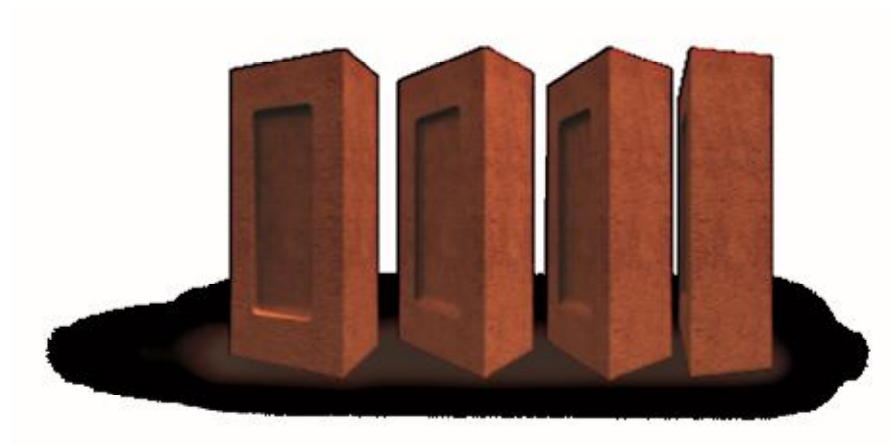




PERSPECTIVE MATTERS

22nd ANNUAL REPORT 2011-12



WHAT ARE YOU DOING?

This was the question asked of three bricklayers
at a construction site.

The first bricklayer was quick to respond,
“I am laying bricks, of course. Can't you see?”

The second bricklayer had a different reply to the same question.
He said, “I am laying bricks in a straight line to build a wall.”

The third bricklayer didn't hear the question the first time.
He apologized and said, “I am sorry, I was absorbed in my work.
To answer your question, I am helping build a home.”

All their responses were right, but how different they
were! How you see it has a profound impact on how you
do it. The following pages attempt to show how it applies to our work.

This annual report has been designed as a report cum
flipbook. Flip fast through the pages - starting from the
cover to the back page.

Check the space on the bottom of the right hand page.

WHAT ARE YOU SEEING?

CONTENTS

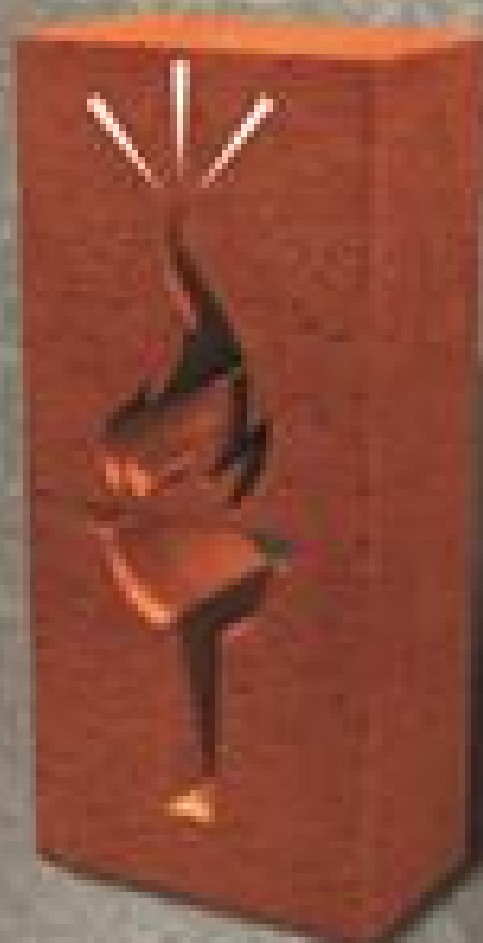
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NOT JUST PERFORMANCE
BUT PURPOSE

NOT JUST PERFORMANCE BUT PURPOSE



The Olympics Flame. Of course, a symbol of performance, but more importantly, a symbol of purpose - continual dedication to excellence; come what may.

At Nila Infrastructures, excellence is seen both at Means and End levels. The End level translates as delight for the client and end-user from our projects;

the Means level comprises of the quality of processes that make such delight possible.

Both delight and quality rise above any transitory circumstances like the current state of the economy. The economy may rise or fall, but excellence is forever.





NOT JUST HOUSES
BUT HOMES

NOT JUST HOUSES BUT HOMES



The Grihastha or Householder. The stage of life, or Ashrama, considered the fulcrum of all four stages of life in ancient India. This is because the householder or the family unit supports all the other stages. Thus, it is the epitome of care and nurture.

Nila Infrastructures shows care and nurture in the way residential projects are taken up and completed. Projects are designed to fit needs and budgets.

Because, the fact of the matter is that a home is the only space an individual can exclusively call his or her own: to relax, recoup and prepare for the day ahead. It is the only aspect of life, which supports all aspects of life.

Projects are also designed to fit deadlines and quality guidelines. The company has tied up with an international PMC to manage and complete projects within time and cost.



NOT JUST
BUT SPEED



NOT JUST STATIONS BUT SPEED



The Hourglass. An icon that stands for time and productivity. Time is essential for both leisure and work, or for the work-life balance of all individuals. In simple terms, it is a valued commodity in both public and private life. Nila Infrastructures puts a high premium on both its own and others time. It believes life is all the more richer if every citizen has more time to spend - at work in projects or areas of interest; at home with family and friends. That is why the company is proud to be an important part of the internationally

awarded BRTS (Bus Rapid Transport System) project in Ahmedabad, Gujarat.

The bus corridor system is the primary reason the common man in Ahmedabad is getting to workplaces and other destinations faster. It is also a major reason why more and more people are switching from their two-wheelers to a public mode of transport: one that is safer and eco-friendlier because of lower carbon emissions overall.



THE COMPANY IN A NUTSHELL



Business

The company's operations revolve around two broad business spectrums – real estate and infrastructure. It specializes in the business bands of residential real estate and urban infrastructure. The company develops its own residential projects as well as undertakes construction contracts for reputed private developers and government institutions.

Performance

Although recession has gripped the economy and put the real estate sector in a tight pinch, Nila Infrastructures Ltd has sustained its performance without any dips. Total turnover of the company has remained nearly steady – from ₹ 91.09 crore in 2010-11 (FY11) to

₹ 90.62 crore in 2011-12 (FY12). Gross Profit rose slightly from ₹ 17.27 crore in FY11 to ₹ 18.07 crore in FY12. Because a tax concession attached to the company's Asmaakam project was lifted following its completion, the Profit After Tax (and before extraordinary items) declined marginally from ₹ 13.47 crore in FY11 to ₹ 12.44 crore in FY12.

Credentials

A Sambhaav Group Company based in Ahmedabad, Gujarat, Nila Infrastructures is a public limited company incorporated on 20th February 1990 and listed on BSE (Bombay Stock Exchange).

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





Manoj B Vadodaria, CMD
Nila Infrastructures

WHERE IS THE SILVER LINING?

Let's face it - and get it out of the way. Yes, the economy is going through a squeeze at the moment. Yes, real estate has been hit by the ongoing slump. So it would be quite natural to ask, 'Where is the silver lining in this cloud?'

To that I would answer, 'There is not one but quite a few silver linings.'

Night is darkest before dawn

For one, it is only a matter of time before the world economy turned around and stabilized. There are signs that it is bottoming out. After all, the night is the darkest before dawn.

India not so hard hit

Second, India seems to be riding out the recession better than others. Besides being one of the fastest growing, the economy has become the world's 4th largest now. Confidence levels among both domestic consumers and global investors are among the highest in the world.

Location in India's most business-friendly state

We also happen to be located in the most prosperous part of the country – Western India. We

are also fortunate that our home base is Gujarat, a state that has been consistently clocking one of the fastest growths for over a decade. Recession has only slowed down, not curbed, the state's growth rate. For instance, we know that unemployment rates reach high levels during economic downturns, but Gujarat didn't show this tendency: it had the lowest figure among all states in India.

Recession is in the mind

To see the silver linings in the first place is I think the biggest silver lining of all. As the confidence level surveys show, the high consumer and investor sentiments in India are the key. Because ultimately, any downturn is very much a mind play. If you think money is tight, you spend less: because you spend less, goods are sold less; because less goods are sold, producers invest less in resources for the next round of production; because producers invest less in resources, your income levels are lower; because your income levels are lower, you spend less - thus perpetuating a vicious cycle of recession. To think that it all starts in the mind.

I will leave you with a quote by the greatest philosopher-Caesar of the ancient Roman Empire, Marcus Aurelius:
"Everything we hear is an opinion, not a fact. Everything we see is a perspective, not the truth."

THE YEAR IN RETROSPECT

A global pickup likely

Anything to do with the global economy seems to be bad news nowadays. But, there are indications that a pickup is round the corner. For instance, recently released data in the World Investment Report 2012, prepared by the United Nations Conference on Trade and Development (UNCTAD), show that foreign affiliates of trans-national corporations (TNCs) are doing well for themselves. Their employment figures are rising, sales and assets are up, and so is their value added product.

Asia leading

There is global recognition of fact that most Asian economies are poised to attain sustained long-term growth. The IMF expects growth in Asia and Pacific region to gain momentum in 2012, with growth projected at 6% and 6.5% in 2012 and 2013 respectively. Emerging economies in Asia are generally better placed vis-a-vis emerging economies in the rest of the world to withstand the fresh round of global economic turbulence.

India has the edge

According to the Economy Survey 2011-12, India has become the fourth largest economy in the world. Between 1980 and 2010, India achieved a growth of 6.2%, while the world as a whole registered growth of 3.3%. The country remains one of the fastest growing economies of the world.

Nothing 'sentimental' about it

Belief in the India story is borne out by the sentiments of international businesses. Major global corporations consider India their 3rd most favored destination after China and the US, according to UNCTAD's World Investment Report

2012. The survey findings are important because global investors were looking at the long-term prospects and wide market in the country's economy. Despite setbacks to the economy, by the end of fiscal 2011-12 India has been maintaining its top position in global consumer confidence for nine quarters straight, according to the Nielsen Global Survey of Consumer Confidence and Spending Intentions. It means that people in the country are generally the most optimistic in the world about the future.

The best of both worlds

India now has a sweet balance of incomes originating from both the domestic and global sectors. According to the Economic Survey 2011-12, international trade accounts for nearly 53% of the gross domestic product (GDP), pointing to increased integration with the global economy. Reliance on the domestic economy helps it get insulated from the damaging effects of a worldwide recession; dependence on the international economy helps it take advantage of new opportunities as well as gain the benefits of a global turnaround when it happens.

Construction and real estate in India

Indicators seem to point to a higher level of activity in the construction sector, and by association, in the real estate sector. According to data from Cement Manufacturers Association and Holcim Group, all-India cement dispatches recorded a 9.4% growth in January 2012, the third straight month of high growth. According to the Centre for Monitoring Indian Economy (CMIE), cement demand in India is expected to grow 7.5% in 2012-13.



G for Gujarat and growth

According to an Associated Chambers of Commerce and Industry of India (ASSOCHAM) study titled 'Investment and growth patterns across major 20 Indian states,' Gujarat is the most lucrative investment destination in India, attracting the highest number of live investment proposals worth over Rs 16.28 lakh crore. An indicator of recession and lack of growth is the unemployment rate. In a report for the year 2011-12 released by the Labour Bureau, under the Union Ministry of Labour and Employment, Gujarat had the lowest unemployment rate (1%) among all states. This was only marginally higher than the top spot (0.6%) occupied by a Union Territory, Daman & Diu.

Construction and real estate in Gujarat

The previously cited data from Cement Manufacturers Association and Holcim Group shows that in April-December 2011, cement consumption grew 17% in the western market; Gujarat recorded a higher 20% rise in off-take, ahead of other states like Punjab and Maharashtra. Such figures are certainly encouraging for construction and real estate in the state.

The Ahmedabad angle

Gujarat's growth engine cannot function without the thrust provided by one of its biggest commercial centres, Ahmedabad. Besides becoming one of the country's major auto hubs, Ahmedabad has shown an upsurge in sectors like pharmaceuticals and engineering. This in turn has created a demand for commercial properties in and around the city. A pan-India report by real estate consultants Cushman & Wakefield suggests that while cumulative office space absorption for the top eight Indian cities fell 32% in the first quarter of 2012 as

compared to previous quarter, Ahmedabad bucked the trend with actually a rise in absorption by 5.6%. According to global real-estate consultant DTZ's recent report 'India Office Demand and Trends Survey 2011-2012', Ahmedabad has emerged as a favourite among the tier II cities for banking, financial services and insurance companies. Such growth, by increasing recruitment and hiring of people, will ultimately increase their demand for housing.

Nila Infra and the city

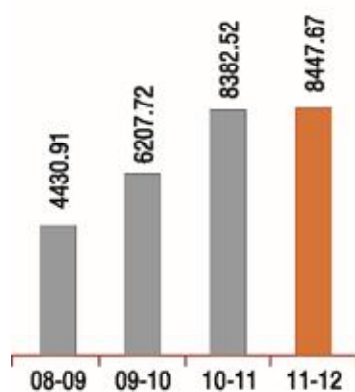
With its base in Ahmedabad, Nila Infra is poised to reap the benefits of the city's growth and development. The company is proud to be associated with Ahmedabad's internationally awarded Bus Rapid Transit System (BRTS.) In FY12, Nila Infra started the construction of 23 BRTS stations for Ahmedabad Municipal Corporation (AMC), the contract-awarding authority for BRTS stations. The company also completed the construction of 120 factory sheds for Surat RJD Textile Park.

Other construction contracts of note executed during the year included 50 residential bungalows for the prestigious Applewoods project of Sandesh Procon, Venus Group's luxurious residency project Venus IVY and a commercial building for Daimler (the Mercedes Benz company).

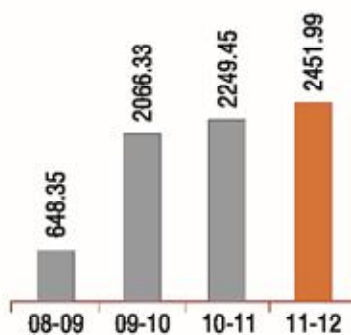
As a real estate developer with its own credentials, Nila Infra launched the high-rise residency project for the middle to upper middle class, Atuulyam (80 3BHK & 120 2BHK flats), during the 2011-12 fiscal. In keeping with its rising ambition, the company is embarking on a truly large-scale venture, Shashwat (748 2BHK Flats) a mini-township project in collaboration with Sandesh Procon.

FINANCIAL HIGHLIGHTS

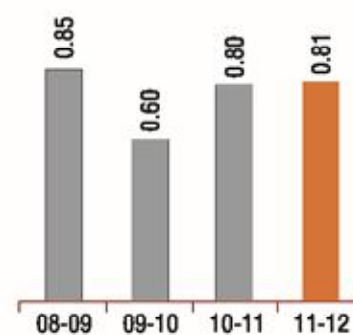
Turnover (Rs. Lacs)



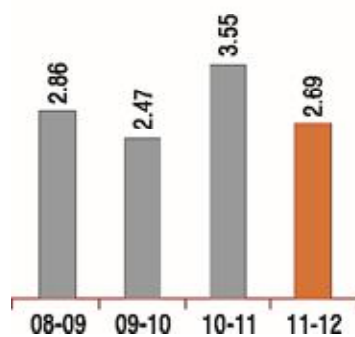
EBDITA (Rs. Lacs)



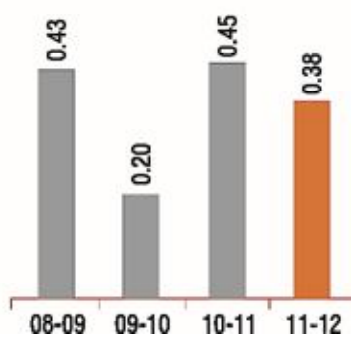
TOL/TNW Ratio



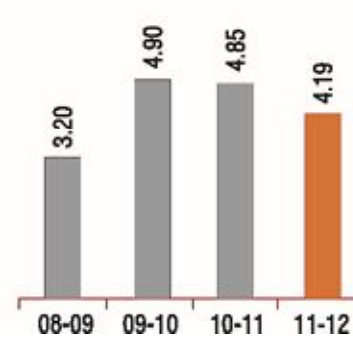
Current Ratio



Debt Equity Ratio



Interest Coverage Ratio



BUSINESS HIGHLIGHTS



Real Estate

- ☑ Construction activity of residential projects aimed at the middle class, Anvayaa (44 3BHK flats) and Anaahata (44 3BHK flats), complete; handover to owners underway
- ☑ Construction work on the luxurious residency scheme, Ananya (48 3BHK flats) – the joint venture project being executed in LLP (Limited Liability Partnership) mode with Shree Matangi Developers is over; owner possession going on
- ☑ Work on the high-end residency project at a prime location, Anuraadhaa, expected to get over by the end of calendar year 2012
- ☑ High-rise residency project for the middle to upper middle class, Atuulyam (80 3BHK & 120 2BHK flats) announced during 2011-12 fiscal
- ☑ A large-scale endeavour, Shashwat (748 2BHK Flats), a mini-township project in collaboration with Sandesh Procon is in the process of execution

Infrastructure

- ☑ Construction of 23 BRTS (Bus Rapid Transit System) stations started in two routes for Phase-II of Ahmedabad Municipal Corporation's much-awarded JNNURM project
- ☑ Construction of 120 factory sheds in Surat RJD Textile Park complete
- ☑ Construction work on 50 Residential Bungalows of Applewood Estate Township (Sandesh Group) commenced
- ☑ Construction work on commercial building for Daimler (Mercedes Benz) is underway
- ☑ Construction contract awarded during the previous fiscal year by the reputed Venus Group for its prestigious residential project, Venus IVY, is being executed and is showing progress

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Nila Infrastructures Limited will be held on Saturday, 15th September, 2012 at 10.00 A.M. at the Registered office of the Company at 1st Floor, "Sambhaav House" Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380 015 to transact the following business:

ORDINARY BUSINESS :

- To receive, consider and adopt the audited balance sheet as at 31st March, 2012, the statement of profit & loss for the year ended on that date together with the notes forming part of Final Accounts, and the Reports of the Auditor and Directors' thereon.
- To appoint a Director in place of Shri Akhilesh C. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
- To declare dividend on equity shares.
- To re-appoint auditors to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next Annual General Meeting and to fix their remuneration.
- Members desiring any information as regards accounts are requested to write to the Company **at least 7 days before the meeting** to enable the management to keep the information ready.
- Members are requested to intimate change of registered address, if any, at the Registered Office of the Company or to the Company's registrar and Share Transfer Agents at their address mentioned elsewhere in this report.
- The Register of Members and Share Transfer Books of the Company shall remain closed from **11th September, 2012 to 15th September, 2012 (both days inclusive)** pursuant to Clause 16 and 19 of the Listing Agreement and also in compliance of Section 154 of the Companies Act, 1956.
- The Company has signed Tripartite Agreement with NSDL and CDSL for dematerializing of its Equity Shares. The ISIN allotted to your Company is INE937C01029.
- The Company has pursuant to the SEBI Circular dated 16th December, 2010 sent three reminders to those shareholders of the Company, who have yet not claimed their new share certificates issued consequent upon the sub division of the share capital in terms of the Special Resolution passed on 30th August, 2005 that their shares are being dematerialized and transferred to a single folio named "Unclaimed Share Suspense Account". The shareholder may thereafter claim the shares in demat form by surrendering the old share certificate. A public advertisement in Gujarat Samachar (Gujarati) and Indian Express (English) had also been published to this effect on 16th May, 2012.
- The Company has initiated steps for implementing the "Green Initiative" in Corporate Governance as per the circular issued by the Ministry of Corporate Affairs ("MCA") as regards paperless compliances for service of documents through electronic mode. Henceforth the e mail indicated in your respective DP accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be registered e mail address. We request you to register your e mail address with your DP, in case you have not registered the same. Members holding shares in physical mode are requested to update their e mail addresses by writing to the Company / RTA quoting their folio nos. In case a member wishes to receive a physical copy of the said documents, the same will be sent upon receipt of a communication from the member.

By order of the
Board of Directors

Place: Ahmedabad
Date: 7th August, 2012

Dipen Y. Parikh
Company Secretary

NOTES :

- A Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote instead of himself and on behalf of him and the Proxy need not be a member of the Company.
- Proxies in order to be effective must be received at the registered office of the company not less than 48 hours before the time fixed for the meeting. A proxy form is enclosed.
- Members are requested to bring their copy of Annual Report to the meeting, as no extra copies will be distributed at the meeting hall as a measure of environment and economy.



DIRECTORS' REPORT

Dear Members,

The Directors of your company are pleased to present the 22nd Annual Report to the Members with the audited financial statements for the year ended 31st March, 2012.

FINANCIAL RESULTS :

The performance of the Company for the financial year 2011-12 is as under:

(Amount in ₹)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Total Revenue	90,61,95,735	91,09,05,789
Less: Total Expenditure	72,54,93,997	73,82,37,377
Profit Before Tax	18,07,01,738	17,26,68,412
Less: Current Tax	5,51,44,012	4,03,13,445
Deferred Tax	11,11,484	(23,98,753)
Net Profit After Tax	12,44,46,242	13,47,53,720
Add: Balance Brought Forward from previous year	24,66,86,111	15,62,44,466
Profit available for appropriation	37,11,32,353	29,09,98,186
Less: Transfer to General Reserve	1,00,00,000	1,00,00,000
Less: Proposed Dividend	2,95,22,620	2,95,22,620
Less: Dividend Distribution Tax	47,89,455	47,89,455
Surplus carried to Balance Sheet	32,68,20,278	24,66,86,111
Paid up Share Capital	29,52,26,200	29,52,26,200
Reserves [Excluding Revaluation Reserve]	62,71,30,468	53,69,96,301
Net Worth	92,23,56,668	83,22,22,501

REVIEW OF OPERATIONS :

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

In spite of industry being under stress, your Company has successfully maintained its performance due to improved operations and activities. During the year under review residential housing flats schemes "ANVAYAA" and "ANAAHATA" have been successfully completed and Company has started giving possessions to the prospective acquirers. Construction work of joint venture residential scheme "ANANYA" is in full swing and is under completion stage.

During the year your Company has commenced a 200 residential units scheme namely "ATUULYAM". It is luxurious residential flats scheme comprising of 200 units of 2 & 3 BHK near premium location of Prahladnagar in Ahmedabad. For effective completion of the project your Company has made association with "Progetto Italia Consultants" - a reputed Project Management Consultancy firm based at Dubai.

Under infrastructure activity your Company has been awarded contract for construction of 23 Bus Shelters of BRTS by the Ahmedabad Municipal Corporation. The Company has obtained a contract from M/s Adani Infrastructure and Developers Pvt. Ltd. for construction of residential apartments at Tragad, Ahmedabad.

The Company has successfully completed the construction work of some projects of other corporate including Adani Group, Singla Engineers & Contractors Pvt. Ltd. and RJD Integrated Textile Park Limited.

EXPANSION PLANS :

Your Company has been actively ascertaining opportunities in new avenues in the industry. Land acquisition, plan approvals of new residential projects are in process. Residential projects for Economically Weaker Section (EWS) is under appraisal where the management anticipates enormous demand in years to come.

The Company is also ascertaining the opportunities in project management consultancy business in association with other reputed firms.

Under the infrastructure activities, the Company proposes to identify the lucrative projects and bid for the same. Your Company envisages huge opportunity in construction through pre cast technology. The Company emphasis to promote the technology for future infrastructure projects.

Further the Company has incorporated an LLP namely "Fangdi Land Developers LLP" in partnership with reputed M/s Pacifica Developers Pvt. Ltd. The LLP proposes to develop plotting schemes, housing and infrastructure project.

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

DIVIDEND :

The Directors have recommended payment of dividend of ₹ 0.10 per equity share of ₹ 1 each i.e 10 % of paid up capital. The dividend pay out will absorb an amount of ₹ 295.23 Lacs. The dividend will be paid to the members, whose name appears in the register of members as on 10th September, 2012.

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.

SUBSIDIARIES :

Your Company has in joint venture with M/s Progetto Consultants India Pvt. Ltd incorporated a subsidiary Company namely "Progetto Soluzioni Pvt. Ltd" vide Certificate of Incorporation dated 11th July, 2012. The joint venture company proposes to render project management consultancy services to the real estate and infrastructure projects in the industry.

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 256 of the Companies Act, 1956, Shri Akhilesh C. Mehta, Director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment.

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. The members are requested to re-appoint the auditors to hold office until the conclusion of the next Annual General Meeting.

AUDITOR'S OBSERVATIONS :

Observations of the Auditors in their report together with the Notes to financial statements 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, Practicing Company Secretary, Ahmedabad, in respect of compliance of all rules, regulations under the various applicable provisions of the Companies Act, 1956 and the applicable regulations under the Listing Agreement entered with stock exchange. A copy of the said certificate is appended to this report.

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 :

Details of foreign exchange earning and outgo form part of the notes to 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, 1998.

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 and 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; obtained 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 2012-13 to the exchange. Adequate care has been taken to comply all the norms and requirements as per the provisions of the Listing Agreement. The Company's 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 & Share Transfer Agent to undertake transfer of physical transfers of share certificates besides acting as electronic registrar.

Your Company proposes to enlist the equity shares on the premium National Stock Exchange of India Limited (NSE) and application thereof is in process.

ACKNOWLEDGEMENT :

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

For and on Behalf of the
Board of Directors

Place: Ahmedabad
Date: 7th August, 2012

Manoj B. Vadodaria
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. ECONOMIC SCENARIO

India continues to urbanize at a strong pace driven by a combination of uptrending consumption, robust job creation and growing financial penetration. The Indian economy remains mixed and diversified mainly driven by huge domestic consumption. The most important factor attributed to the growth of the economy is the expanding Small and Medium Enterprises at rapid pace.

Indian economy was growing at over 9 per cent before the global financial meltdown in 2008 pulled down the growth rate to 6.7 per cent in 2008-09. Thereafter, the economy recorded a growth rate of 8.4 per cent for two consecutive years before sliding again to 6.5 per cent in the previous fiscal. According to the Economic Survey the economy is estimated to grow at 7.6 per cent in 2012-13.

India recorded the highest growth rates in the mid-2000s, and is one of the fastest-growing economies in the world. The growth was led primarily due to a huge increase in the size of the middle class consumer, a large labor force and considerable foreign investments. India is the nineteenth largest exporter and tenth largest importer in the world. The economy of India is the eleventh largest in the world by nominal GDP and the third largest by Purchasing Power Parity (PPP). The country is one of the G-20 major economies and a member of BRICS. In 2011, the country's per capita income stood at \$ 1,527, 129th in the world, thus making a lower-middle income economy.

According to the latest data released by the Department of Industrial (FDI) Policy and Promotion (DIPP), foreign Direct Investment inflow rose by 55 per cent to US\$ 28.4 billion during April-February 2011-12, while the cumulative amount of FDI equity inflows from April 2000 to February 2012 stood at US\$ 246.6 billion. According to the Reserve Bank of India (RBI)'s weekly statistical supplement, India's foreign exchange reserves stood at US\$ 287.34 billion for the week ended July 20, 2012. Foreign currency assets aggregated to US\$ 255.10 billion and the value of gold reserves stood at US\$ 25.76 billion for the week and India's reserves with the International Monetary Fund (IMF) came out to be US\$ 2.13 billion.

During the fiscal year 2012, the cumulative growth rate of the core sector industries was 4.3 per cent as against 6.6 per cent in 2010-11. In 2011-12, as against a target of ₹ 40,000 crore, the government had raised about ₹ 14,000 crore from disinvestment process and for the year 2012-13, the government proposes to raise ₹ 30,000 crore through disinvestment of Public Sector Undertakings. The major reason of hurdles in disinvestment process was deteriorated primary and secondary market conditions.

Presently the Indian economy is facing challenges like high inflation and sharp increase in commodities prices, steep decrease in rupee value, increasing fiscal deficit and increasing crude prices. Moreover in the light of integration of world economies with each other, performance of major advanced economies has been a point of concern as the economic outlook of the Euro zone area continues to be gloomy due to sovereign debt crisis. In addition to the depressed global environment, high levels of interest rates, prolonged inflationary pressures as well as increasing fiscal deficit have led to a decline in demand in most of the interest sensitive sectors of the country including real estate and infrastructure. According to the data released by the Government, fiscal deficit was 5.70% of GDP during the year 2011-12 which was 4.68% during the year 2010-11. The Wholesale Price Index stood at 7.23% in April 2012 led by higher inflation related to food products and non food manufactured products. In such a situation the crucial challenge would be to bring growth back to potential and further lowering inflation.

2 THE INDUSTRY SCENARIO

2a. Real Estate Sector :

Real Estate sector in India is one of the biggest contributor to Gross Domestic Product of the Country but is also the fourth largest sector in terms of Foreign Direct Investment inflows. The real estate market in India is yet in an emerging stage with unlimited scope and the sector is getting organized day by day. It has emerged as a huge sector with a lot of investment and a lot more transparency coming into the sector. The government is also taking steps to regulate and control the sector. It has established a controlling body Confederation of Real Estate Developers' Associations of India (CREDAI). CREDAI is considered as the apex body to control the activities of the organized real estate sector.

The Indian real estate sector is growing at the rate of 30% per annum and the market size is expected to touch US\$ 180 billion by 2020. Considering all these real estate sector is expecting to get an industry status as the sector is a major driver for economic growth and generates countless jobs across its various verticals. As the second largest employer in the country contributing 5% to India's GDP, Indian realty deserves a preferred treatment to give a further boost to our economy. Industry status would help the sector to access debt lending at more competitive interest rates and lower collateral values. The construction sector is labor-intensive which generates indirect jobs, provides employment to more than 35 million people. The sector is associated with about 250 other industries like steel, cement and thereby creates multiplier effect of



growth. The sector has always been one of the most preferred one for investment due to its appreciation and hence Foreign Direct Investment (FDI) inflows in real estate in 2011-12 stood at US\$ 492.50 million.

Since 2008, the residential sector has been on a strong growth trajectory and with increasing urbanization the momentum is expected to continue. Strong demographic mix and increasing purchasing power, urbanization, changing family structures will be the key triggers for growth of the residential market in years to come. Salaried individuals in the age group of 30 to 35 years will emerge as the biggest contributors for demand in the residential category. This class of buyers has in past also been the main contributor to the growth of residential category.

However, the last year proved to be a mixed bag for the sector. Real estate developers continued to face a series of challenges, the major problems being the availability of finance and hardening of the interest rates. This has affected on the borrowing costs of the developers, liquidity and the demand, a large part of which is funded by home loans. Increasing cement, steel prices, non availability of labors had also hardened the development. The Government has taken various steps during the last year to encourage the reforms in the sector.

1. The personal income tax slab has been hiked from ₹ 1.80 Lacs to ₹ 2 Lacs. This will increase the disposable income of the common man, which can boost domestic investments.
2. In the budget 2011, a 1% interest rate subsidy was provided for loans towards affordable housing. This will continue for this financial year and will boost the affordable housing segment.
3. Allowed External Commercial Borrowing for affordable housing and has also reduced the withholding tax on ECBs for affordable housing from 20% to 5% for 3 years.
4. No capital gains tax if the amount from the sale of a residential property is invested in equity of manufacturing SME for the purchase of new plant and machinery. Previously, the only route for exemption was the purchase of another property or tax saving bonds.

However hike in the service tax may have negative impact on the sector and may lead to the increase in the prices of housing units. Further there are neither industry status announced for the real estate sector nor any incentive under section 80(1B) of the Income Tax Act, 1961.

2b. Urban Infrastructure :

India is undergoing a transition from rural to urban society. A little over 31% of population is now living in urban areas.

According to the Report of the Technical Group on Population Projections, National Commission on Population 2006, the population of India is expected to increase from 1029 million to 1400 million during the period 2001-2026. While Urban population expected to increase to 600 million by 2031 and the number of metropolitan cities with more than a million populations is also projected to increase to 87 by 2031. With nearly 70 per cent of the GDP contribution from the urban areas and the recent population projections in the coming decades, indicates there is a clear need to focus attention towards the urban sector and to provide adequate financing for urban infrastructure. It is evident that the growth story of the country cannot be sustained unless there is systematic infrastructure development is ensured.

Following are the some of the key policy developments announced by the government during the year.

- During the twelfth plan period, investment in infrastructure is proposed to reach ₹ 50 Lakh Crores. Private sector is expected to contribute at least half of the outlay.
- Viability Gap Funding under the scheme "Support to PPP in infrastructure" extended to more sectors.
- Infrastructure Debt Fund with an initial size of ₹ 8,000 Crores launched.
- ₹ 60,000 Crores to be raised through tax free bonds allowed for financing infrastructure projects during financial year 2012-13.
- IIFCL has put in place a structure for credit enhancement and take-out finance for easing access of credit to infrastructure projects.

The Planning Commission envisions doubling the investment in infrastructure sectors to \$1 trillion during the 12th Five-Year Plan. The sector enjoyed high inflows in terms of Foreign Direct Investment over April-December 2011, registering a growth of 23.60 % over the previous year. To facilitate India to achieve its investment target, the Asian Development Bank has already revealed its intentions to infuse about US\$ 2 billion every year in the country's infrastructure space between 2012 and 2014. Giving high priority to development of adequate and quality infrastructure, Indian Government has announced that it would award projects for construction of at least 7,000 km of roads in 2012. During the 11th plan, JNNURM was launched with an object to augment urban infrastructure. The government is working on new JNNURM to accelerate the infrastructure development.

3. BUSINESS OVERVIEW

3a. Real Estate Projects :

During the year under review residential housing flats schemes "ANVAYAA" and "ANAAHATA" have been successfully completed and Company has started giving possessions to the prospective acquirers. Construction work of joint venture residential scheme "ANANYA" is in full swing and is under completion stage.

During the year, your Company has started construction of 200 residential units scheme namely "ATUULYAM. For effective completion of the project your Company has made association with "Progetto Italia Consultants" - a reputed Project Management Consultancy firm based at Dubai. Your company has also successfully launched another luxurious boutique residential apartment scheme "ANURAADHAA" at Navrangpura, Ahmedabad. The scheme comprises limited luxurious units of 3 BHK and is on completion stage.

3b. Infrastructure Projects :

Considering the successful construction work of earlier BRTS bus shelters, the AMC has awarded to the Company another work of construction and erection of 23 bus shelters at specific locations along the Ahmedabad BRTS Corridor from (1) Kalupur Bridge to Naroda - 16 bus shelters and (2) Soni ni chali to odhav - 7 bus shelters. Construction work of these shelters are in progress as per the schedule.

During the year the Company has been awarded construction contract for 50 bungalows in "Applewoods Estate Township" of Applewoods Estate Private Limited - The Sandesh Group. Construction work of 32 bungalows is in progress presently. The Company has been assigned construction contract from prestigious Venus Group to construct its residential housing project "Venus IVY" during the previous year and the same is in progress. The Company has also been awarded construction contract of residential housing scheme "SHASHWAT" from Nilsan Realty LLP and construction of sample unit, environment clearance and other approvals are in progress. Further, Company has been awarded contract for construction of mini township at Tragad, Ahmedabad from M/s. Adani Infrastructures & Developer Pvt. Ltd. Sample house and site office construction work is started at the site in full swing.

3c. Leasing Activities :

The Company possesses leasing right for 88,800 sq. fts. of constructed property in the prominent area of Ahmedabad and the same has been given on lease to various renowned corporate.

4. OPPORTUNITIES

The activities of NILA is mainly concentrated in Gujarat and more in the city of Ahmedabad, which provides tremendous growth prospects to the industries. Gujarat ranked 5th during the year in attracting FDI of more than \$1 billion. The capital value of residential properties in the city is still relatively affordable compared to other tier-II cities of the country. The strategic location, superior infrastructural facilities and strong governance along with huge investment inflow serve as a contributor for Ahmedabad's development and this drives investors and end users towards real property. Ahmedabad's residential market is expected to witness significant growth in the near future driven by the expanding job market and growing interest in this investment friendly city from both national as well as international players. Good roads, better infrastructure, proximity to transport links and upcoming real estate projects make Ahmedabad a popular realty destination. The city is still deprived of about 80,000 houses a year due to migration, industrial growth and many other reasons.

The city has great importance in the economy of Gujarat owing to the large concentration of economic activities their high growth rates and productivity. Ahmedabad accounts for 7% of the state's total population and around 20% of its urban population. As per the Socio-Economic & Land use Studies by Gujarat Infrastructure Development Board, the city is expected to grow at a moderate rate and stabilize by the year 2035 with a population of about 10 to 11 million. Development projects like Sabarmati river front by SRFDC, Dholera SIR, GIFT at Gandhinagar, BRTS Project along the Ahmedabad Corridor, Ahmedabad Gandhinagar Metro Rail are some of the developments which have provided ample opportunities to the developers. With the entry of number of automobile industry players in the state with considerable investment has catch the attention of multinational corporate towards the state to establish their hub within the state.

5. RISK AND CHALLENGES

There are many constraints affecting smooth functioning of this sector. 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 sector as well.

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, 2011 was ₹ 83.22 Crores which is ₹ 92.23 Crores as on 31st March, 2012 indicating increase of 10.83% in the net worth.

7.2 Earnings per Share (EPS) :

Basic and Diluted EPS after extraordinary items of the Company as on 31st March, 2011 was ₹ 0.55 and ₹ 0.46 respectively, both of which stands to ₹ 0.42 as on 31st March, 2012.

7.3 EBDITA and PBT :

During the year 2011-12 Company has Earning Before Interest, Depreciation and Tax amounting to ₹ 2,452.00 Lacs. After providing for interest of ₹ 567.11 Lacs and ₹ 77.87 Lacs depreciation, Profit before tax was ₹ 1,807.02 Lacs which was ₹ 1,726.68 Lacs during the year 2010-11. There is an increase of 4.65% in the profit before tax of the Company.

7.4 Cash & Cash equivalents as on 31st March, 2012 is ₹ 114.61 Lacs as against ₹ 451.47 Lacs as on 31st March, 2011.

CAUTIONARY STATEMENT:

Statement in 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 commitment to the values. The Company is committed to the best governance practices that create long term sustainable shareholder value. With the object of the Company to conduct its business in a highly professional manner and thereby enhance trust and confidence of all its stakeholders, the Company has devised a complete compliance of Corporate Governance norms.

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

2. BOARD OF DIRECTORS

2.1 Composition and size of the Board:

The Company has an optimum combination of Executive and Non Executive Directors. The Board consists of six Directors comprising of an Executive Chairman & Whole Time Director, two Non Executive Directors and three other Non Executive Independent Directors. The appointment of three Non Executive Independent Directors is in conformity with the provisions of Clause 49 of the Listing Agreement entered with the BSE by the Company. There are two Promoter Directors out of which one is Executive Director and the other one is Non Executive Director. There is no nominee Director on the Board. During the year Mr. J S Rana has been appointed as Non Executive Independent Director however he resigned from the Directorship w.e.f. 01-05-2012. The Composition of the Board before and after the resignation of Mr. J S Rana has been in conformity with the provisions of the Clause 49 of the Listing Agreement.

2.2 Directors' 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 Board or committees of Board are as under:

- (a) Shri Manoj Vadodaria is a commerce Graduate and self-made businessman. His induction into the business world was at a very early age. Manoj Vadodaria combated harsh realities and adversities of business life successfully. This experience culminated into maturity and fervour of a rare kind. The practical school of business has made him a financial wizard backed by his sharp business instincts. This unique blend has been a tremendous source of benefit to the Group in meeting financial challenges and carving out ambitious expansion plans.
- (b) Shri Kiran 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 and has been appointed as part time non executive director of United Bank of India. He is a member of Indian Newspaper Society [INS], Chairman of Gujarat Regional Committee-INS, President of Gujarat Daily Newspaper Association [GDNA], Member of National Integration Council of Government of India, and President of L.D. College of Engineering, Alumni Association.
- (c) Shri Dilip D. Patel possesses vast experience of management education, training and consultancy for more than 25 years. He is the founder faculty of S.P. Jain Institute of Management Research, Mumbai-one of the top 10 Business Schools in the country. He has consulted number of Indian and multinational companies and offered training to senior managers in leading companies. He has consulted family owned/managed companies on various issues including the interface of family with business. He is currently advisor to the Board of some companies in India and Overseas.
- (d) Shri Akhilesh Mehta is an MBA-Finance with 17 years of experience in Investment Banking and Financial Advisory with specialization in Equity Placement, international Finance and Joint Ventures. He is a Co-Founder and CMD of Captus Financial 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) Shri Hiren G. Pandit is enrolled as Advocate in the year 1981 and has been practicing since 1982 on Revenue as well as Civil Sides. He is President of Ahmedabad Revenue Bar Association from the year 1998 and Legal Advisor to various corporate groups of Ahmedabad like Ganesh Housing, Adani, Bink Builders, etc. He is looking after Company's revenue

and civil matters. He is also spokesman of Human Rights Commission of Gujarat. Besides, he is also secretary of GRT Bar Association from 2001.

- (f) Shri Shyamal S. Joshi is a fellow member of the Institute of Chartered Accountants of India and possesses rich experience in financial planning, funding, taxation and accounting and served numbers of renowned Companies. He is having expertise in Corporate Funding, Restructuring, Merger, Acquisition, Local & International Financing, Private Equity and many more. He possesses more than 38 years of senior level financial management experience in manufacturing and trading corporations.

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

Sr. No	Name of Director	Position	Attendance Particulars		No of Directorships in other Public Companies	Committee Memberships/ Chairmanships of other Companies
			Board Meeting	Last AGM		
1	*Manoj Vadodaria	Executive Chairman & Managing Director	12	Yes	1	1
2	*Kiran Vadodaria	Non Executive Director	12	Yes	2	-
3	**Dilip Patel	Non Executive Independent Director	5	No	1	1
4	**Akhilesh Mehta	Non Executive Independent Director	5	No	-	-
5	**Hiren Pandit	Non Executive Independent Director	10	No	-	-
6	**Shyamal Joshi	Non Executive Director	12	Yes	4	-

* Promoter Director; ** Non-Promoter Director

Details of the Board Meeting held during the year 2011-12

Date of Board Meeting	Board Strength	No. of Directors Present
27-04-2011	6	4
14-05-2011	6	6
11-06-2011	6	4
06-08-2011	6	6
15-09-2011	6	4
29-09-2011	6	4
22-10-2011	6	6
12-12-2011	6	4
28-12-2011	6	4
17-01-2012	6	4
11-02-2012	6	5
17-03-2012	6	5

Board and committee Meetings :

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

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

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

Declaration by the Managing Director :

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the senior management personnel and the same is available on the Company's website. I confirm that the Company has in respect of the financial year ended on 31st March, 2012, 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: 7th August, 2012

Manoj B. Vadodaria
Managing Director

2.3 Board Procedure :

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

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

3. AUDIT COMMITTEE

3.1 Composition of the Audit Committee:

The Audit Committee of the Company is comprised of three Directors of which two are Non Executive Independent Directors. Shri 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. Shri Akhilesh C. Mehta and Shri Kiran B. Vadodaria are the other two members of the Audit Committee. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

3.2 Powers of the Audit Committee :

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

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

3.3 Role of the Audit Committee :

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial informations to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:-
 - (a) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.



- (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors as regards any significant findings and follow up there on.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3.4 Review of information by Audit Committee :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall

be subject to review by the Audit Committee

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

Four Audit Committee meetings were held during the year on 14th May, 2011, 06th August, 2011, 22nd October, 2011 and 11th February, 2012. The time gap between the two Audit Committee meetings was not more than four months. The names of the members of the Audit Committee, and its Chairman and details of meetings attended by them are stated hereunder.

Name	Designation	No. of Meetings	
		Held	Attended
Dilip D. Patel	Chairman	4	4
Akhilesh C. Mehta	Member	4	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 the members of the Board.
6. Recommend induction of directors into various Committees.
7. Assist the Board in selecting, compensating, monitoring and when necessary replacing key executives and overseeing succession planning.
8. Review HR Policies and Initiatives.
9. Administer and supervise Employees' Stock Option Schemes.
10. Assist the Board in the implementation of the 'Policy on Prohibition of Insider Trading and Fraudulent and Unfair Trade Practices' adopted by the Board.

4.2 Composition of Committee and attendance of members :

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

4.3 Remuneration Policy :

(4) No ESOP for Promoter directors.

4.3a Executive Directors

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

4.3b Non-Executive Directors

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

Sr. No.	Name of Directors	Salary (₹)	Perquisites (₹)	Bonus/ Commission	Sitting fees (₹)	Total (₹)
1	Manoj B. Vadodaria	2400000	325643	-	-	2725643
2	Kiran B. Vadodaria	1200000	-	-	-	1200000
3	Dilip D. Patel	-	-	-	-	-
4	Akhilesh C. Mehta	-	-	-	5000	5000
5	Hiren G. Pandit	-	-	-	10000	10000
6	Shyamal S.Joshi	-	-	-	5000	5000

5 SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE

5.1 Constitution of the Committee :

The Share Transfer and Investors' 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 Term of reference of the committee :

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

- 5.3. Number of shareholders' complaints received during the year : 23

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
2008-09	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	30-05-2009	10.00 AM
2009-10	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	25-09-2010	10.00 AM
2010-11	1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad	10-09-2011	10.00 AM



6.2 Special Resolution passed at last 3 AGMs:

- a) 2008-09 : No special resolution was passed
- b) 2009-10 :
- To revise the remuneration of Shri Manoj B. Vadodaria
 - To appoint Shri Kiran B. Vadodaria as Joint Managing Director
 - To increase borrowing power of the Board of Directors upto Rs. 200 Crores.
- c) 2010-11: No special resolution was passed

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. 28 to the notes forming part of accounts are in compliance with the Accounting Standards relating to "Related Party Disclosures". There is no materially significant Related Party Transaction that may have potential conflict with the interest of the Company at large.

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

7.2 Statutory Compliances, penalties and Strictures :

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

7.3 Code of Conduct :

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

7.4 Listing Agreement Compliances :

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

7.5 Risk Management :

Business risk management and management of affairs is an ongoing process within the Company. The Audit Committee, Risk Management Team and

the Board of directors regularly review the risk management policy and procedures. The Company is in the process of setting up a system to appraise the Board of Directors of the Company on the key risk assessment areas and suggestive risk mitigation mechanism.

8. MEANS OF COMMUNICATION

8.1 Quarterly Results:

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

8.2 Website of the Company : www.nilainfra.com

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

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

9 GENERAL SHAREHOLDER INFORMATION

9.1 Day, Date, time and venue of the 22nd Annual General Meeting :

Day : Saturday
Date : 15th September, 2012
Time : 10:00 am
Venue : 1st Floor, "Sambhaav House",
Opp: Chief Justice's Bungalow,
Bodakdev, Ahmedabad-380015.

9.2 Financial Year : 1st April to 31st March

9.3 Financial Calendar : Tentative and subject to change for the financial year 2012-2013

Quarter Ending	Release of Results
30-06-2012	Mid of August, 2012
30-09-2012	Mid of November, 2012
31-12-2012	Mid of February, 2013
31-03-2013	Mid of May, 2013

9.4 Date of Book Closure : from 11th September, 2012 to 15th September, 2012 [both days inclusive]

9.5 Dividend : The Board of Directors have recommended dividend of ₹ 0.10 per share (10 %) for the financial year 2011-12

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 2012-13 has been paid by the Company to BSE

9.6a Stock Code: **530377**

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

9.7 Market Price Data :

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

Month	Company			BSE	
	High (₹)	Low (₹)	Volume (Nos.)	BSE Sensex High	BSE Sensex Low
April 2011	3.54	2.07	1820842	19811.14	18976.19
May 2011	2.90	2.25	903697	19253.87	17786.13
June 2011	2.45	2.00	772975	18873.39	17314.38
July 2011	2.39	1.95	1840191	19131.70	18131.86
August 2011	2.16	1.60	1026344	18440.07	15765.53
September 2011	2.00	1.64	771464	17211.80	15801.01
October 2011	2.16	1.77	862930	17908.13	15745.43
November 2011	2.10	1.55	793537	17702.26	15478.69
December 2011	1.83	1.50	480518	17003.71	15135.86
January 2012	1.97	1.50	504303	17258.97	15358.02
February 2012	2.59	1.52	2144381	18523.78	17061.55
March 2012	3.04	1.75	2450959	18040.69	16920.61

9.8 Distribution of share holding as on 31-03-2012 :

Shareholding of nominal value of	Number of Shares		Number of Holders	
in ₹	Nos	% of total	Nos	% of total
Upto 500	864916	0.29	2906	20.24
501 - 1000	5180795	1.75	5276	36.76
1001 - 2000	3786061	1.28	2029	14.13
2001 - 3000	2505264	0.85	885	6.16
3001 - 4000	1614288	0.55	417	2.91
4001 - 5000	4572420	1.55	921	6.42
5001 - 10000	8079859	2.74	980	6.83
10001 - 50000	16156516	5.47	729	5.08
50001 - 100000	8198004	2.78	112	0.78
100001 and Above	244268077	82.74	99	0.69
Total	295226200	100	14354	100



9.9 Shareholding Pattern as on 31-03-2012 :

Category	No. of shares held	% of total share capital
Promoters' Holding	22,13,09,687	74.96
Public Holding		
<u>Institutions</u>	1,33,900	0.05
<u>Non Institutions</u>		
Bodies Corporate	88,55,431	3.00
Individuals	6,01,31,744	20.36
HUF	22,32,922	0.76
Non Resident Indians	25,62,516	0.87
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 March 31, 2012, 93.13 % of the paid up share capital has been dematerialized. For those shareholders who hold the shares in physical form may contact Depository Participant

9.11 The Company has no outstanding GDR/ADR/Warrants or any convertible instrument.

9.12 Address for Correspondence :

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

The Company Secretary
Nila Infrastructures Ltd
1st Floor, "Sambhaav House",
Opp: Chief Justice's Bungalow,
Bodakdev, Ahmedabad-380015
Email: secretarial@nilainfra.com
Fax: +91 79 30126371
Phone: +91 79 40036817

10 SECRETARIAL AUDIT FOR CAPITAL RECONCILIATION

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

11 SECRETARIAL AUDIT REPORT FOR COMPLIANCES

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members,

Nila Infrastructures Limited.

In accordance with Clause 49 of the listing Agreement entered into by Nila Infrastructures Limited ("the Company") with the Bombay Stock Exchange Limited, 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, 2012.

It is responsibility of the Company to prepare and maintain the relevant necessary record under the SEBI guidelines, Listing Agreement and other applicable 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, Company for the Purpose of this certificate and to the best of our information, the Company has complied with all the mandatory requirements of the said clause 49 of the Listing Agreement.

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Regd No: 112633W

O. P. Bhandari

Proprietor

Membership No. 34409

Place: Ahmedabad

Date: 7th August, 2012



CEO AND CFO CERTIFICATION

We, Manoj B Vadodaria Chairman & Managing Director and Prashant H. Sarkhedi, Chief Finance Officer responsible for the finance function of the company certify that:

- a)** We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge and belief:
 - (i)** These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (ii)** These statements together present a true and fair view of the Company's affairs and are in compliances with existing Accounting standards, applicable laws & regulations.
- (b)** To the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- (c)** We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed deficiencies to the auditors and audit committee.
- (d)** We have indicates 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 been disclosed in the notes to the financial statements; and
 - (III)** Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Manoj B. Vadodaria
Chairman & Managing Director

Place: Ahmedabad
Date: 7th August, 2012

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, 2012 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 Nila Infrastructures Limited for the financial year ended on 31st March, 2012 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, 1997;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) 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 duplicate 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 thereunder.

2. I 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 dematerialize 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 maintenance of records required 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 Secretary
Membership No. 3126
C P No 2118

Place: Ahmedabad
Date: 7th August, 2012

AUDITORS' REPORT

To,

The Members,

Nila Infrastructures Limited

1. We have audited the attached Balance Sheet of Nila Infrastructures Limited as at 31st March, 2012 and also the statement of Profit and Loss and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that;
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, the statement of Profit & 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, the statement of Profit & Loss and Cash Flow Statement dealt with by the report compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956;
- e. On the basis of written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii. in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For, O. P. Bhandari & Co.

Chartered Accountants
Firm Regd. No. 112633W

O. P. Bhandari

Proprietor
Membership No. 34409

Place: Ahmedabad
Date: 7th August, 2012



ANNEXURE TO THE AUDITOR'S REPORT

- | | |
|--|---|
| <p>i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The fixed assests 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.</p> <p>(c) During the year Company has not disposed off a substantial part of fixed assets, which could affect its continuation as a going concern.</p> | <p>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, 1956 have been entered in the register required to be maintained under that section.</p> <p>(b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of ₹ 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.</p> |
| <p>ii. (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.</p> <p>(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.</p> <p>(c) The Company is maintaining proper records of inventory and no discrepancies were noticed on verification between the physical stock and book records.</p> | <p>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.</p> |
| <p>iii. (a) The Company has not taken any loans, secured or unsecured, from Companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.</p> <p>(b) The Company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956.</p> | <p>vii. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.</p> |
| <p>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.</p> | <p>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, 1956, 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.</p> <p>ix. According to the information & explanations given to us in respect of statutory and other dues:</p> <p>(a) The Company is generally regular in depositing undisputed statutory dues with the appropriate authorities.</p> <p>(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,</p> |

- 2012 for the period more than six months from the date they become payable.
- (c) According to the information and explanations given to us, no amount of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax or Cess is outstanding on account of any dispute as at 31st March, 2012.
- x.** The Company has no accumulated losses as at 31st March, 2012. 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, 1956 during the year ended on 31st March, 2012.
- 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
Proprietor
Membership No. 34409

Place: Ahmedabad
Date: 7th August, 2012



BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	Note	As at 31st March, 2012	As at 31st March, 2011
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	3	29,52,26,200	29,52,26,200
Reserves and Surplus	4	62,71,30,468	53,69,96,301
		92,23,56,668	83,22,22,501
Non-Current Liabilities			
Long-term Borrowings	5	26,53,50,825	40,47,15,261
Deferred Tax Liabilities (Net)	6	9,07,285	-
Other Long-term Liabilities	7	1,18,60,826	1,33,19,728
Long-term Provisions	8	19,27,403	20,36,243
		28,00,46,339	42,00,71,232
Current Liabilities			
Short-term Borrowings	9	12,90,00,000	5,74,45,934
Trade Payables	10	14,06,20,975	3,38,79,509
Other Current Liabilities	10	11,38,66,240	9,02,04,960
Short-term Provisions	8	8,50,82,218	6,61,28,355
		46,85,69,433	24,76,58,758
TOTAL		1,67,09,72,440	1,49,99,52,491
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	11	31,33,00,863	31,43,36,611
- Intangible Assets	11	9,57,845	-
- Capital Work-in-Progress	11	-	34,09,734
- Intangible Assets under development	11	-	12,32,999
Non-Current Investments	12	84,43,343	77,65,564
Deferred Tax Assets (Net)	6	-	2,04,199
Long-term Loans and Advances	13	8,45,88,677	6,77,59,518
Other Non-Current Assets	14	41,58,443	2,11,01,695
		41,14,49,171	41,58,10,320
Current Assets			
Inventories	15	54,04,17,257	29,47,91,413
Trade Receivables	14	13,46,54,162	7,56,24,881
Cash and Bank Balances	16	1,35,02,340	4,61,39,620
Short-term Loans and Advances	13	57,09,49,510	66,75,86,257
		1,25,95,23,269	1,08,41,42,171
TOTAL		1,67,09,72,440	1,49,99,52,491
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

Proprietor

Membership No. : 34409

Place : Ahmedabad

Date : 7th August, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria
Managing Director

Prashant H. Sarkhedi
Chief Finance Officer

Kiran B. Vadodaria
Joint Managing Director

Dipen Y. Parikh
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Particulars	Note	For the year ended 31st March, 2012	For the year ended 31st March, 2011
INCOME			
Revenue from Operation	17	86,54,89,965	86,04,02,060
Other Income	18	4,07,05,770	5,05,03,729
Total Revenue		90,61,95,735	91,09,05,789
EXPENDITURE			
Project Expenses	19	87,56,07,336	80,19,81,115
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	20	(24,56,25,844)	(14,94,31,603)
Employee Benefits Expense	21	1,74,84,747	1,74,05,937
Finance Cost	23	5,67,10,633	4,48,56,594
Depreciation and Amortization Expense	11	77,86,611	72,21,286
Other Expenses	22	1,35,30,514	1,62,04,048
Total Expenditure		72,54,93,997	73,82,37,377
Profit Before Tax		18,07,01,738	17,26,68,412
Tax Expenses			
Current Tax		5,51,44,012	4,03,13,445
Deferred Tax	31	11,11,484	(23,98,753)
Total Tax Expenses		5,62,55,496	3,79,14,692
Profit After Tax		12,44,46,242	13,47,53,720
Earnings Per Equity Share (EPS) (Face Value of Share ₹ 1 each)	30		
Basic		0.42	0.55
Diluted		0.42	0.46
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

Proprietor

Membership No. : 34409

Place : Ahmedabad

Date : 7th August, 2012

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Manoj B. Vadodaria

Managing Director

Kiran B. Vadodaria

Joint Managing Director

Prashant H. Sarkhedi

Chief Finance Officer

Dipen Y. Parikh

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in ₹)

Particulars	For the year ended on 31st March, 2012	For the year ended on 31st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
(a) Profit Before Tax	18,07,01,738	17,26,68,412
(b) Adjustments		
Add : Expenses		
i) Depreciation	77,86,611	72,21,286
ii) Interest and Finance Charges	5,55,60,275	4,47,07,363
iii) Provision for Gratuity	1,77,908	1,47,957
iv) Provision for Leave encashment	(23,125)	3,17,582
v) Bonus Payable	3,37,596	4,10,741
vi) Loss on Sale of Vehicles	-	1,09,137
vii) Sundry Balances Written Off	-	1,15,979
viii) Assets Discarded / Disposed off	-	32,596
ix) Prior Period Expense	-	1,64,000
	6,38,39,265	5,32,26,641
Less : Income		
i) Profit on Sale of Assets / Investment	45,88,982	83,51,495
ii) Share of Profit from Joint Ventures	29,44,077	38,06,791
iii) Rent Income	403,116	3,47,836
iv) Interest Income	-	3,19,58,743
v) Excess Provision Written Back	1,07,499	78,636
vi) Sundry Creditors Written Back	11,06,054	20,84,204
vii) Dividend	28,446	6,255
viii) Other Income	-	39,26,760
	91,78,174	5,05,60,720
Operating Profit Before Working Capital Changes	23,53,62,829	17,53,34,333
(c) Adjustment for (increase) / decrease		
i) Trade Receivables	(5,90,29,281)	5,72,65,827
ii) Inventories	(24,56,25,843)	(14,94,31,603)
iii) Loans & Advances	10,67,01,525	(32,51,75,423)
	(19,79,53,599)	(41,73,41,199)
(d) Trade and Other Payables increase/(decrease)	7,95,87,640	(1,31,33,905)
Cash Flow before Taxes and Prior Period Expenses	11,69,96,870	(25,51,40,771)
(e) Less :		
i) Taxes Paid	(3,14,58,026)	(3,17,16,318)
ii) Prior Period Expenses	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	8,55,38,844	(28,70,21,089)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in ₹)				
Particulars	For the year ended on 31st March, 2012		For the year ended on 31st March, 2011	
B CASH FLOW FROM INVESTING ACTIVITIES				
(a) Purchase of Fixed Assets	(78,28,331)		(77,60,688)	
(b) Sale/Adjustment of Fixed Assets	60,99,876		4,34,018	
(c) Purchase of Investments	-		(4,00,000)	
(d) Sale of Investments	55,17,761		4,95,38,240	
(e) Rent Income	4,03,116		3,47,836	
(f) Interest Income	-		3,19,58,743	
(g) Dividend Received	28,446		39,26,760	
(h) Other income	-		6,255	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		42,20,868		7,80,51,164
C CASH FLOW FROM FINANCING ACTIVITIES				
(Repayment of) / proceed from Long Term borrowings	(3,35,73,083)		23,89,27,904	
Interest and Finance Charges	(5,55,60,275)		(43,405,042)	
Payment of Dividend and Dividend Distribution Tax	(34,312,948)		(3,45,40,285)	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(12,34,46,306)		16,09,82,577
Net Changes in Cash and Cash Equivalents (A+B+C)		(3,36,86,594)		(4,79,87,348)
Cash and Cash Equivalents at the begining of the year		4,51,47,175		9,31,34,522
Cash and Cash Equivalents at the end of the year		1,14,60,581		4,51,47,175

Notes :

- 1 Cash flow is prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on 'Cash Flow Statement'.
- 2 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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

O. P. Bhandari

Proprietor

Membership No. : 34409

Place : Ahmedabad

Date : 7th August, 2012

Manoj B. Vadodaria

Managing Director

Kiran B. Vadodaria

Joint Managing Director

Prashant H. Sarkhedi

Chief Finance Officer

Dipen Y. Parikh

Company Secretary



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. Corporate Information

Nila Infrastructures Limited 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:

(i). Tangible Assets

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

(ii). Intangible Assets

All Intangible Assets are initially measured at cost and amortized so as to reflect the pattern in which the assets economic benefits are consumed.

d) Depreciation:

Company has provided depreciation at the rates and in the manner laid down in Schedule XIV to the

Companies Act, 1956 as per "Straight Line Method" in respect of all the fixed assets.

e) Investments:

Investments are classified into 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 the 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 benefit in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the 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 forward 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 confirming 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 applicable 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 property in the goods has transferred to the buyer 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. Geographically 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, 2012

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
3. Share Capital		
Authorised Share Capital 35,00,00,000 (Previous Year 35,00,00,000) Equity shares of ₹ 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 ₹ 1/- each fully paid	29,52,26,200	29,52,26,200
Total Issued, Subscribed and Paid-up Capital	29,52,26,200	29,52,26,200

a. Reconcillation of number of shares

	As At 31st March, 2012		As At 31st March, 2011	
	Numbers	Amount in ₹	Numbers	Amount in ₹
Number of shares outstanding at the beginning of the year	29,52,26,200	29,52,26,200	12,32,26,200	12,32,26,200
Addition / Deduction during the year	-	-	17,20,00,000	17,20,00,000
Number of shares outstanding 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 ₹ 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

	As At 31st March, 2012		As At 31st March, 2011	
	Number of Shares	% holding	Number of Shares	% holding
Equity shares of ₹ 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	3,45,00,000	11.69	3,45,00,000	11.69
Mr. Kiran B. Vadodaria	3,18,58,100	10.79	3,18,58,100	10.79
Mr. Deep S. Vadodaria	2,27,23,608	7.70	2,27,23,608	7.70

d. Out of above, 17,20,00,000 (Previous Year 17,20,00,000) equity share of ₹ 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 31st March, 2012	As at 31st March, 2011
Security Premium Account		
Security Premium		
As per last Balance sheet securities premium	6,14,33,500	6,14,33,500
Addition during the year	-	-
Less : Utilisation during the year	-	-
Closing Balance (i)	6,14,33,500	6,14,33,500
Security Premium arised on Amalgamation		
As per last Balance sheet securities premium on amalgamation	20,64,00,000	-
Addition during the year	-	20,64,00,000
Less : Utilisation during the year	-	-
Closing Balance (ii)	20,64,00,000	20,64,00,000
Total Security Premium Account - (A) = (i+ii)	26,78,33,500	26,78,33,500
General Reserve		
Balance as per last Financial Statements	2,24,76,690	1,24,76,690
Add: amount transferred from surplus in the statement of Profit and Loss	1,00,00,000	1,00,00,000
Closing Balance - General Reserve - (B)	3,24,76,690	2,24,76,690
Surplus in the statement of Profit and Loss		
Balance as per last Financial Statements	24,66,86,111	15,62,44,466
Profit for the year	12,44,46,242	13,47,53,720
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	(47,89,455)	(47,89,455)
Transfer to General Reserve	(1,00,00,000)	(1,00,00,000)
Net Surplus in the statement of Profit and Loss - (C)	32,68,20,278	24,66,86,111
Total Reserves and Surplus = (A) + (B) + (C)	62,71,30,468	53,69,96,301



5. Long-term Borrowings

(Amount in ₹)

Particulars	Non-current portion		Current portion	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
(a) Secured Loans (refer note below)				
Indian rupee loan from				
- Banks	6,35,31,398	4,64,58,325	1,71,75,576	59,63,562
- Financial Institutions	12,82,27,478	5,90,51,334	5,07,42,605	1,29,84,956
Vehicle loans from				
- Banks	-	56,359	-	8,97,646
- Financial Institutions	1,44,852	9,15,238	7,70,383	7,98,587
(b) Unsecured Loans				
Indian Rupee Loan from				
- Financial Institutions	7,34,47,097	4,82,34,005	1,58,52,101	1,91,62,113
- Others	-	25,00,00,000	-	-
Total Long Term Borrowings	26,53,50,825	40,47,15,261	8,45,40,665	3,98,06,864
The above amount includes				
Secured Borrowings	19,19,03,728	10,64,81,256	6,86,88,564	2,06,44,751
Unsecured Borrowings	7,34,47,097	29,82,34,005	1,58,52,101	1,91,62,113
Amount disclosed under the head "Other Current Liabilities" (refer note no. 10)			(8,45,40,665)	(3,98,06,864)
Total Long Term Non-current Borrowings	26,53,50,825	40,47,15,261	-	-

	Nature of Security	Terms of Repayment
i.	Term loan amounting to ₹ 2,10,39,874/- (P.Y. ₹ Nil) 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 & 7th, 8(a-1), 8(a-2), 8(a-3) & 8(b) 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 54 Equated Monthly Installments commencing from October 2011. Last Instalment due in March 2016. Rate of Interest 12.75% (P.Y. N.A.) as at year end.
ii.	Term loan amounting to ₹ 2,60,83,402/- (P.Y. ₹ Nil) 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 & 7th, 8(a-1), 8(a-2), 8(a-3) & 8(b) 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 12.75% (P.Y. N.A.) as at year end.

	Nature of Security	Terms of Repayment
iii.	Dropped Down Overdraft amounting to ₹ 3,35,83,698/- (P.Y. ₹ Nil) 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 & 7th, 8(a-1), 8(a-2), 8(a-3) & 8(b) 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	The limit disbursed will be reduced in 60 equal installments commencing from November 2011. Last Instalment due in October 2016. Rate of Interest 12.75% (P.Y. N.A.) as at year end.
iv.	Term Loan amounting to ₹ Nil (P.Y. ₹ 2,38,88,695/-) is secured by way of hypothecation of lease rent receivables for 2nd to 9th Floor of Sambhaav House, Bodakdev, Ahmedabad, 2nd Charge over properties situated at 2nd to 9th Floor inclusive of all wings situated at Sambhaav House, Bodakdev, Ahmedabad and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Kiran Vadodaria & Mrs. Nilaben Vadodaria	Repayable in 87 equated monthly installments commencing from March 2008. Last Instalment due in June 2015. Rate of Interest N.A. (P.Y. 14.50%) as at the year end.
v.	Term Loan amounting to ₹ Nil (P.Y. ₹ 1,89,68,353/-) is secured by way of hypothecation of lease rent receivables for 2nd to 9th Floor of Sambhaav House, Bodakdev, Ahmedabad, 2nd Charge over properties situated at 2nd to 9th Floor inclusive of all wings situated at Sambhaav House, Bodakdev, Ahmedabad and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Kiran Vadodaria & Mrs. Nilaben Vadodaria	Repayable in 96 equated monthly installments commencing from July 2009. Last Instalment due in July 2017. Rate of Interest N.A. (P.Y. 14.50%) as at the year end.
vi.	Term Loan amounting to ₹ Nil (P.Y. ₹ 95,64,839/-) is secured by way of hypothecation of lease rent receivables for 2nd to 9th Floor of Sambhaav House, Bodakdev, Ahmedabad, 2nd Charge over properties situated at 2nd to 9th Floor inclusive of all wings situated at Sambhaav House, Bodakdev, Ahmedabad and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Kiran Vadodaria & Mrs. Nilaben Vadodaria	Repayable in 96 equated monthly installments commencing from September 2009. Last Instalment due in September 2017. Rate of Interest N.A. (P.Y. 14.50%) as at the year end.
vii.	Term Loan amounting to ₹ 2,99,41,535/- (P.Y. ₹ Nil) 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 17% (P.Y. N.A.) as at year end.
viii.	Term Loan amounting to ₹ 9,82,85,943/- (P.Y. ₹ Nil) 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 86,317 Sq. Ft. situated at Taluka City, Mouje Makarba, District and Sub-District of Ahmedabad-4 (Paldi), Lien of 65 flats aggregating to 98,325 Sq. Ft. in the project "Atuulyam" and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria	Repayable in 48 months or upto completion of the project commencing from September 2011. Rate of Interest 17% (P.Y. N.A.) as at year end.



	Nature of Security	Terms of Repayment
ix.	Term Loan amounting to ₹ Nil (P.Y. ₹ 1,29,84,956/-) is secured by way of Equitable mortgage of land admeasuring 1,26,624 sq. fts. located at Revenue Survey no. 764 paiki, 768/1 and 768/2 village Vejalpur, Ahmedabad along with existing construction thereon, both present and future, Equitable mortgage of land admeasuring 62,354 sq. fts. situated at Final Plot no. 48/2 of T.P.S. no. 84/A, Village: Makarba, Ta.: Daskroi, Dist. Ahmedabad alongwith existing construction thereon, both present and future, Lien on 117 flats aggregating to 1,30,221 sq. fts. in the project – "Asmaakam" and Personal Guarantee of Mr. Manoj Vadodaria, Mr. Shailesh Vadodaria and Mr. Kiran Vadodaria	Repayable in 36 months or upto completion of the project commencing from February 2010. Rate of Interest N.A. (P.Y. 16.50%) as at year end.
x.	Term Loan amounting to ₹ 2,93,26,611/- (P.Y. ₹ 3,45,37,415) is secured by way of Equitable Mortgage of land admeasuring 29,633 Sq. Ft. of the project Anvayaa located at Revenue Survey No.16/2/3, 16/11,16/16, 16/20 & 16/22 situated at Mouje Makarba, Ahmedabad, Lien of 28 flats aggregating to 51,660 Sq. Ft. in the project "Anvayaa" and personal guarantee of Mr. Manoj Vadodaria, Mr. Kiran Vadodaria & Mr. Shailesh Vadodaria	Repayable in 36 months or upto completion of the project commencing from February 2010. Rate of Interest 17% (P.Y.16%) as at year end.
xi	Term Loan amounting to ₹ 2,14,15,994/- (P.Y. ₹ 2,45,13,919) is secured by way of Equitable Mortgage of land admeasuring 28,320 Sq. Ft. of the project Anaahata located at Revenue Survey No.16/5& 16/14 situated at Mouje Makarba, Ahmedabad and Lien of 25 flats aggregating to 30,825 Sq. Ft. in the project "Anaahata" and personal guarantee of Mr. Manoj Vadodaria, Mr. Kiran Vadodaria & Mr. Shailesh Vadodaria	Repayable in 36 months or upto completion of the project commencing from March 2010. Rate of Interest 17% (P.Y. 16%) as at year end.
xii	Term Loan amounting to ₹ 4,23,886/- (P.Y. ₹ 6,72,477/-) is secured by way of vehicles 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.
xiii	Term Loan amounting to ₹ 3,28,429/- (P.Y. ₹ 7,30,500/-) is secured by way of vehicles financed by them	Repayable in 36 Equated Monthly Installments commencing from January 2010. Last Instalment due in December 2012. Rate of Interest 12% (P.Y. 12%) as at year end.
xiv	Term Loan amounting to ₹ 1,62,921/- (P.Y. ₹ 3,10,847/-) is secured by way of vehicles financed by them	Repayable in 36 Equated Monthly Installments commencing from April 2010. Last Instalment due in March 2013. Rate of Interest 12% (P.Y. 12%) as at year end.
xv	Term Loan amounting to ₹ Nil (P.Y. ₹ 5,74,321/-) is secured by way of vehicles financed by them	Repayable in 36 Equated Monthly Installments commencing from July 2009. Last Instalment due in June 12. Rate of Interest N. A. (P.Y. 12 %) as at year end.
xvi	Term Loan amounting to ₹ Nil (P.Y. ₹ 98,365/-) is secured by way of vehicles financed by them	Repayable in 36 Equated Monthly Installments commencing from June 2009. Last Instalment due in May 2012. Rate of Interest N.A. (P.Y. 12%) as at year end.
xvii	Term Loan amounting to ₹ Nil (P.Y. ₹ 2,81,364/-) is secured by way of vehicles financed by them	Repayable in 36 Equated Monthly Installments commencing from October 2009. Last Instalment due in September 2012. Rate of Interest N.A. (P.Y. 12%) 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% as at year end.

6. Deferred Tax Liabilities / (Assets) Net

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liabilities		
Impact of difference between tax depreciation and depreciation charged for the financial reporting	26,66,200	22,66,747
Gross Deferred Tax Liabilities	26,66,200	22,66,747
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss for the current year but allowed for tax purpose on payment basis	8,20,411	8,31,730
Amalgamation Expense	9,38,504	16,39,216
Gross Deferred Tax Assets	17,58,915	24,70,946
Net Deferred Tax Liabilities / (Assets)	9,07,285	(2,04,199)

7. Other Long-term Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Security Deposits	97,72,398	1,09,72,398
Trade Deposits	20,88,428	23,47,330
Total Other Long-term Liabilities	1,18,60,826	1,33,19,728

8. Provisions

(Amount in ₹)

Particulars	Long-term		Short-term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for Employee Benefits				
Provision for Gratuity	13,78,080	12,80,687	80,515	-
Provision for Leave Benefits	5,49,323	7,55,556	1,83,108	-
Total Provision for Employee Benefits	19,27,403	20,36,243	2,63,623	-
Other Provisions				
Provision for Income tax	-	-	5,04,65,000	3,17,78,200
Proposed Equity Dividend	-	-	2,95,22,620	2,95,22,620
Provision for tax on proposed Equity Dividend	-	-	47,89,455	47,89,455
Provision for Wealth tax	-	-	41,520	38,080
Total Other Provisions	-	-	8,48,18,595	6,61,28,355
Total Provisions	19,27,403	20,36,243	8,50,82,218	6,61,28,355



9. Short-term Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Cash-credit from Banks*	-	4,44,83,415
Overdraft facility from Banks*	-	1,29,62,519
Inter-Corporate Deposit repayable on demand	12,90,00,000	-
Total Short-term Borrowings	12,90,00,000	5,74,45,934
The above amount includes		
- Secured Borrowings	-	5,74,45,934
- Unsecured Borrowings	12,90,00,000	-
Total Short-term Borrowings	12,90,00,000	5,74,45,934

* Nature of Securities for Short Term Borrowings

- Cash Credit from the Bank ₹ Nil (P.Y. ₹ 4,44,83,415/-) is secured against the hypothecation of Stock, book debts and all other current assets of the company, registered Mortgage of open land situated at mouje Ranip Taluka City and Registration District Sub District at Ahmedabad-4 (Paldi) land revenue survey no. 224/1/1 paiki eastern side land admeasuring 9,150 Sq. Mtrs. Out of total admeasuring 19,155 Sq. Mtrs. and Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria
- Overdraft facility from Bank ₹ Nil (P.Y. ₹ 1,29,62,519/-) is secured against the Fixed Deposit of ₹ 1,50,00,000

10. Other Current Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade payables (refer note no. 32)	14,06,20,975	3,38,79,509
Other Liabilities		
Current maturities of Long-term Borrowings (refer note no. 5)		
- Term Loans	8,37,70,282	3,81,10,631
- Vehicle Loans	7,70,383	16,96,233
Interest accrued but not due on Borrowings	9,82,667	24,79,181
Advances from Customers	1,50,98,176	2,82,53,361
Statutory obligations	17,40,019	14,08,095
Employee obligations	3,37,596	4,10,741
Unclaimed Dividend ⁽¹⁾	20,36,379	9,92,445
Others	91,30,738	1,68,54,273
Total Other Liabilities	11,38,66,240	9,02,04,960
Total Other Current Liabilities	25,44,87,215	12,40,84,469

⁽¹⁾ There is no amount due and outstanding to be credited to Investor education and protection fund as at 31st March, 2012.

(Amount in ₹)

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12. Non-current investments

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Non-trade investments		
(valued at cost unless stated otherwise)		
Investment in equity instruments (quoted)		
Nil (Previous Year: 1,000) Equity shares of Balmer Lawrie & co. Ltd. of ₹10/- each fully paid.	-	2,35,150
Nil (Previous Year: 1,724) Equity shares of HDFC Bank Ltd. of ₹ 10/- each fully paid.	-	16,68,573
Nil (Previous Year: 6,000) Equity shares of Kanoria Chemicals Industries Ltd. of ₹ 5/- each fully paid.	-	90,600
Nil (Previous Year: 1,000) Equity shares of Mcdowell Holdings Ltd. of ₹ 10/- each fully paid.	-	35,850
22,760 (Previous Year: 75,000) Equity shares of Morepen Laboratories Ltd. of ₹ 2/- each fully paid.	1,02,875	3,39,000
50,000 (Previous Year: 50,000) Equity shares of Visu International Ltd. of ₹ 10/- each fully paid.	1,74,500	1,74,500
	2,77,375	25,43,673
Investment in equity instruments (unquoted)		
101 (Previous Year: 101) Equity shares of Saraspur Nagrik Co-Op Bank Ltd. of ₹100/- each fully paid.	10,100	10,100
100 (Previous Year: 100) Equity shares of United Co-Op. Bank Ltd. of ₹ 50/- each fully paid.	5,000	5,000
	15,100	15,100
Investment in Associates		
Shree Matangi Projects LLP	73,43,799	42,06,791
Nilsan Realty LLP	8,07,069	10,00,000
	81,50,868	52,06,791
Total of Non-Current Investments	84,43,343	77,65,564
	Book value as at	
Particulars	31st March, 2012	31st March, 2011
Aggregate book value of quoted investment	2,77,375	25,43,673
Aggregate book value of unquoted investment	81,65,968	52,21,891
Total of Non-Current Investments	84,43,343	77,65,564
Aggregate market value of quoted investment	1,54,739	53,99,396

13. Loans and Advances

(Amount in ₹)

Particulars	Non-current portion		Current portion	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Security Deposit	43,72,927	59,59,518	1,86,49,718	3,66,47,428
Loans and Advances to Related Parties	8,02,15,750	6,18,00,000	6,11,95,356	8,14,81,627
Advances recoverable in cash or kind - unsecured	-	-	21,54,54,242	15,75,69,339
Other Loans and Advances				
Advance tax	-	-	2,63,88,888	2,91,96,038
Prepaid Expenses	-	-	4,33,888	4,94,412
Other Advances	-	-	24,71,69,980	35,89,89,495
Loans to Employees	-	-	1,61,500	41,702
MAT credit entitlement	-	-	1,82,220	23,24,123
Balance with Government Authorities	-	-	13,13,718	8,42,093
Total Other Loans and Advances	-	-	27,56,50,194	39,18,87,863
Total Loans and Advances	8,45,88,677	6,77,59,518	57,09,49,510	66,75,86,257
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. 28)	8,02,15,750	6,18,00,000	6,11,95,356	8,14,81,627
Other Advances includes Dues from the Executive Director towards Purchase of Land Development Rights (refer note no. 28)	-	-	6,10,00,000	-
Total Loans and Advances to Related Parties	8,02,15,750	6,18,00,000	12,21,95,356	8,14,81,627

14. Trade receivables and Other Assets

14.1 Trade receivables

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for the payment	2,59,04,114	1,80,78,516
Other Receivables	10,87,50,048	5,75,46,365
Total Trade Receivables	13,46,54,162	7,56,24,881
Trade Receivable include:		
Dues from the Limited Liability Partnerships in which the Company is having more than 20% share of Contribution.	8,54,672	45,72,256
Total Trade Receivables from Related Parties	8,54,672	45,72,256



14.2 Other Non Current Assets

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Unsecured, Consider good unless stated otherwise		
Margin money deposits with banks (refer note no. 16)	40,00,000	2,09,12,200
Interest accrued on Fixed Deposits	1,58,443	1,89,495
Total Other Asset	41,58,443	2,11,01,695

15. Inventories

(Amount in ₹)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Construction Material on hand	13,57,653	29,68,990
Work-In-Progress	31,01,67,019	26,63,50,772
Land	22,88,92,585	2,54,71,651
Total Inventories	54,04,17,257	29,47,91,413

16. Cash and Bank Balances

(Amount in ₹)

Particulars	Non-current portion		Current portion	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Cash and Cash Equivalents				
Cash on hand			2,16,447	64,352
Balance with Banks:				
In Current Accounts			1,12,44,134	4,50,82,823
Total of Cash and Cash Equivalents			1,14,60,581	4,51,47,175
Other Bank Balances				
Deposits with original maturity for more than 12 months	-	1,70,17,544	-	-
Margin Money Deposits	40,00,000	38,94,656	-	-
Unpaid Dividend Account	-	-	20,41,759	9,92,445
	40,00,000	2,09,12,200	20,41,759	9,92,445
Amount disclosed under Non-Current Assets (refer note no. 14.2)	(40,00,000)	(2,09,12,200)	-	-
Total Cash and Bank Balances	-	-	1,35,02,340	4,61,39,620

17. Revenue from Operations

(Amount in ₹)

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Revenue from Operations		
Residential Project Activity	21,37,28,925	39,30,79,698
Infrastructure Project Activity	38,36,34,055	37,01,72,397
Trading Activity	24,74,04,000	7,50,00,000
Lease Rental	2,07,22,985	2,21,49,965
Total Revenue from Operations	86,54,89,965	86,04,02,060

18. Other Income

(Amount in ₹)

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Interest Income		
- on Bank Deposits	6,76,447	7,59,349
- from Others	3,05,63,824	3,11,99,394
Excess provision Written Back	1,07,499	78,636
Sundry balance Written Back	11,06,054	20,84,204
Rent Income	4,03,116	3,47,836
Dividend income on Long-term Investments	28,446	39,26,760
Share of Profit / (Loss) from LLP	29,44,077	38,06,791
Profit on Sale of Share	32,51,461	83,51,495
Surplus on Sale of Assets	13,37,522	(1,09,137)
Miscellaneous Income	2,87,324	58,401
Total Other Income	4,07,05,770	5,05,03,729

19. Project Expenses

(Amount in ₹)

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Purchases Land / Land Development rights	30,39,18,046	30,96,40,319
Purchases of Construction Materials	16,72,37,761	31,26,23,001
Civil, Electrical, Contracting, Labour work etc.	25,72,30,293	12,99,46,659
Legal and Professional Charges	51,57,431	79,29,224
Auda Charges	9,55,98,011	56,03,495
Discount Brokerage and Commission Charges	48,18,210	37,30,276
Security Charges	61,182	9,08,840
Electricity Expenses	16,60,795	18,05,731
Welfare cess	2,04,762	6,54,583
Rebate	4,88,058	36,63,655
Rent & Hire Charges	4,24,412	4,24,371
Other Direct Expenses	23,43,482	9,97,070
Advertisement	9,48,174	42,82,987
Freight and Cartage Expenses	2,51,47,772	86,65,697
Insurance Expenses	3,43,347	4,08,629
Service Tax	74,08,532	61,35,736
Site Expenses	9,28,336	13,94,127
Value Added Tax	15,94,297	27,09,159
Other Indirect Expense	94,435	4,57,556
Total Project Expenses	87,56,07,336	80,19,81,115



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

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Inventories at the beginning of the year		
Work-in-progress	26,63,50,772	4,79,64,674
Construction Material on hand	29,68,990	21,74,064
Land	2,54,71,651	9,52,21,072
Total Inventories at the beginning of the year (A)	29,47,91,413	14,53,59,810
Inventories at the end of the year		
Work-in-progress - Inventories at the end of the year	31,01,67,019	26,63,50,772
Construction Material on hand	13,57,653	29,68,990
Land	22,88,92,585	2,54,71,651
Total Inventories at the end of the year (B)	54,04,17,257	29,47,91,413
(Increase) / Decrease in Inventories of Finished Goods		
Work-in-Progress and Traded Goods (A) - (B)	(24,56,25,844)	(14,94,31,603)

21. Employee Benefit Expense
(Amount in ₹)

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Salaries, Allowances and Bonus	1,31,11,544	1,34,82,719
Contribution to Provident and Other Fund	2,04,262	1,89,767
Remuneration and Perquisites to Directors	39,25,643	32,67,912
Gratuity	1,77,908	1,47,957
Leave Encashment	(23,125)	3,17,582
Staff Welfare Expenses	88,515	-
Total Employee Benefit Expense	1,74,84,747	1,74,05,937

22. Office & Administrative Expenses

(Amount in ₹)

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Advertisement	1,63,685	2,96,747
Amalgamation Expenses	-	39,88,552
Fuel Expenses	13,79,062	12,32,166
Legal & Professional Fee	53,37,626	31,01,941
Directors' Sitting fees	20,000	17,000
Payment to Auditors	70,000	60,000
Donation Expenses	602,000	1,45,000
Electricity Expenses	10,66,821	3,12,783
Insurance Expenses	3,31,903	3,64,771
Office Rent	4,69,103	4,82,910
Municipal Taxes	93,913	9,29,590
Postage & Courier Charges	2,99,162	3,02,020
Share Trading Expenses	8,331	1,13,714
Service Tax Expense (Assessment)	74,541	-
Repairs & Maintenance		
- Building	7,75,203	18,25,993
- Others	6,79,868	6,13,263
Webside Development Expense	10,800	-
Printing & Stationary Expenses	6,84,371	7,57,685
Security Service Charges	1,64,427	1,21,177
Subscription & Membership	7,000	5,900
Telephone Expenses	5,37,553	5,97,436
Labour Charges	5,904	-
Travelling Expenses	3,13,331	2,64,215
Miscellaneous Expenses	3,94,390	4,69,105
Rates and Taxes	41,520	38,080
Prior Period Expenses (Net)	-	1,64,000
Total Office & Administrative Expenses	1,35,30,514	1,62,04,048

23. Interest & Finance Charges

(Amount in ₹)

Particulars	For the period ended	
	31st March, 2012	31st March, 2011
Interest on		
- Term loans *	4,05,82,077	3,25,05,341
- Working Capital Loans	44,08,807	98,96,890
- Paid to Others	66,26,998	15,81,509
Other Borrowing Costs		
- Bank charges	11,50,358	1,49,231
- Processing fees	16,80,198	7,23,623
- Foreclosure charges	22,62,195	-
Total Interest & Finance Charges	5,67,10,633	4,48,56,594

* Total Interest on Term Loan ₹ 6,03,67,788/- (P.Y. ₹ 3,36,66,766/-) less inventorized ₹ 1,97,85,711/- (P.Y. ₹ 11,61,425/-)



24. Contingent Liabilities not provided for is as under:**(Amount in ₹)**

Particulars	As on 31st March, 2012	As on 31st March, 2011
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	1,25,69,906
Phase II Project(upto 27-10-2014)	1,00,91,863	-
Total Bank Guarantees Issued	2,26,61,769	1,25,69,906
Less : Amount of Margin Money kept with Bank (including accrued interest on Margin Money)	(41,58,443)	(36,07,260)
Net amount of Contingent Liabilities	1,85,03,326	89,62,646

25. Employee Benefits:

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 on 31st March, 2012	As on 31st March, 2011
Reconciliation of Benefit Obligation		
Obligation at the beginning of the year	12,80,687	11,32,730
Current Service Cost	2,60,187	2,89,037
Interest Cost	1,02,455	90,618
Actuarial (Gain)/ Loss	(1,84,734)	(2,31,698)
Benefits Paid	-	-
Obligations at the year end	14,58,595	12,80,687
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	14,58,595	12,80,687
Fair Value of plan assets	-	-
Un-funded Liability	14,58,595	12,80,687
Unrecognized actuarial gains/losses	-	-
Unfunded liability recognized in Balance Sheet	14,58,595	12,80,687

(Amount in ₹)

Particulars	As on 31st March, 2012	As on 31st March, 2011
Net Cost recognized in the statement of Profit & Loss		
Interest Cost	1,02,455	90,618
Service Cost	2,60,187	2,89,037
Expected/Actual return on Plan Assets	-	-
Gain/Loss recognized	(1,84,734)	(2,31,698)
Net Cost provided as Expense in the statement of Profit and Loss	1,77,908	1,47,957
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		

26. Segment Reporting:

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

27. Disclosure in respect of Accounting Standard - 27:

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
Nilasan 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	73,43,799

b) Financial Interest in Jointly controlled entity

(Amount in ₹)

Name of Joint Venture	Company's share of Proportion of Ownership Interest				
	Assets	Liabilities	Income	Expenses	Tax
Nilasan Realty LLP	8,16,94,588	8,08,87,519	6,227	2,24,147	(5,772)
Shree Matangi Projects LLP	9,90,13,765	9,16,69,966	4,92,29,441	4,46,83,535	14,08,898

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

List of Related Parties and nature of relationship thereto.

Relationship	:	Name of Related Parties
Co-venturers	:	Nilasan Realty LLP Shree Matangi Projects LLP
Key Managerial Personnel	:	Manoj B. Vadodaria Kiran B. Vadodaria
Enterprise significantly influenced by key management personnel	:	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 & Co-venturers		Key Managerial Personnel & their Relatives		Enterprise significantly influenced by key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	-	-	-	-	4,69,103	4,82,910
Sales- Infrastructure Projects	84,81,508	3,27,53,921	-	-	-	65,29,315
Sales Trading Activity	-	-	-	-	3,45,04,000	-
Repayment of Advance given	3,46,73,852	-	20,00,000	-	3,00,00,000	-
Advances Given	2,31,21,310	8,35,24,263	6,30,00,000	-	-	-
Advertisement Expenditure	-	-	-	-	1,44,073	42,59,437
Interest Received	96,81,921	82,57,364	-	-	-	-
Remuneration and Perquisites to Directors	-	-	39,25,643	32,67,912	-	-
Capital Contribution	-	4,00,000	-	-	-	-
Share of Profit / (Loss)	29,44,077	38,06,791	-	-	-	-
Re-imbursement of Expenses	-	23,853	-	-	79,856	-
Purchase of Land / Land Development Rights	-	-	(7,58,80,000)	11,35,24,000	-	-
Purchase of Flats	3,35,12,500	-	-	-	-	-
Advances Received	-	-	-	-	3,00,00,000	-

c) The above Related Party transactions contains following material transactions:

(Amount in ₹)

Name of Related Party	Nature of Transactions	2011-12	Closing Balance as on 31st March, 2012
Sambhaav Media Limited	Rent Paid	4,69,103	-
	Sales of Land	3,45,04,000	-
	Re-imbursement of Expenses	79,856	-
	Re-payment of Advances	3,00,00,000	-
	Advances Received	3,00,00,000	-
	Advertisement Expenditure	1,44,073	-
Shree Matangi Projects LLP	Sales Infrastructure Project	84,81,508	8,54,672
	Advances Given	47,05,560	6,11,95,356
	Interest Received	96,81,921	6,11,95,356
	Advance Received Back	3,46,73,852	6,11,95,356
	Share of Profit / (Loss)	31,37,008	73,43,799
	Purchase of Flats	3,35,12,500	45,12,500
Nilsan Realty LLP	Advances Given	1,84,15,750	8,02,15,750
	Share of Profit / (Loss)	(1,92,931)	(8,07,069)
Kiran B. Vadodaria	Advances Given	6,30,00,000	6,10,00,000
	Remuneration and Perquisites to Directors	12,00,000	-
	Advance Received Back	20,00,000	610,00,000
Manoj B. Vadodaria	Remuneration and Perquisites to Directors	27,25,643	-
	Purchase of Land / Land Development Rights	(7,58,80,000)	-

29. 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, 2012 are:

(Amount in ₹)

Particulars	As on 31st March, 2012	As on 31st March, 2011
Gross Carrying amount of Premises	25,97,26,617	27,44,06,648
Accumulated Depreciation	89,21,417	44,68,566
Depreciation for the year	45,01,766	47,64,665
Future Minimum Lease payments under non-cancellable operating leases		
• Not later than 1 year	1,69,63,718	1,83,63,602
• Later than 1 year and not later than 5 years	7,60,02,542	7,96,79,139
• Later than 5 years	17,12,260	2,09,80,958

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

(Amount in ₹)

Particulars	As on 31st March, 2012	As on 31st March, 2011
Basic Earnings Per Share		
A Profit / Loss After Tax	12,44,46,242	13,49,17,720
B Weighted Average No. Of Equity Shares	29,52,26,200	24,38,61,816
C Nominal Value of Shares	1/-	1/-
D Basic Earnings per share		
(a) Before Extraordinary item	0.42	0.55
(b) After Extraordinary item	0.42	0.55
Diluted Earnings Per Share		
A Profit / Loss After Tax	12,44,46,242	13,49,17,720
B Weighted Average No. Of Equity Shares	29,52,26,200	29,52,26,200
C Nominal Value of Shares	1/-	1/-
D Basic Earnings Per Share		
(a) Before Extraordinary item	0.42	0.46
(b) After Extraordinary item	0.42	0.46

31. 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 on 31st March, 2012	As on 31st March, 2011
Deferred Tax Asset:		
On account of Timing Differences in		
Gratuity	37,365	50,291
Bonus	(19,176)	1,07,960
Leave Encashment	(30,078)	29,052
Amalgamation Expenses	(7,00,712)	12,99,678
Total (A)	(7,12,031)	14,86,981
Deferred Tax Liability :		
On account of Timing Differences in		
Depreciation	(3,99,453)	(9,11,772)
Total (B)	(3,99,453)	(9,11,772)
Net Deferred Tax Liabilities / (Assets) (A - B)	(11,11,484)	23,98,753



32. 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, 2012 together with interest paid or payable as required under said act, have not been given.

33. **Details of transaction in foreign currency are as under:** (Amount in ₹)

	Particulars	2011-2012	2010-2011
a)	C.I.F. Value of Imports	-	-
b)	Earnings in Foreign Exchange	-	-
c)	Expenditure in Foreign Exchange	5,02,100	-

34. 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	2011-2012	2010-2011
Imported	-	-
Indigenous	48,64,87,403	37,86,25,244
Total	48,64,87,403	37,86,25,244
Imported	-	-
Indigenously obtained	100.00%	100.00%
Total	100.00%	100.00%

35. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated, if realized, in the ordinary course of business. Provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
36. As notified by ministry of corporate affairs, revised schedule VI under the companies act, 1956 is applicable to the financial statement for the financial year commencing on or after 1st April, 2011. Accordingly, the financial statement for the year ended on 31st March, 2012 is prepared in accordance with the revised schedule VI. The amount and disclosure included in the financial statement of the previous year have been reclassified to conform to the requirement of revised schedule VI.

Signatures to Notes 1 to 36 forming part of Accounts:

For, O. P. Bhandari & Co.

Chartered Accountants

Firm Registration Number : 112633W

O. P. Bhandari

Proprietor

Membership No. : 34409

Place : Ahmedabad

Date : 7th August, 2012

For and on behalf of the Board of Directors

Manoj B. Vadodaria

Managing Director

Kiran B. Vadodaria

Joint Managing Director

Prashant H. Sarkhedi

Chief Finance Officer

Dipen Y. Parikh

Company Secretary

COMPANY DETAILS

Board of Directors

Shri Manoj B. Vadodaria
Shri Kiran B. Vadodaria
Shri Hiren G. Pandit
Shri Akhilesh C. Mehta
Shri Dilip D. Patel
Shri Shyamal S. Joshi

Chairman & Managing Director
Joint Managing Director
Director
Director
Director
Director

Chief Finance Officer

Shri Prashant H. Sarkhedi

Company Secretary

Shri Dipen Y. Parikh

Bankers

Dena Bank
State Bank of India
Development Credit Bank Limited
Axis Bank Limited
HDFC Bank Limited

Auditors

O. P. Bhandari & Co.
Chartered Accountants
Ahmedabad

Registered Office

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

Registrar & Share Transfer Agent

MCS Limited
101, Shatdal Complex, Opp. Bata Showroom,
Ashram Road, Ahmedabad - 380009.

The ISIN of the Company's Equity Share is
INE937C01029





NILA INFRASTRUCTURES LTD.

Registered. Office :

1st Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad –380015.

PROXY

I/We..... Folio/DPID

Of being a Member/s of Nila Infrastructures Limited, Ahmedabad hereby appoint ofor failing him..... of as my/our proxy to vote for me/us and on my/our behalf at the **22nd ANNUAL GENERAL MEETING** of the Company to be held on **Saturday, 15th September, 2012 at 10:00 A.M.** at Registered Office and any adjournment thereof .

Affix a
Revenue
Stamp

Signed this day of2012.

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

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



NILA INFRASTRUCTURES LTD.

Registered. Office :

1st Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad –380015.

ATTENDANCE SLIP

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

I hereby record my presence at the **22nd ANNUAL GENERAL MEETING** of the Company held on **Saturday, 15th September, 2012 at 10:00 A.M.** at Registered Office.

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

Full Name of the Shareholder/Proxy:

.....

Signature of Shareholder/Proxy:

.....

NOTE: Only Shareholders of the Company or their proxies will be allowed to attend the meeting.



WHAT DO WE SEE?

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