Laws. Our responsibility is to carry out an examination on the basis of our professional judgment 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 explanation, which to the best of our knowledge and belief were necessary for the purpose of this certificate 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 explanation given to us by the Company for the Purpose of this certificate and to the best of our information, the Company has complied with all the mandatory requirement of the said clause 49 of the listing agreement.

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

Place: Ahmedabad
Date: 29.05.2014

O P Bhandari
Partner
M No: 34409

CEO & CFO CERTIFICATION

We, Manoj B Vadoadaria 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, 2014 and to the best of my knowledge and belief:
 - (i) These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (ii) These statement together present a true and fair view of the Company's affairs and are in compliances with existing Accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and audit committee, deficiencies.
- d) We have indicated to the Auditors and to the Audit Committee:
 - (I) Significant change in the internal control over financial reporting during the year.
 - (II) Significant change in the accounting policies during the year and that the same has 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 in the Company's internal control system over financial reporting.

Manoj B. Vadodaria
Chairman & Managing Director
DIN : 00092053

Place: Ahmedabad
Date: 29.05.2014

Prashant H. Sarkhedi
Chief Finance Officer



SECRETARIAL AUDIT REPORT

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 ("the Company") books, forms and returns filed and other records maintained by the company and also the information provided 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, 2014, 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2014 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 rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye – Law 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 regulation 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, 2011;
 - 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) Regulation, 2009
 - d) The Securities and Exchange Board of India (Employee Stock-Purchase Scheme) Guideline, 1999
 - e) The Securities and Exchange Board on India (issue and Listing of Debt Securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Registrars to an issue and Shares Transfer Agents) Regulation, 2008;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board on 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 record and necessary entries are therein;
 - b. Closure of Register on 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 General Meeting and Extra Ordinary General Meetings of the Company;
 - g. Minutes of proceedings of General Meetings and Board and other meetings;
 - h. Approvals of shareholder, the Board of Directors, the committee of the Directors and government, retirement and re appointment of Directors;
 - i. Remuneration of Director including the Managing Director and Whole- time directors;
 - j. Transfers, transmissions and sub division of the Company's Shares and issue and delivery of original and duplicates shares certificates;
 - k. Appointment and remuneration of Auditors;
 - l. Constitution of the board of director and appointment and retirement and re-appointment of directors;
 - 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. Borrowing and registration, modification and satisfaction of charges;
 - o. Investment of the Company's fund 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 there under.

2. I further report that:

- a. The director of the company have obtained director identification number as per section 266A of the Act.
- b. The director have complied with the requirements as to disclosure of interest and concerns in contracts and arrangements, shareholdings and directorships in other companies and interest 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 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 director and officers.

3. I further report that the company has complied with the provisions of Depositories Act, 1996 and regulations and the Byelaws framed there under with regard to dematerialized securities with all securities issued by the company.

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

- a. The requirements under the equity listing agreements entered into with Bombay Stock Exchange Limited.

b. The provision of the securities and exchange board of India (substantial acquisition of shares and takeovers) regulations, 1997 with regard to the disclosures and maintained of records requires under the regulations.

c. The provisions of the securities and exchange board of India (prohibition of insider trading) regulations, 1992 of records required under the regulations.

5. I further report that board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Director 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, 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' view 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.

For, R.S. Sharma & Associates

R.S. Sharma
Company Secretaries
M No: 3126 CP No: 2118

Place: Ahmedabad
Date: 29.05.2014



AUDITORS' REPORT

To
The Members,
Nila Infrastructures Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Nila Infrastructures Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give

the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

[O. P. Bhandari]
Partner
Membership No. 34409

Place : Ahmedabad
Date : 29th May, 2014

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 fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable interval. According to the information and explanations given to us, 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.
- (b) The Company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act.
- iv. In our opinion and according to the information and explanations 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 weaknesses in internal control system.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rupees Five 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 for 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. Therefore, provisions of clause 4 (iv) of CARO are not applicable to the company.
- vii. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act and are of the opinion that prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax or Cess is outstanding as at 31st March, 2014 for the period more than six months from the date they become payable.
- (c) According to the information and explanations given to us, the dues outstanding of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax or Cess on account of any dispute as at the end of the financial year, are as follow:

Financial year to which amount relates	Nature of dues	Amount (₹ in lacs)	Forum where dispute is pending
2010-11	Income Tax	108.24	CIT(Appeal) ,Ahmedabad



- x. The Company has no accumulated losses as at 31st March, 2014. 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 or a bank.
- xii. According to the 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 they 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. According to the Information and explanations given to us, 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 during the year ended on 31st March, 2014.
- 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]
Partner
Membership No. 34409

Place : Ahmedabad
Date : 29th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	29,52,26,200	29,52,26,200
Reserves and Surplus	4	80,48,54,560	72,08,87,887
		1,10,00,80,760	1,01,61,14,087
Non-Current Liabilities			
Long-term Borrowings	5	72,48,82,957	52,39,06,457
Deferred Tax Liabilities (Net)	6	14,45,615	13,63,974
Other Long-term Liabilities	7	65,35,784	77,27,906
Long-term Provisions	8	18,24,728	12,95,244
		73,46,89,084	53,42,93,581
Current Liabilities			
Short-term Borrowings	9	9,37,72,791	18,49,11,613
Trade Payables (refer note no. 33)	10	11,42,15,448	11,78,89,074
Other Current Liabilities	10	15,43,12,339	16,85,72,447
Short-term Provisions	8	9,82,35,277	9,78,66,384
		46,05,35,855	56,92,39,518
TOTAL		2,29,53,05,699	2,11,96,47,186
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	11	32,28,38,156	32,20,59,569
- Intangible Assets	11	32,553	4,99,219
Non-Current Investments	12	3,16,51,133	3,16,12,590
Long-term Loans and Advances	13	12,26,60,941	14,41,72,759
Other Non-Current Assets	14	1,39,28,950	70,12,355
		49,11,11,733	50,53,56,492
Current Assets			
Inventories	15	88,90,17,935	93,86,43,267
Trade Receivables	16	25,84,12,880	16,71,65,578
Cash and Bank Balances	17	4,07,59,715	1,00,72,333
Short-term Loans and Advances	13	61,60,03,436	49,84,09,516
		1,80,41,93,966	1,61,42,90,694
TOTAL		2,29,53,05,699	2,11,96,47,186
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.
As per our separate report of even date

For, O. P. Bhandari & Co.

Chartered Accountants
Firm Registration Number : 112633W

O. P. Bhandari

Partner
Membership No. : 34409

Place : Ahmedabad
Date : 29th May, 2014

For and on behalf of the Board of Directors

Manoj B. Vadodaria
Managing Director
DIN : 00092053

Kiran B. Vadodaria
Joint Managing Director
DIN : 00092067

Prashant H. Sarkhedi
Chief Finance Officer

Dipen Y. Parikh
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note	For the year ended 31st March, 2014	For the year ended 31st March, 2013
INCOME			
Revenue from Operation	18	96,65,29,717	93,00,65,518
Other Income	19	3,49,62,672	4,53,99,138
Total Revenue		1,00,14,92,389	97,54,64,656
EXPENDITURE			
Project Expenses	20	63,17,68,648	1,07,27,86,874
(Increase) / Decrease in Inventories of Finished Goods			
Work-In-Progress and Traded Goods	21	4,96,25,332	(39,82,26,010)
Employee Benefits Expense	22	2,62,19,508	2,05,72,075
Finance Costs	23	7,93,03,787	6,31,01,380
Depreciation and Amortization Expense	11	93,50,563	82,11,059
Other Expenses	24	2,34,03,545	1,61,15,342
Total Expenditure		81,96,71,383	78,25,60,720
Profit Before Tax		18,18,21,005	19,29,03,936
		27,04,75,355	26,42,16,374
Tax Expenses			
Current Tax		6,32,32,700	6,41,49,838
Deferred Tax	32	81,642	4,56,689
Total Tax Expenses		6,33,14,342	6,46,06,527
Profit After Tax		11,85,06,663	12,82,97,409
Earning Per Equity Share (EPS)			
(Face Value of Share ₹.1 each)			
Basic & Diluted	31	0.40	0.43
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.
As per our separate report of even date

For, O. P. Bhandari & Co.

Chartered Accountants
Firm Registration Number : 112633W

O. P. Bhandari

Partner
Membership No. : 34409

Place : Ahmedabad
Date : 29th May, 2014

For and on behalf of the Board of Directors

Manoj B. Vadodaria
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Joint Managing Director
DIN : 00092067

Dipen Y. Parikh
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Cashflow from operating activities		
Profit before tax from continuing operations	18,18,21,005	19,29,03,936
Add/Less : Adjustments		
Depreciation and amortization Expense	93,50,563	82,11,059
Deficit/ (Surplus) on sale of fixed assets	5,34,254	8,98,105
Provision for Gratuity	3,51,365	(5,80,752)
Provision for Leave Benefits	2,84,342	(43,393)
Excess Provision written back	(95,086)	(11,085)
Sundry Balance written back	(57,053)	(1,56,977)
Finance Cost	7,83,14,500	6,30,77,479
Interest income	(3,42,95,570)	(4,41,59,579)
Bonus Payable	3,90,134	428,231
Share of Profit/(Loss) from LLP	(38,543)	(4,52,997)
Operating profit before working capital changes	23,65,59,911	22,01,14,027
Movements in working capital :		
Increase/ (decrease) in trade payables	(36,16,573)	(2,25,74,924)
Increase / (decrease) in long-term provisions	5,29,484	(6,32,159)
Increase / (decrease) in short-term provisions	(4,04,428)	656,481
Increase/ (decrease) in other current liabilities	(4,94,22,983)	7,19,24,170
Increase/ (decrease) in other long-term liabilities	(11,92,122)	(41,32,920)
Decrease / (increase) in current trade receivables	(9,12,47,302)	(3,25,11,416)
Decrease / (increase) in inventories	4,96,25,332	(39,82,26,010)
Decrease / (increase) in long-term loans and advances	2,15,11,818	(5,95,84,082)
Decrease / (increase) in short-term loans and advances	(11,98,81,883)	8,69,93,433
Cash generated from / (used in) operations	4,24,61,254	(13,79,73,400)
Direct taxes paid (net of refunds)	(6,07,12,037)	(6,60,68,277)
Net cash flow from/ (used in) operating activities (A)	(1,82,50,783)	(20,40,41,677)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(Amount in ₹)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(1,12,07,123)	(1,87,55,494)
Proceeds from sale of fixed assets	10,10,385	13,46,250
Purchase of non-current investments	-	(2,27,16,250)
Proceeds / (Deposit) of Margin money (net)	(71,44,350)	(23,25,300)
Interest received	3,45,23,325	4,36,30,967
Net cash flow from/ (used in) investing activities (B)	1,71,82,237	11,80,173
Cash flows from financing activities		
Proceeds from long-term borrowings (Net)	22,45,50,606	23,98,12,534
Repayment of short-term borrowings	(12,00,00,000)	(90,00,000)
Cash Credit (net)	2,88,61,178	6,49,11,613
Financial Expenses	(7,83,14,500)	(6,30,77,479)
Dividend paid on equity shares	(2,95,22,620)	(2,95,22,620)
Tax on equity dividend paid	(50,17,370)	(47,89,455)
Net cash flow from/ (used in) in financing activities (C)	2,05,57,294	19,83,34,593
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,94,88,748	(45,26,911)
Cash and cash equivalents at the beginning of the year	69,33,669	1,14,60,581
Cash and cash equivalents at the end of the year	2,64,22,417	69,33,670

Notes :

- Cash flow is prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on 'Cash Flow Statement'.
- Figures in bracket indicate negative amount.

The accompanying notes are an integral part of the financial statements.
As per our separate report of even date

For, O. P. Bhandari & Co.

Chartered Accountants
Firm Registration Number : 112633W

O. P. Bhandari

Partner
Membership No. : 34409

Place : Ahmedabad
Date : 29th May, 2014

For and on behalf of the Board of Directors

Manoj B. Vadodaria
Managing Director
DIN : 00092053

Prashant H. Sarkhedi
Chief Finance Officer

Kiran B. Vadodaria
Joint Managing Director
DIN : 00092067

Dipen Y. Parikh
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. Corporate Information:

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

2. Significant Accounting Policies:

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:

a. Tangible Assets

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.

b. 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 current investments and Non-current investment. Investments are further classified as quoted and unquoted investments also.

Non-current Investments are stated at cost of acquisition. If there is decline in value of non-current investment as on reporting date other than of temporary in nature, such decline is debited to the statement of profit and loss as "Provision for diminution in value of Investments". Subsequent increase in the realizable value of investment will be credited to the statement of profit and loss to the extent provision made for.

Current Investments, if any, are stated at cost or fair value whichever is lower and resultant decline is charged to statement of profit and loss.

f) Taxation:

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.

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.

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 Infrastructure 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 the 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 on an accrual basis.

(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.

(vii) Income from Trading Activity is recognized when the seller has transferred to the buyer the property in goods for a consideration or significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.

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 is charged to the statement of profit and loss for the year. The company has no other obligation other than contribution payable.

i) Borrowing costs:

Borrowing costs 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 the statement of profit and loss 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 and Infrastructure Development from the risk and return point of view. Geographical also company operates under one segment.

l) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
3. Share capital		
Authorised Share Capital 35,00,00,000 (Previous year 35,00,00,000) Equity shares of Re. 1/- each	35,00,00,000	35,00,00,000
Issued, Subscribed and Paid-up Capital 29,52,26,200 (Previous Year 29,52,26,200) Equity shares of Re.1/- each fully paid up	29,52,26,200	29,52,26,200
Total Issued, Subscribed and Paid-up Capital	29,52,26,200	29,52,26,200

a. Reconciliation of number of equity shares

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Balance as at the beginning of the year	29,52,26,200	29,52,26,200	29,52,26,200	29,52,26,200
Addition / Deduction during the year	-	-	-	-
Balance as at the end of the year	29,52,26,200	29,52,26,200	29,52,26,200	29,52,26,200

b. Terms/rights attached to Equity shares

The company has one class of equity shares having a par value of Re. 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shareholders holding more than 5% shares in the company

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of Re. 1/- each fully paid				
Mr. Manoj B. Vadodaria	4,41,54,712	14.96	4,41,54,712	14.96
Mrs. Nila M. Vadodaria	4,39,55,267	14.89	4,39,55,267	14.89
Mrs. Alpa K. Vadodaria	3,68,00,000	12.46	3,68,00,000	12.46
Mr. Kiran B. Vadodaria	3,18,58,100	10.79	3,18,58,100	10.79
Mr. Deep S. Vadodaria	2,50,02,108	8.47	2,49,86,608	8.46

d. Out of above, 17,20,00,000 equity share of Re. 1/- each fully paid up allotted pursuant to the Scheme of Amalgamation, for consideration other than cash on 24/07/2010.



4. Reserves and Surplus

(Amount in ₹)

Particulars	As at	As at
	31st March, 2014	31st March, 2013
Security Premium	26,78,33,500	26,78,33,500
General Reserve		
Balance as at the beginning of the year	4,24,76,690	3,24,76,690
Add: amount transferred from surplus in the statement of Profit and Loss	1,00,00,000	1,00,00,000
Balance as at the end of the year	5,24,76,690	4,24,76,690
Surplus in the statement of Profit and Loss		
Balance as at the beginning of the year	41,05,77,697	32,68,20,278
Add: Profit transferred from statement of Profit & Loss	11,85,06,663	12,82,97,409
Less: Appropriation		
Proposed final Equity Dividend [(Dividend per share ₹ 0.10) (p.y. ₹ 0.10)]	(2,95,22,620)	(2,95,22,620)
Tax on proposed equity dividend	(50,17,370)	(50,17,370)
Transfer to general reserve	(1,00,00,000)	(1,00,00,000)
Net surplus in the statement of profit and loss	48,45,44,370	41,05,77,697
Total Reserves and surplus	80,48,54,560	72,08,87,887

5. Long-term Borrowings

(Amount in ₹)

Particulars	Non-current portion		Current portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
(a) Secured Loans (refer note below)				
Indian rupee loan from				
- Banks	16,11,42,967	22,38,96,091	1,99,50,536	1,33,32,306
- Financial Institutions	43,27,55,888	19,73,71,767	3,00,00,000	2,95,05,302
Vehicle loans from				
- Banks	42,38,802	4,25,954	19,45,026	1,12,537
- Financial Institutions	25,12,867	61,56,462	36,43,595	34,42,924
(b) Unsecured Loans				
Indian Rupee Loan from				
- Financial Institutions Unsecured	12,42,32,433	9,60,56,183	3,38,32,516	1,94,04,498
Total Long Term Borrowings	72,48,82,957	52,39,06,457	8,93,71,673	6,57,97,567
The above amount includes				
Secured Borrowings	60,06,50,524	42,78,50,274	5,55,39,157	4,63,93,069
Unsecured Borrowings	12,42,32,433	9,60,56,183	3,38,32,516	1,94,04,498
Amount disclosed under the head "Other Current Liabilities" (refer note 10)			(8,93,71,673)	(6,57,97,567)
Total Long Term Non-current Borrowings	72,48,82,957	52,39,06,457	-	-

	Nature of Security	Terms of Repayment
i.	Term loan amounting to Nil (P.Y. 2,25,07,348/-) is secured by way of Hypothecation of Lease rentals receivables of 3(b), 4(a), 4(b), 5(a), 5(b-1), 5(b-2), 5(b-3) & 6th of Sambhaav House, Bodakdev Ahmedabad, collateral security by way of registered equitable mortgage over properties situated at 2nd to 5th floor Sambhaav House, Ahmedabad and personal guarantee of Mr. Manoj Vadodaria, Mr. Kiran Vadodaria & Mrs. Nilaben Vadodaria	Repayable in 73 Equated Monthly Installments commencing from October 2011. Last Instalment due in September 2017. Rate of Interest N.A. (P.Y. 12.75%) as at year end.
ii.	Dropped Down Overdraft amounting to 65,680/- (P.Y. 3,33,75,393) is secured by way of Registered Equitable Mortgage over properties situated at 2nd & 6th Floor inclusive of all wings situated at Sambhaav House, Bodakdev, Ahmedabad & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria	The limit disbursed will be reduced in 60 equal installments commencing from August 2013. Last Instalment due in October 2016. Rate of Interest 12.75% (P.Y. 12.75%) as at year end.
iii.	Dropped Down Overdraft amounting to Nil (P.Y. 18,13,45,656) is secured by way of registered equitable mortgage over Land admeasuring 1,02,132.50 Sq. Mtrs. situate lying and being at Bavla, Taluka Bavla, District Ahmedabad and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.	Repayable in 7 years (yearly reducing by 15%) Rate of interest 14.05% (P.Y. 14.05%) as at year end.
iv.	Term Loan amounting to Nil (P.Y. 2,95,05,302/-) is secured by way of Equitable Mortgage of land admeasuring 8,988 sq. fts. of the Project "Anuraadhaa" located at Revenue survey no. 1796, F.P. no. 273 & T.P. 3 of Mouje Shekhpur-Khanpur, Navrangpura, Ahmedabad, Lien over 16 flats aggregating to 23,867 sq. fts. in the Project "Anuraadhaa" and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.	Repayable in 24 months or upto completion of the project commencing from June 2011. Rate of Interest N.A. (P.Y. 16.5%) as at year end."
v.	Term Loan amounting to 31,27,55,888/- (P.Y. 19,73,71,767/-) is secured by way of Equitable Mortgage of NA land bearing Final Plot No. 31 of Town Planning Scheme No.84/A City Survey No.16/25 admeasuring 8493 Sq. Ft. and bearing Final Plot No. 14 of Town Planning Scheme No.84/A City Survey No.16/2/1, 16/6, 16/12, 16/15, 16/16, 16/17, 16/19, 16/21, 16/24, 16/29 and 16/30 admeasuring 77824 Sq. Ft. aggregating to 86317 Sq. Ft. situated at Taluka City, Mouje Makarba, District and Sub-District of Ahmedabad-4 (Paldi), Equitable Mortgage of Land admeasuring 2377 Sq. Mt. bearing Survey No.761/B mouje Vejalpur District and Sub-district of Ahmedabad-10 (Vejalpur) and Equitable Mortgage of Land admeasuring 1821 Sq. Mt. bearing Survey No.68, FP No.60/2 TP Scheme No.84/A of Mouje Makarba, Taluka City, District and Sub-District of Ahmedabad-4 (Paldi) owned by Mr. Manoj Vadodaria, Lien of all flats in the project "Atuulyam" and Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.	Repayable in 48 months from the last day of the month following the date of first disbursement of original loan (i.e.29-09-2011) Rate of Interest 17.1% (P.Y.16.5%) as at year end.
vi.	Term Loan amounting to 3,07,54,785/- (P.Y. Nil) is secured by way of equitable mortgage of property situated at 3rd Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad	Repayable in 123 Equated Monthly Installments commencing from July-2013. Last Instalment due in September-2023. Rate of Interest 12.50% (P.Y. Nil) as at year end.
vii.	Term Loan amounting to 3,09,03,649/- (P.Y. Nil) is secured by way of equitable mortgage of property situated at 4th Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad	Repayable in 123 Equated Monthly Installments commencing from August-2013. Last Instalment due in October-2023. Rate of Interest 12.50% (P.Y. Nil) as at year end.
viii.	Term Loan amounting to 3,18,69,389/- (P.Y. Nil) is secured by way of equitable mortgage of property situated at 5th Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad	Repayable in 123 Equated Monthly Installments commencing from August-2013. Last Instalment due in October-2023. Rate of Interest 12.50% (P.Y. Nil) as at year end.



	Nature of Security	Terms of Repayment
ix	Term Loan amounting to 15,00,00,000/- (P.Y. Nil) is secured by way of Registered Mortgage of Land admeasuring 7499 Sq. Mt. bearing FP No.48/1 (old survey No.47/1) of TPS 84/A, Mauje Makarba, Taluka & Dist. Ahmedabad & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.	Repayable in 12 equal quarterly installments commencing from May-2014. Last Instalment due in January-2017. Rate of Interest 13% (P.Y. Nil) as at year end.
x	Term Loan amounting to 8,75,00,000/- (P.Y. Nil) is secured by way of Legal Mortgage of land Survey No.190 paiki 17, 19, 20, 21, 22, 23 & 24 of Town Planning Scheme No.217, situate lying and being at Village Thaltej, Taluka Ahmedabad City West, in the Registration District Ahmedabad and Sub District Ahmedabad-9 (Bopal) admeasuring 3877 Sq. Mt. & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria	Repayable in 60 monthly installments commencing from October-2014. Last Instalment due in September-2019. Rate of Interest 12.25% (P.Y. Nil) as at year end.
xi	Term Loan amounting to Nil (P.Y. 1,48,517/-) is secured by way of hypothecation of vehicle financed by them	Repayable in 36 Equated Monthly Installments commencing from December 2010. Last Instalment due in September 2013. Rate of Interest 12% (P.Y. 12%) as at year end.
xii	Term Loan amounting to 50,89,163/- (P.Y. 77,57,623/-) is secured by way of hypothecation of vehicle financed by them	Repayable in 36 Equated Monthly Installments commencing from December 2012. Last Instalment due in November 2015. Rate of Interest 9.75% (P.Y. 9.75%) as at year end.
xiii	Term Loan amounting to 10,67,299/- (P.Y. 16,93,246/-) is secured by way of hypothecation of vehicle financed by them	Repayable in 36 Equated Monthly Installments commencing from October2012. Last Instalment due in September 2015. Rate of Interest 10.25% (P.Y. N.A) as at year end.
xiv	Term Loan amounting to 4,25,954/- (P.Y. 5,38,491/-) is secured by way of hypothecation of vehicle financed by them	Repayable in 60 Equated Monthly Installments commencing from April 2012. Last Instalment due in March 2017. Rate of Interest 11.25% (P.Y. 11.25%) as at year end.
xv	Term Loan amounting to 38,71,520/- (P.Y. Nil) is secured by way of hypothecation of vehicle financed by them	Repayable in 35 Equated Monthly Installments commencing from April 2014. Last Instalment due in February 2017. Rate of Interest 10.25% (P.Y. N.A.) as at year end.
xvi	Term Loan amounting to 9,43,177/- (P.Y. Nil) is secured by way of hypothecation of vehicle financed by them	Repayable in 35 Equated Monthly Installments commencing from March 2014. Last Instalment due in January 2017. Rate of Interest 10.52% (P.Y. N.A.) as at year end.
xvii	Term Loan amounting to 9,43,177/- (P.Y. Nil) is secured by way of hypothecation of vehicle financed by them	Repayable in 35 Equated Monthly Installments commencing from March 2014. Last Instalment due in January 2017. Rate of Interest 10.52% (P.Y. N.A.) as at year end.
xviii	Term Loans received from Financial Institutions received are secured by way of personal guarantee of promoters	Repayable in 66 Equated Monthly Installments commencing from May 2011. Last Instalment due in October 2016. Rate of Interest 14.50% (P.Y. 14.5%) as at year end."
xix	Term Loans received from Financial Institutions received are secured by way of personal guarantee of promoters	Repayable in 116 Equated Monthly Installments commencing from July 2012. Last Instalment due in February 2022. Rate of Interest 14.50% (P.Y. 15%) as at year end.
xx	Term Loans received from Financial Institutions received are secured by way of personal guarantee of promoters	Repayable in 61 Equated Monthly Installments commencing from July 2013. Last Instalment due in July 2018. Rate of Interest 14.50% (P.Y. Nil) as at year end.
xxi	Term Loans received from Financial Institutions received are secured by way of personal guarantee of promoters	Repayable in 61 Equated Monthly Installments commencing from August 2013. Last Instalment due in August 2018. Rate of Interest 14.50% (P.Y. Nil) as at year end.

6. Deferred Tax Liabilities (Net)

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities on account of following		
Impact of difference between tax depreciation and depreciation charged for the financial reporting	25,41,075	26,05,384
Gross Deferred Tax Liabilities (A)	25,41,075	26,05,384
Deferred Tax Assets on account of following		
Impact of expenditure charged to the statement of profit and loss for the current year but allowed for tax purpose on payment basis	8,36,642	6,42,749
Amalgamation Expense	2,58,818	5,98,661
Gross Deferred Tax Assets (B)	10,95,460	12,41,410
Net Deferred Tax Liabilities (A-B)	14,45,615	13,63,974

7. Other Long-term Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Security Deposits	65,35,784	77,27,906
Total Other Long-Term Liabilities	65,35,784	77,27,906

8. Provisions

(Amount in ₹)

Particulars	Long-term		Short-term	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits (Refer note no. 26)				
Provision for Gratuity	11,00,056	7,83,828	1,22,229	87,092
Provision for Leave Benefits	7,24,672	5,11,416	2,41,558	1,70,472
Total Provision for Employee Benefits	18,24,728	12,95,244	3,63,787	2,57,564
Other Provisions				
Provision for Income tax	-	-	6,32,32,700	6,30,00,000
Provision for Proposed Equity Dividend	-	-	2,95,22,620	2,95,22,620
Provision for tax on proposed Equity Dividend	-	-	50,17,370	50,17,370
Provision for Wealth tax	-	-	98,800	68,830
Total Other Provisions	-	-	9,78,71,490	9,76,08,820
Total Provisions	18,24,728	12,95,244	9,82,35,277	9,78,66,384



9. Short-term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Overdraft facility from Banks*	9,37,72,791	6,49,11,613
Inter-Corporate Deposit repayable on demand	-	12,00,00,000
Total Short-term Borrowings	9,37,72,791	18,49,11,613
Secured Borrowings		
- Secured Borrowings	9,37,72,791	6,49,11,613
- Unsecured Borrowings	-	12,00,00,000
Total Short-term Borrowings	9,37,72,791	18,49,11,613

Nature of security for short term borrowings

*Overdraft facility of Rs. 9,37,72,791/- (P.Y. 6,49,11,613/-) is secured by way of equitable mortgage of properties situated at 7th to 9th floor Sambhaav House, Ahmedabad and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.

10. Other Current Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade payables (refer note no. 33)	11,42,15,448	11,78,89,074
Other Liabilities		
Current maturities of Long-term Borrowings (refer note no. 5)		
- of Term Loans	8,37,83,052	6,22,42,106
- of Vehicle Loans	55,88,621	35,55,461
Interest accrued but not due on Borrowings	45,38,364	18,11,699
Advances from Customers	2,86,90,849	6,76,96,263
Statutory obligations	31,34,756	43,61,252
Employee obligations	3,96,113	4,57,698
Unclaimed Dividend (1)	39,34,391	31,33,283
Others	2,42,46,193	2,53,14,685
Total Other Current Liabilities	15,43,12,339	16,85,72,447

(1) There is no amount due and outstanding to be credited to Investor education and protection fund as at 31st March, 2014



11. Fixed Assets

(Amount in ₹)

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01-04-2013	Additions	Sale / Transfer	Total as at 31-03-2014	As at 01-04-2013	For the year	Adjustment/ Deduction	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
A	Tangible Assets										
1	Land	10,73,100			10,73,100	0	0		0	10,73,100	10,73,100
2	Building / Office Premises	30,63,22,788	25,000		30,63,47,788	2,00,64,829	49,93,451		2,50,58,280	28,12,89,508	28,62,57,959
3	Furniture and Fixtures	87,21,948			87,21,948	15,59,289	5,52,101		21,11,390	66,10,558	71,62,659
4	Electrifications	10,16,600			10,16,600	1,38,327	64,350		2,02,677	8,13,923	8,78,273
5	Vehicles	2,68,47,103	1,01,06,278	31,50,998	3,38,02,383	52,07,999	25,84,296	16,06,359	61,85,936	2,76,16,447	2,16,39,104
6	Commercial Vehicles	2,72,740			2,72,740	1,78,828	30,847		2,09,675	63,065	93,912
7	Computer Equipments	30,44,870	2,99,060		33,43,930	16,29,499	4,54,201		20,83,700	12,60,230	14,15,371
8	Office Equipments	30,37,719	1,73,700		32,11,419	4,63,877	1,47,843		6,11,720	25,99,699	25,73,842
9	Plant & Machinery	9,82,550	6,03,085		15,85,635	17,201	56,808		74,009	15,11,626	9,65,349
	Total (A)	35,13,19,418	1,12,07,123	31,50,998	35,93,75,543	2,92,59,849	88,83,897	16,06,359	3,65,37,387	32,28,38,156	32,20,59,569
B	Intangible assets										
1	Software	14,00,016		0	14,00,016	9,00,797	4,66,666	0	13,67,463	32,553	4,99,219
	Total (B)	14,00,016	0	0	14,00,016	9,00,797	4,66,666	0	13,67,463	32,553	4,99,219
	Total (A+B)	35,27,19,434	1,12,07,123	31,50,998	36,07,75,559	3,01,60,646	93,50,563	16,06,359	3,79,04,850	32,28,70,709	32,25,58,788
	Previous Year	33,74,86,929	1,87,55,494	35,22,989	35,27,19,434	2,92,28,221	82,11,059	12,78,634	3,01,60,646	32,25,58,788	

12. Non-current investments

(Amount in ₹)

Particulars	Book value	
	As at 31st March, 2014	As at 31st March, 2013
Non-trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
22,760 (P Y: 22,760) Equity shares of Morepen Laboratories Ltd. of Rs. 2/- each fully paid.	1,02,875	1,02,875
50,000 (P Y: 50,000) Equity shares of Visu International Ltd. of Rs. 10/- each fully paid.	1,74,500	1,74,500
	2,77,375	2,77,375
Investment in equity instruments (unquoted)		
101 (P Y: 101) Equity shares of Saraspur Nagrik Co-Op Bank Ltd. of Rs.100/- each fully paid	10,100	10,100
100 (P Y: 100) Equity shares of United Co-Op. Bank Ltd. Rs.50/- each fully paid	5,000	5,000
	15,100	15,100
Investment in Joint Ventures		
Shree Matangi Projects LLP	78,35,339	77,96,796
Nilsan Realty LLP	8,07,069	8,07,069
Fangdi Land Developers LLP - Capital Account	5,10,000	5,10,000
	91,52,408	91,13,865
Investment in Associates		
2,33,750 (P Y: 2,33,750) Equity shares of Mega City Cinemall Pvt. Ltd. of Rs.10/- each fully paid up	2,22,06,250	2,22,06,250
	2,22,06,250	2,22,06,250
Total of Non-Current Investments	3,16,51,133	3,16,12,590

Particulars	Book value	
	As at 31st March, 2014	As at 31st March, 2013
Aggregate value of quoted investment	2,77,375	2,77,375
Aggregate value of unquoted investment	3,13,73,758	3,13,35,215
Total of Non-Current Investments	3,16,51,133	3,16,12,590
Aggregate market value of quoted investment	1,12,943	97,128

13. Loans and Advances

(Amount in ₹)

Particulars	Non-current portion		Current portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered Good				
Security Deposit	1,35,96,405	21,41,099	3,80,96,502	2,81,59,863
Loans and Advances to Related Parties	10,90,64,536	14,20,31,660	9,49,54,707	4,63,23,150
Advances recoverable in cash or kind - unsecured	-	-	10,47,54,780	20,69,67,765
Other Loans and Advances				
Advance tax	-	-	3,86,42,624	4,09,30,587
Prepaid Expenses	-	-	8,75,031	11,31,573
Other Advances	-	-	33,24,24,785	17,12,52,691
Loans to Employees	-	-	4,79,199	2,45,813
MAT credit entitlement	-	-	93,960	93,960
Balance with government authorities	-	-	56,81,848	33,04,114
Total Other Loans and Advances	-	-	37,81,97,447	21,69,58,738
Total Loans and Advances	12,26,60,941	14,41,72,759	61,60,03,436	49,84,09,516
Loans and advance to related parties includes Dues from the Limited Liability Partnerships in which the Company is having more than 20% share of Contribution. (refer note no. 29)	10,90,64,536	14,20,31,660	9,49,54,707	4,63,23,150
Other Advances includes Dues from the Executive Director towards Purchase of Land Development Rights (refer note no. 29)	-	-	-	-
Total Loans and Advances to Related Parties	10,90,64,536	14,20,31,660	9,49,54,707	4,63,23,150

14. Other Non-Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Consider good unless stated otherwise		
Margin money deposits with banks (refer note no 17)	1,34,69,650	63,25,300
Interest accrued on Fixed Deposits	4,59,300	6,87,055
Total Other Non-Current Assets	1,39,28,950	70,12,355

15. Inventories

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Construction Material on hand	1,01,51,795	27,08,401
Work-In-Progress	16,16,83,299	36,59,42,433
Flat	29,88,75,150	3,83,00,000
Land	41,83,07,691	53,16,92,433
Total Inventories	88,90,17,935	93,86,43,267



16. Trade receivables

(Amount in ₹)

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for the payment	8,62,75,844	3,03,33,506
Other Receivables	17,21,37,036	13,68,32,072
Total Trade Receivables	25,84,12,880	16,71,65,578
Trade Receivable include:		
Dues from the Limited Liability Partnerships in which the Company is having more than 20% share of Contribution.	-	15,95,234
Total Trade Receivables from Related Parties	-	15,95,234

17. Cash and Bank Balances

(Amount in ₹)

Particulars	Non-current portion		Current portion	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents				
Cash on hand			3,74,234	2,32,465
Balance with Banks:				
In Current Accounts			2,60,48,183	67,01,205
In O/d A/c			-	-
Total of Cash and Cash Equivalents			2,64,22,417	69,33,670
Other Bank Balances				
Margin Money Deposits	1,34,69,650	63,25,300	1,03,97,527	-
Unpaid Dividend Account	-	-	39,39,771	31,38,663
	1,34,69,650	63,25,300	1,43,37,298	31,38,663
Amount disclosed under Non-Curret Assets (refer note no14)	(1,34,69,650)	(63,25,300)	-	-
Total Cash and Bank Balances	-	-	4,07,59,715	1,00,72,333

18. Revenue from Operations

(Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Revenue from Operations		
Residential Project Activity	50,80,62,270	28,58,30,280
Infrastructure Project Activity	26,82,12,020	35,75,05,232
Trading Activity	16,86,30,000	26,61,00,000
Lease Rental	2,16,25,427	2,06,30,006
Total Revenue from Operations	96,65,29,717	93,00,65,518

19. Other Income

(Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Interest Income		
- on Bank Deposits	10,13,250	5,62,597
- from Others	3,32,82,320	4,35,96,982
Liabilities no longer required to pay written back	1,52,139	1,68,062
Share of Profit/(Loss) from LLP	38,543	4,52,997
Miscellaneous Income	4,76,420	6,18,500
Total Other Income	3,49,62,672	4,53,99,138

20. Project Expenses

(Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Purchases of immovable properties	2,19,37,541	5,066,38,610
Purchases of Construction Materials	25,72,83,827	19,57,45,114
Civil, Electrical, Contracting, Labour work etc.	24,24,73,205	29,16,90,122
Project Interest & Finance Charges	6,70,38,463	3,71,29,439
Legal and Professional Charges	61,92,682	73,40,396
Auda Charges	15,43,599	-
Discount Brokerage and Commission Charges	22,37,944	91,54,960
Security Charges	4,36,394	4,28,378
Electricity Expenses	46,22,496	18,53,217
Welfare cess	5,67,187	5,58,218
Rent & Hire Charges	-	10,41,194
Other Direct Expenses	61,31,472	8,99,609
Advertisement	56,49,750	9,19,011
Freight and Cartage Expenses	1,05,55,846	1,38,98,966
Insurance Expenses	7,95,835	8,63,566
Service Tax	13,741	11,66,937
Site Expenses	2,75,374	12,80,665
Value Added Tax	35,47,677	20,48,536
Travelling Expenses	4,20,178	-
Misc. Expenses	20,000	-
Other Indirect Expense	25,437	1,29,936
Total Project Expenses	63,17,68,648	1,07,27,86,874



21. (Increase) / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods (Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Inventories at the beginning of the year		
Work-in-progress	36,59,42,433	31,01,67,019
Construction Material on hand	27,08,401	13,57,653
Flat	3,83,00,000	-
Land	53,16,92,433	22,88,92,585
Total Inventories at the beginning of the year (A)	93,86,43,267	54,04,17,257
Inventories at the end of the year		
Work-in-progress - Inventories at the end of the year	16,16,83,299	36,59,42,433
Construction Material on hand	1,01,51,795	27,08,401
Flat	29,88,75,150	3,83,00,000
Land	41,83,07,691	53,16,92,433
Total Inventories at the end of the year (B)	88,90,17,935	93,86,43,267
(Increase) / Decrease in Inventories of Finished Goods Work in Progress and Traded Goods (A)-(B)	4,96,25,332	(39,82,26,010)

22. Employee Benefit Expense (Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Salaries, Allowances and Bonus	2,13,07,540	1,68,58,117
Contribution to Provident and Other Fund	3,66,293	2,96,990
Remuneration and Perquisites to Directors	36,00,000	39,80,695
Gratuity	3,51,365	(5,80,752)
Leave Encashment	2,84,342	(43,393)
Staff Welfare Expenses	3,09,968	60,418
Total Employee Benefit Expense	2,62,19,508	2,05,72,075

23. Finance Cost (Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Interest on		
- Banks and Financial Institutions*	4,43,27,667	3,74,30,431
- Paid to Others	2,91,70,237	2,49,31,568
Other Borrowing Costs		
- Bank charges	9,89,287	23,901
- Processing fees	48,16,596	7,15,480
Total Finance Cost	7,93,03,787	6,31,01,380

* Interest Inventorised Rs.7,29,04,225/- (P.Y. Rs. 3,71,29,439/-)

24. Other Expenses

(Amount in ₹)

Particulars	For the Year ended	
	31st March, 2014	31st March, 2013
Power & Fuel Expenses	32,42,676	28,10,908
Office Rent	4,98,492	4,77,876
Repairs & Maintenance	-	-
- Building	7,32,211	6,19,801
- others	11,24,081	5,80,933
Insurance Expenses	4,47,210	3,53,324
Rates and Taxes	4,27,701	2,37,574
Sundry Balances Written Off	82,06,741	-
Legal & Professional Fee	55,23,167	64,96,356
Payment to Auditors (Audit Fee)	1,20,787	85,000
Advertisement	1,70,049	12,84,673
Directors' Sitting fees	7,000	10,000
Donation Expenses	10,000	1,00,000
Postage & Courier Charges	1,58,128	1,30,452
Printing & Stationary Expenses	6,01,502	5,36,667
Telephone Expenses	5,58,749	5,58,008
Labour Charges	-	3,20,170
Travelling Expenses	5,36,793	29,248
Deficit on Sale of Fixed Assets	5,34,254	8,98,105
Miscellaneous Expenses	5,04,004	5,86,247
Total Other Expenses	2,34,03,545	1,61,15,342

25. Contingent Liabilities not provided for is as under:

(Amount in ₹)

Particulars	As on 31-03-2014	As on 31-03-2013
1 Bank Guarantees given in respect of performance of contracts in favour of Municipal Commissioner, Ahmedabad Municipal Corporation for BRTS Bus Shelter Project.		
Phase I Project(upto 15/12/2013)	-	1 25 69 906
Phase II Project(upto 25/10/2014)	1,00,91,863	1 00 91 863
LIG-6 package under mukhyamantri avas yojna Project(05/04/2016)	3,17,06,000	-
Multistoried Parking-Navrangpura(upto 31-01-2016)	2,57,82,320	-
BRTS 13 Project(upto 19-12-2016)	83,11,153	-
Rajeev Avas Yojna(upto 24-08-2014)	29,61,600	-
2 In favour of Adani Infrastructure & Developers Pvt. Ltd. for Construction work of project at Tragad, Ahmedabad (upto 10-03-2015)	1,30,00,000	1,30,00,000
3 In favour of Rajasthan Avas Vikas & Infrastructure Ltd. for Construction work of project at Jodhpur Rajasthan Megahousing Project (upto 22-04-2016)	2,54,70,757	-
Total Bank Guarantees Issued*	11,73,23,693	3,56,61,769

* The Company have placed margin money deposit of ₹ 1,39,28,950/- (P.Y. 70,12,355/-) (Inclusive of accrued interest) with issuer bank.



26. Employee Benefits:

a) Defined Contribution Plan:

Amount of ₹ 2 11 429/- (P.Y. ₹ 1 61 920/-) is recognized as an expense and included in Employee Benefits Expense in Note No. 22 to statement of profit and loss.

b) As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Leave Encashment is recognized in the same manner as Gratuity.

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:

The details of Gratuity (unfunded) are given below:

(Amount in ₹)

Particulars	As at 31-03-2014	As at 31-03-2013
Reconciliation of Benefit Obligation		
Obligation at the beginning of the year	8,70,920	14,58,595
Current Service Cost	3,01,868	2,68,142
Interest Cost	69,674	1,16,688
Actuarial (Gain)/ Loss	(20,177)	(9,65,582)
Benefits Paid	-	(6,923)
Present value of obligations at the year end	12 22 285	8 70 920
Change in Fair value of Plan Assets		
Fair value of the Plan at period beginning	-	-
Actual return on Plan Assets	-	-
Employer's Contribution	-	-
Benefits Paid	-	-
Plan Assets as at year end	-	-
Liability recognized in Balance Sheet		
Present value of the obligation at year end	12,22,285	8,70,920
Fair Value of plan assets	-	-
Un-funded Liability	12,22,285	8,70,920
Unrecognized actuarial gains/losses	-	-
Unfunded liability recognized in Balance Sheet	12,22,285	8,70,920
Net Cost recognized in the statement of Profit & Loss		
Interest Cost	69,674	1,16,688
Service Cost	3,01,868	2,68,142
Expected/Actual return on Plan Assets	-	-
Gain/Loss recognized	(20,177)	(9,65,582)
Net (Gain)/ Cost provided as Expense in the statement of Profit and Loss	3,51,365	(5,80,752)
Assumptions used to determine the benefit obligations		
Discounting Rate (per annum)	8.00 % p.a	8.00 % p.a
Expected rate of escalation in salary (per annum)	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	

27. Segment Reporting:

Since the company has only one primary reportable segment, there is no separate reportable segment as required in AS- 17 issued by the Institute of Chartered Accountants of India. Also there being no business outside India, the entire business has been considered as single geographic segment.

28. Disclosure in respect of Accounting Standard:

a) List of Joint Ventures

(Amount in ₹)

Name of Joint Venture	Description of Interest	Description of Job	Proportion of Ownership Interest	Country of Resident	Capital Contribution
Nilsan Realty LLP	Partner	Development of Real Estate Project	50%	India	8,07,069
Shree Matangi Projects LLP	Partner	Development of Real Estate Project	40%	India	78,35,339
Fangadi Land Developers LLP	Partner	Development of Real Estate Project	51%	India	5,10,000

b) Financial Interest in Joint controlled entity

(Amount in ₹)

Name of Joint Venture	Company's share of Proportion of Ownership Interest				
	Assets	Liabilities	Income	Expenses	Tax
Nilsan Realty LLP	9,36,91,650	4,83,95,534	70,563	4,78,684	-
Shree Matangi Projects LLP	3,82,73,407	1,29,28,332	54,24,808	53,70,265	16,000
Fangadi Land Developers LLP	2,63,16,000	1,56,06,000	-	15,207	-

29. As per Accounting Standard-18, the disclosures of transaction with Related Parties are as under:

a) List of Related Parties and nature of relationship thereto.

Relationship	:	Name of Related Parties
Associates & Joint Ventures	:	Nilsan Realty LLP Shree Matangi Projects LLP Fungadi Land Developers LLP Megacity Cinemall Pvt. Ltd.
Key Managerial Personnel	:	Manoj B. Vadodaria Kiran B. Vadodaria
Enterprise in which Key Managerial Personnel have significant influence	:	Sambhaav Media Limited



b) Transactions during the year with Related Parties:

The following transactions were carried out with Related Parties in the ordinary course of business:

(Amount in ₹)

Nature of Transactions	Associates & Joint Ventures		Key Managerial Personnel & their Relatives		Enterprise in which Key Managerial Personnel have significant Influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Rent Paid	-	-			4,98,492	4,77,876
2. Sales—Infrastructure Projects	-	1,71,21,838				
3. Sales Return	8,90,090	-				
4. Repayment of Advance given	17,27,279	2,64,70,501			-	1,50,00,000
5. Advances Given	1,35,08,117	6,57,05,228			-	1,50,00,000
6. Advertisement Expenditure	-		-		56,42,750	51,51,538
7. Interest Received	48,54,493	77,08,977			-	
8. Remuneration and Perquisites to Directors			36,00,000	39,80,695	-	
9. Rent Deposit	-	-	-	-	8,958	
10. Share of Profit / (Loss)	38,543	4,52,997				
11. Purchase of Land / Land Development Rights			1,61,92,540	14,10,00,000	-	-
12. Purchase of Flats	57,45,000	-	-	-	-	-
13. Investment		2,22,06,250				
14. Asset Purchase					1,80,000	

c) The above Related Party transactions contains following material transactions (As per Accounting Standered-18):

(Amount in ₹)

Sr. No.	Particulars	2013-14	Closing Balance	2012-13	Closing Balance
1	Rent Paid				
	Sambhaav Media Limited	4,98,492	37,378	4,77,876	-
2	Sales Infrastructure Project				
	Shree Matangi Projects LLP	-	-	89,223	-
	Nilsan Realty LLP	-	-	1,70,32,615	15,95,234
3	Sales Return				
	Nilsan Realty LLP	8,90,090	-	-	
4	Advances Given				
	Shree Matangi Projects LLP	10,27,668	4,56,23,539	39,55,228	4,63,23,150
	Nilsan Realty LLP	30,00,000	9,52,65,750	1,20,50,000	9,22,65,750
	Megacity Cinemall Pvt. Ltd	94,80,449	4,31,29,954	2,97,00,000	2,97,65,910
	Fangadi Landdevelopers LLP	-	-	2,00,00,000	2,00,00,000
	Sambhaav Media Limited	-	-	1,50,00,000	-
5	Advertisement Given				
	Sambhaav Media Limited	56,42,750	-	51,51,538	48,52,323
6	Interest Received				
	Megacity Cinemall Pvt. Ltd	48,54,493	4,31,29,954	73,233	2,97,65,910
	Shree Matangi Projects LLP	-	-	76,35,744	4,63,23,150
7	Remuneration and Perquisites to Directors				
	Manoj B. Vadodaria	24,00,000	-	27,80,695	-
	Kiran B. Vadodaria	12,00,000	-	12,00,000	-
8	Share of Profit / (Loss)				
	Shree Matangi Projects LLP	38,543	78,35,339	4,52,997	77,96,796
	Nilsan Realty Llp	-	8,07,069	-	8,07,069
9	Purchase of Immovable Property				
	Shree Matangi Projects LLP	57,45,000	1,02,57,500	-	45,12,500
	Kiran B. Vadodaria	1,61,92,540	1,61,92,540	6,10,00,000	-
	Manoj B. Vadodaria	-	-	8,00,00,000	-
10	Rent Deposit				
	Sambhaav Media Limited	8,958	96,348	-	
11	Re-payment of Advances given				
	Sambhaav Media Limited	-	-	1,50,00,000	-
	Shree Matangi Projects LLP	17,27,279	4,56,23,539	2,64,63,178	4,63,23,150
12	Assets Purchase				
	Sambhaav Media Limited	1,80,000	-	-	-



30. Leases: (In terms of Accounting Standard – 19)

The Company has lease facilities under non-cancellable operating leases. The future minimum lease payments in respect of these leases as at 31st March 2014 are:

(Amount in ₹)

Particulars	As at 31-03-2014	As at 31-03-2013
Gross Carrying amount of Premises	19,36,66,692	19,36,66,692
Accumulated Depreciation	1,63,02,159	1,30,22,589
Depreciation for the year	32,79,570	32,79,570
Future Minimum Lease payments under non-cancellable operating leases		
• Not later than 1 year	1,52,67,568	1,73,78,683
• Later than 1 year and not later than 5 years	4,08,27,621	5,83,96,777
• Later than 5 years	79,39,734	17,12,260

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

(Amount in ₹)

Particulars	As at 31-03-2014	As at 31-03-2013
Basic Earnings Per Share		
Profit / Loss After Tax	11,84,65,187	12,82,97,409
Weighted Average No. Of Equity Shares	29,52,26,200	29,52,26,200
Nominal Value of Shares	1/-	1/-
Earnings per share (Basic and Diluted)	0.40	0.43

32. 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 ₹)

Particulars	As at 31-03-2014	As at 31-03-2013
Deferred Tax Asset:		
On account of Timing Differences in		
Gratuity	1,14,000	(1,90,671)
Bonus	(12,361)	29,407
Leave Encashment	92,254	(16,398)
Amalgamation Expenses	(3,39,843)	(3,39,843)
Total (A)	(1,45,950)	(5,17,505)
Deferred Tax Liability :		
On account of Timing Differences in		
Depreciation	64,308	60,816
Total (B)	64,308	60,816
Net Deferred Tax Liability (A – B)	(81,642)	(4,56,689)

33. 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 2014 together with interest paid or payable as required under said act, have not been given.

34. Details of transaction in foreign currency are as under:

(Amount in ₹)

Particular	2013-2014	2012-2013
a) C.I.F. Value of Imports	-	-
b) Earnings in Foreign Exchange	-	-
c) Expenditure in Foreign Exchange	-	1,13,495

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

Value of Imported & Indigenous Raw Material Consumed

(Amount in ₹)

Particular	2013-2014	2012-2013
Imported	-	-
Indigenous	31,09,66,198	21,30,04,798
Total	31,14,68,298	21,30,04,798
Imported	-	-
Indigenously obtained	100%	100%
Total	100%	100%

36. The previous year's figure have been reworked, regrouped and reclassified wherever necessary.

Signatures to Notes 1 to 36 forming part of Accounts:

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Registration Number : 112633W

O. P. Bhandari

Partner

Membership No. : 34409

Place : Ahmedabad

Date : 29th May, 2014

For and on behalf of the Board of Directors

Manoj B. Vadodaria

Managing Director

DIN : 00092053

Prashant H. Sarkhedi

Chief Finance Officer

Kiran B. Vadodaria

Joint Managing Director

DIN : 00092067

Dipen Y. Parikh

Company Secretary



COMPANY DETAILS

Board Of Directors

Mr. Manoj B. Vadodaria	Chairman & Managing Director
Mr. Kiran B. Vadodaria	Joint Managing Director
Mr. Hiren G. Pandit	Director
Mr. Dilip D. Patel	Director
Mr. Shyamal S. Joshi	Director
Mr. Ashok R. Bhandari	Director
Mr. H.P. Jamdar*	Director

Chief Finance Officer

Mr. Prashant H. Sarkhedi

Company Secretary

Mr. Dipen Y. Parikh

Bankers

Axix Bank Limited
Central Bank of India
Dena Bank
Development Credit Bank Limited
State Bank of India
ICICI Bank Ltd.
HDFC Bank Ltd.
YES Bank Ltd.

Auditors

O.P. Bhandari & Co.
Chartered Accountants, Ahmedabad

Registered Office

First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380015.

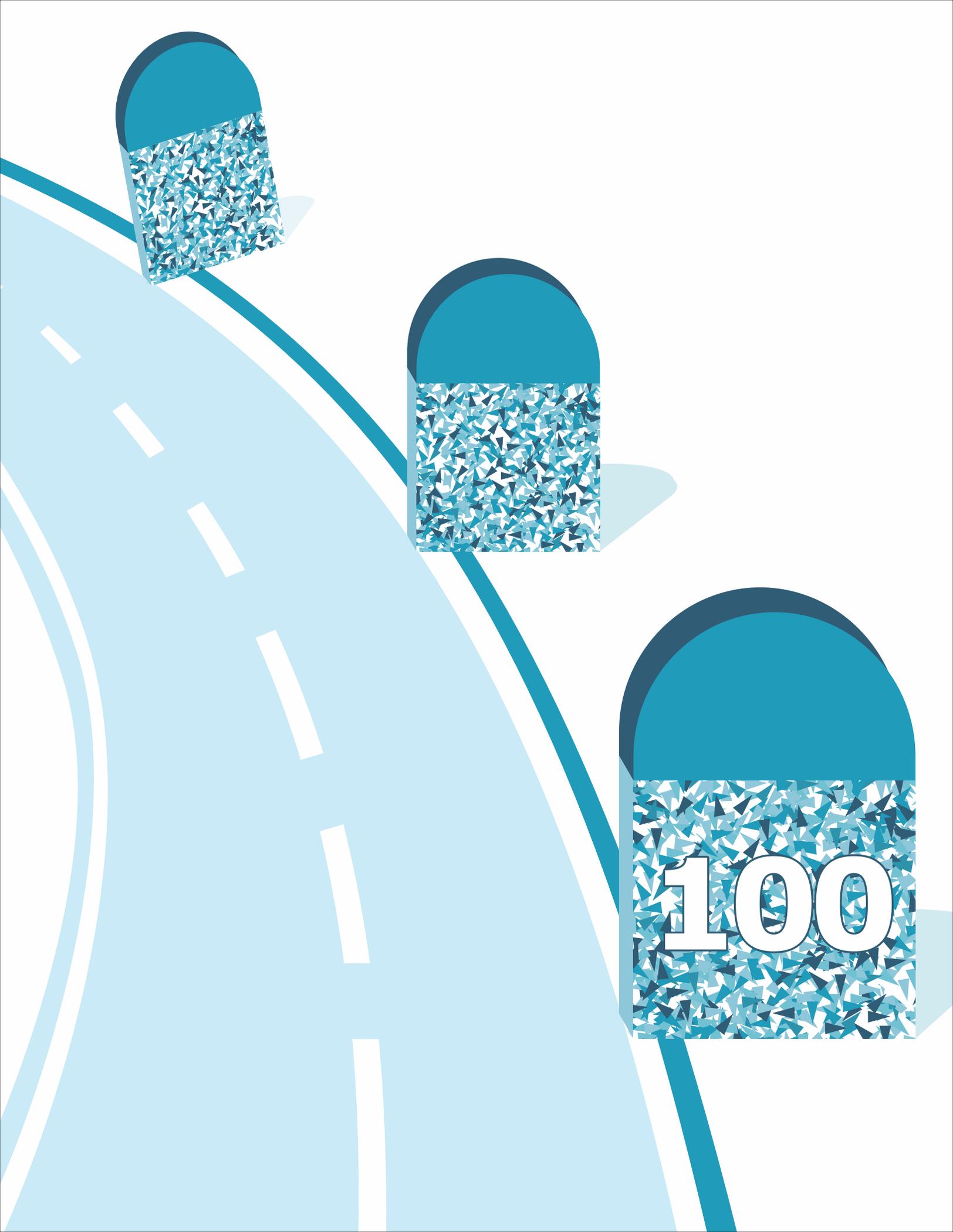
Corporate Identification Number

L45201GJ1990PLC013417

Registrar & Share Transfer Agent

MCS Limited
101, Shatdal Complex, Opp. Bata Showroom, Ashram Road, Ahmedabad - 380009.
Phone : 079 - 26585878 / 80
Fax : 079 - 26581296

* Appointed w.e.f. 29.05.2014 # Mr. Akhilesh C. Mehta has resigned w.e.f. 30.05.2014



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Nila Infrastructures Ltd.

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marshmallow