

# TRANSFORM



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**NILA**  
INFRASTRUCTURES  
LIMITED



Annual Report  
2014 - 15



Annual Report  
2014 - 15



# GO TO

## CORPORATE

### PERFORM

|                              |   |
|------------------------------|---|
| The Performance Lesson ..... | 1 |
| Financial snapshot .....     | 5 |
| Business snapshot .....      | 6 |

### CONFORM

|   |    |
|---|----|
| A Salute to Conformity .....  | 7  |
| Vision; Values; About .....   | 11 |
| You don't stop rain;<br>You simply adjust to it (From the CMD's desk) ..... | 12 |

### REFORM

|                         |    |
|-------------------------|----|
| The Reform Agenda ..... | 13 |
|-------------------------|----|

### INFORM

|   |    |
|---|----|
| The Wonder of Information .....                       | 17 |
| Green Shoots of Growth<br>(Industry overview) .....   | 21 |
| Turning Point of Turnover<br>(Company overview) ..... | 24 |

## STATUTORY

|   |     |
|---|-----|
| Notice .....  | 27  |
| Directors' Report .....   | 31  |
| Management Discussion & Analysis Report .....                   | 44  |
| Report on Corporate Governance .....                            | 58  |
| Corporate Governance Compliance Certificate .....               | 68  |
| CEO & CFO Certification .....                                   | 69  |
| Secretarial Audit Report .....                                  | 69  |
| Auditors' Report .....  | 71  |
| Balance Sheet and Statement of Profit & Loss .....              | 73  |
| Cash-flow Statement .....                                       | 75  |
| Notes to Financial Statements .....                             | 77  |
| Auditors' Report on Consolidated Financial Statements .....     | 100 |
| Consolidated Balance Sheet and Statement of Profit & Loss ..... | 103 |
| Consolidated Cash-flow Statement .....                          | 105 |
| Notes to Consolidated Financial Statements .....                | 107 |

# THE PULSE OF TRANSFORMATION

## HOW A TRANSPLANT OPERATION AND A TOYOTA CAR ARE THE SAME

By 2004, researchers at the Institute of Healthcare Improvement (IHI), USA, had come to a shocking conclusion about patient care at hospitals. While analysing it with the kinds of analytical tools used to assess the quality of cars coming off a production line, they discovered that the 'defect rate' of patient care was as high as 10% - meaning, for example, that 1 in 10 patients did not receive their antibiotics on time. This was very high compared to some industries, which were managing error rates of 1 in 1000 cases or lower.

### VISION TO TRANSFORM

IHI's CEO and a doctor, Donald Berwick knew that such a high medical defect rate meant that tens of thousands of patients were dying every year unnecessarily. Berwick, of course, had some remedial ideas starting with a unique insight - hospitals could benefit from the same kinds of rigorous process improvements found in other industries. Couldn't a transplant operation be 'produced' as flawlessly and as consistently as a Toyota Camry?

### CLEAR GOAL TO PERFORM

On December 14, 2004 Berwick addressed a room full of hospital administrators at a large convention thus - "I think we should save 100,000 lives. And I think we should do that by June 14, 2006 - 18 months from today. Some is not a number; soon is not a time. Here's the

number: 100,000. Here's the time: June 14, 2006 - 9 am." The crowd was stunned. The goal was so daunting. But, Berwick and his team set out to achieve the impossible.

### SIMPLE PROCEDURES TO CONFORM

IHI proposed six specific interventions to save lives. For instance, one asked hospitals to adopt a set of proven procedures for managing patients on ventilators, to prevent them from getting pneumonia, a common cause of unnecessary death. They also made joining the campaign easy and sustaining it likely. It required only a one-page form signed by a hospital CEO. And once a hospital enrolled, the IHI team helped the hospital embrace the new interventions by providing research, step-by-step instruction guides and training. Among other steps were conference calls between hospital leaders to



share their victories and struggles and mentoring of hospitals new to the program by hospitals which have had some early success.

#### DETERMINATION TO REFORM

However, getting hospitals to fall in line with the new procedures was not a smooth ride. Adopting the IHI interventions required hospitals to overcome decades' worth of habits and routines. Many doctors were irritated by the new procedures, which they felt were too tight and constricting. Undaunted, the IHI team persisted with their efforts and began registering gains, one hospital after another.

#### COMMITMENT TO INFORM

Among challenges that had to be overcome, a major one was the reluctance of hospitals to admit openly that they had a defect rate in the first place. Because, it meant admitting that their patients were dying avoidable deaths. Donald Berwick, in his December speech, asked some people, including the mother of a girl killed by medical error, to join him on stage and express their feelings. The intention was to break through initial resistance and inspire support for his campaign.

All this worked - and how. Eighteen months later, at the exact moment he had promised he would return - June 14, 2006, 9 am - Berwick took the stage again to announce the results: "Hospitals enrolled in the 100,000 Lives Campaign have collectively prevented an estimated 122,300 avoidable deaths and, as importantly, have begun to institutionalize new standards of care that will continue to save lives and improve health outcomes into the future."

At Nila Infrastructures Limited, to TRANSFORM is to PERFORM, CONFORM, REFORM and INFORM in an ongoing and strategic way. Get a light-hearted, 'hands-on' feel of it as well as an in-depth, up-close understanding of it in these pages.

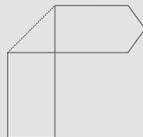
# THE PERFORMANCE LESSON

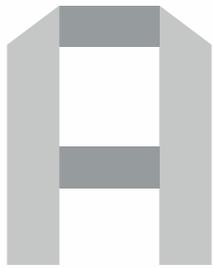
THE RELATION BETWEEN A FRIENDLY  
"HELLO" AND A STUDENT'S GRADES

PERFORM TO TRANSFORM

PERFORM

Make the arrow to the right by folding along the dotted lines.





A troubled teenager in the ninth grade named Bobby was sent to see his high-school counsellor, psychologist John Murphy. Several teachers had referred Bobby for counselling, frustrated by his bad behaviour. He was constantly late for class, rarely did his assignments, was in the habit of disturbing the class and sometimes threatened other kids in the school hallways.

Bobby's home life too was far from ideal. Since he was without a mother to look after him at home, social service agencies tried placing him at a foster home. Because of adjustment troubles, Bobby was moved in and out of several foster homes and special facilities for kids with behavioral problems. By the time he showed up for his session with Murphy, he was in danger of being uprooted to another special facility due to his problems at this school.

Murphy faced an uphill task. He had no way of changing Bobby's home situation and time was working against him. He began talking with Bobby and asking him a series of unusual questions. Here's a brief exchange from one of the sessions:



MURPHY: Bobby, are there classes where you don't get in trouble?

BOBBY: I don't get in trouble much in Ms. Smith's class.

MURPHY: What's different about Ms. Smith's class?

## TO PERFORM IS SIMPLY TO DO MORE OF WHAT IS WORKING

Soon Murphy had some concrete answers:

1. Ms. Smith greeted him at the door.
2. She checked to make sure he understood his assignments.
3. She gave him easier work to complete (Bobby had a learning disability).

Now Murphy had a roadmap for change. He advised Bobby's other teachers to try these three techniques.

To track whether they were working, Murphy asked the teachers to evaluate Bobby's performance against three measures-

- (a) arriving to class on time
- (b) completing class assignments and
- (c) behaving acceptably in class.

And over the next three months, Bobby started behaving better. He was still not a model student, but he was much better.

## PAST PERFORMANCE IS SIMPLY THAT - THE PAST

What did Murphy do that other counsellors didn't? He didn't dig into Bobby's troubled childhood, like most other psychologists, to understand Bobby's sources of anger and frustration. For Murphy, all that information would have been TBU - True But Useless. What he did was attempt to uncover situations where things were going right; he simply focussed on the positive - what was working, rather than the

negative - what was not working. Next, rather than make general recommendations to teachers, Murphy proposed a series of concrete steps for them to follow.

This way, he was attempting to replicate the positive - doing more of what was working. Third, to gauge Bobby's progress, Murphy gave the teachers three simple performance measures.

What is remarkable about this story is that relatively small changes (e.g. a friendly greeting at the door) resulted in a big impact (improvement in Bobby's behaviour).

At Nila Infrastructures Limited, we believe that transformation doesn't happen overnight, nor does it result into a dramatically different organisation. It is a slow process that requires us to change many things, but not at the cost of the current scale of operations. While we are changing, we also need to 'do more of what's working' to achieve better and better performance over time.

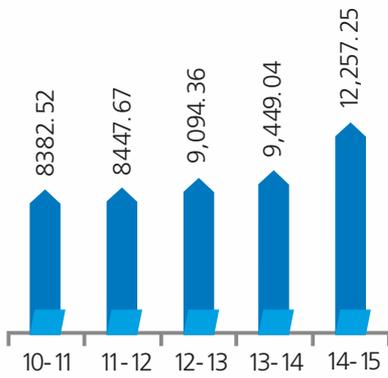
### VALUE AND TIME: TWO PIVOTS OF OUR PERFORMANCE

Our infrastructure and real estate projects have two common goals – Value and Time. Value translates as quality material and robust construction in infrastructure projects executed for the project developer. In addition to these, in real estate, Value also means capital appreciation for our home-buyers. Time has to do with astute project management, so that we fulfill our duty of meeting construction schedules and site handover deadlines for infra projects; in real estate, timely construction and solution to problems of the new homeowner is a responsibility we take seriously, so that possession of homes happens smoothly. All this assures repeat business from satisfied project developers and broad smiles from happy homeowners.

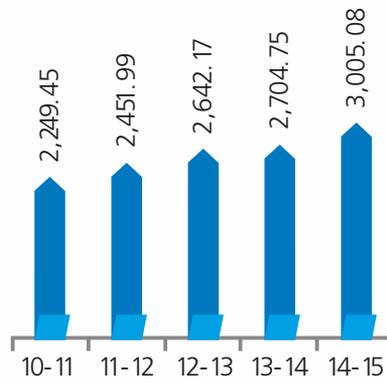
This year, our infrastructure segment has been an outstanding performer with ₹ 80.68 crore turnover making for 61.24% of our total revenue. Growth in the segment has been of the order of 200.82% over the previous fiscal's figure of ₹ 26.82 crore. With a bulging order book of confirmed projects on hand, infrastructure turnover is bound to be much higher next year.

# Financial snapshot

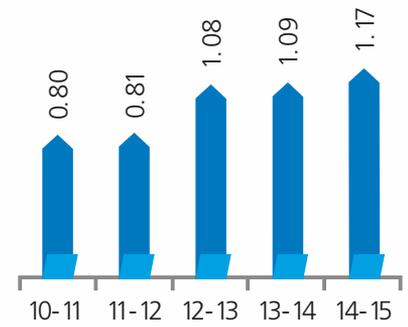
Turnover (₹ Lacs)



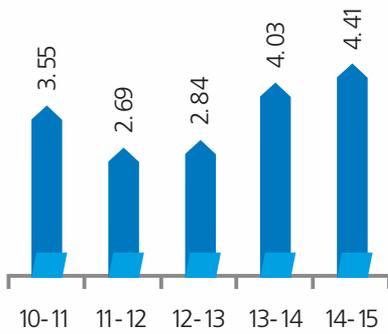
EBITDA (₹ Lacs)



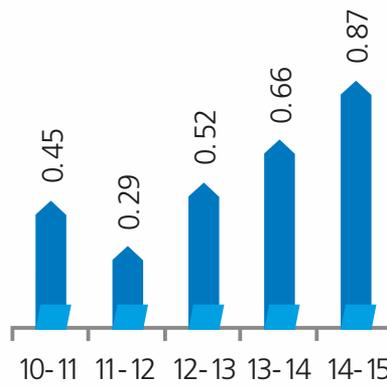
TOL/TNW Ratio (₹ Lacs)



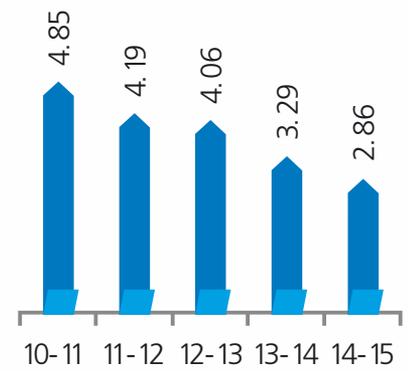
Current Ratio



Debt Equity Ratio



Interest Coverage Ratio



## Business snapshot

### URBAN INFRASTRUCTURE

- 13 BRTS (Bus Rapid Transit System) Bus Stations, including 5 Heritage Bus Shelters, for Ahmedabad Municipal Corporation (AMC) being built
- Construction of 608 Low Income Group (LIG - Package-6) Multistoried Residential Flats, 40 Shops and 8 offices, along with internal infrastructure and development, for AMC under Affordable Housing Scheme at various locations in Ahmedabad, is underway
- Multistoried parking facility at Navrangpura, Ahmedabad for 390 four wheelers and 719 two wheelers being built for AMC
- Site at Jodhpur, Rajasthan handed over by the Rajasthan Government for the construction of 1072 housing units (Economically Weaker Sections / EWS – 554 units, Low Income Groups / LIG – 368 units & Middle Income Groups / MIG A – 160 units) under the Affordable Housing Policy
- Two tenders won from Vadodara Urban Development Authority (VUDA) for affordable housing construction, i.e. 200 EWS Residential Flats, 80 LIG-1 & 100 LIG-2

Residential Flats, 9 Shops including internal infrastructure & development, at Vemali and 320 EWS Residential Flats, 60 LIG-1 Residential Flats, 60 LIG-2 Residential Flats, 12 Shops including internal infrastructure & development work at Sewasi; construction going on

### PRIVATE CONSTRUCTION

- Construction of 60 bungalows for the prestigious Applewoods township project of the Sandesh Group over
- Phase I of the construction order for Adani Infrastructure and Developers' mini-township project, 'Pratham,' at Tragad, with 430 flats over; construction for Phase II of 370 flats proceeding on schedule

### REAL ESTATE

- Possession of 106 flats from ATUULYAM residential project at Makarba given to homeowners

### LEASING

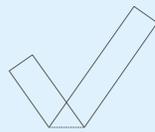
- 88,000 Sq Ft of prime commercial property at a high-end locality leased out to known corporate houses with long-term tenures

# A SALUTE TO CONFORMITY

WANT TO PREVENT AIRCRAFT CRASHES?  
PREPARE A SIMPLE LIST FIRST!

CONFORM TO TRANSFORM

CONFORM





In October 1935, US Army Air Corps big shots gathered at an airfield in Dayton, Ohio. They had come to see two aircraft builders give a demo of their planes; these were to face off against each other in a series of rigorous trials. The best-performing aircraft was to get its builder a lucrative contract for new long-range bombers. In theory, the two rivals, Boeing Corporation and Martin & Douglas, had an equal chance of winning the contract. But in reality, the result seemed a foregone conclusion.

#### IS BIGGER ALWAYS BETTER?

The smaller Martin & Douglas plane just couldn't compete with Boeing's bigger, more powerful Model 299. This imposing aircraft boasted a 103-foot wingspan, four engines (the norm was two), five times the specified number of bombs, and twice the range of its predecessors. Rumour had it that the army had pretty much already decided to order 65 of what one newspaperman had dubbed 'the flying fortress'.

The Model 299, carrying five crewmembers, made for an impressive sight as it taxied onto the runway and then roared off to rise gracefully into the sky. But as the army chiefs and manufacturing executives looked on, the plane stalled at 300 feet, tipped sharply and crashed to the ground. Two of the crew were killed, including the pilot, Major Ployer P Hill.

## PROCESS DETERMINES PERFORMANCE

An investigation found that the pilot, Major Hill had been preoccupied with the many procedures required to fly the complex new plane, from monitoring the variable oil-fuel mix in each engine to adjusting the pitch of the constant-speed propellers. Because of this, he had forgotten to release the rudder and elevator controls. But while the tragedy was blamed on 'pilot error', the implication was that the Model 299 was too complicated to be safe – as one reporter put it, it was 'too much airplane for one man to fly'. The army contract was awarded to Martin & Douglas; Boeing's business was ruined almost to the point of bankruptcy.

But some in the Army Air Corps still thought the Model 299 was the better aircraft. So a group of test pilots got together to work out how further accidents could be avoided. They ruled out more training – Major Hill had been in charge of flight-testing and couldn't have been more experienced. Instead, they came up with a stunningly simple idea. Previously, flying a plane had been fairly easy for a pilot to manage. But aeronautical advances now meant there were too many things going on in the cockpit for one person to handle. What was needed, the test pilots decided, was a checklist.

**CONFORMING TO THE SIMPLE AND THE BASIC**  
The pilots kept their checklist straightforward but comprehensive, including even the most

obvious actions – release the brakes, close all doors and windows, unlock the elevator controls, and so on. Everything a pilot needed to remember was there, on a single index card. And it did the trick. Using their checklist, the pilots flew the Model 299 for a total of 1.8 million miles without incident. The Army Air Corps subsequently ordered thousands of the flying fortresses, renaming them B-17s and using them to devastating effect during World War 2.

Nila Infrastructures Limited endeavors to conform to company fundamentals like its vision of excellence and simple core values. What flows from these are an extraordinary commitment to putting standards and a suite of best practices and procedures in place. It goes without saying that we are committed to all kinds of compliances as required by the law of the land.

### WE LOVE GETTING DOWN TO THE BASICS

The simple basics of excellence are what keeps our people motivated and our company rising. Following high standards is second nature to most of our people. If anything puts the brakes on any project, we turn to the basics to find a suitable workaround.

This is the reason why we find it easier to accommodate the standards of companies or organizations we build for. E.g. Sandesh Group's Appplewoods Township and Adani Infrastructure & Developers's Pratham projects had their own set of qualifying criteria that we were able to meet to their complete satisfaction.

Operational standards apart, we run a tight ship and keep our finances always in order. Of course, we borrow to carry out more projects at a time, or to take on projects with greater scope. But, we never let our ambitions overrun the debt we ought to be taking. The result is that our financial fundamentals tend to remain intact.

We have a rating of BBB with Stable outlook pronouncement assigned by India Ratings for our long-term debt.



## VISION

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

## VALUES

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

## ABOUT

### MORE INFRASTRUCTURE ; LESS REAL ESTATE

Nila Infrastructures Ltd. is an infrastructure and real estate player specializing in urban infrastructure and residential real estate. Since the company started spreading its wings beyond Gujarat, Nila Infra's business mix has slowly but surely tilted towards urban infrastructure with a decidedly affordable housing flavor. The company is presently executing quite a few all-encompassing affordable housing projects.

### PERFORMANCE

Keeping pace with the growth of its infrastructure segment, the company's turnover has shot up 31.53% - from ₹ 100.15 crore in financial year 2013-14 to ₹ 131.72 crore in financial year 2014-15. There has been no matching profit spurt, largely because of the low margins associated with infrastructure projects. Profit Before Tax & Exceptional Items has gone up by 2.77% - from ₹ 1,818.21 lac in financial year 2013-14 to ₹ 1,868.51 lac in financial year 2014-15; Profit After Tax has increased by 1.68% - from ₹ 1,185.07 lac in financial year 2013-14 to ₹ 1,205.00 lac in financial year 2014-15.

### NSE LISTING

Besides its BSE listing in 1995, Nila Infrastructures Ltd. has become an NSE listed company with allotted Symbol of NILA INFRA (from May 21, 2015). A Sambhaav Group company headquartered in Ahmedabad, Nila Infrastructures Ltd. was incorporated on February 26, 1990 under the Companies Act, 1956.



## CMD'S MESSAGE



You don't  
stop rain  
You simply adjust to it.

Dear Stakeholder,

In 1850, a company (I am not revealing its name for now) was founded in the US to deliver mail quickly between its coasts. The aim was to provide a superior alternative to the United States Postal Service, which was slow and did not service much of the country. This they did by using horses – a fast mode of transportation of the times.

Can you guess which company was it? No need to exert yourself. It is very difficult to guess, unless you had a prior knowledge of its background. To break the suspense, that company was American Express, the global financial services giant headquartered in New York City, US. Before I move on, there is another interesting example. In 1938, this small business shipped its own brand of noodles from Korea to parts of China. Want to guess the now world-famous brand? It's the electronics conglomerate Samsung founded by Samsung Sanghoe.

I can imagine you drawing in your breath and exclaiming, "What a transformation!" Precisely, my point. Companies invariably go through a process of transformation over the years that keeps them changing until sometimes, they become dramatically and radically different from what they were at the start.

However, the bigger issue is one of Change. Change, like the weather, is a natural force that cannot be stopped, only adjusted to. There is no option but to transform. I am not the only one saying it.

According to a Forbes Insights/KPMG survey of more than 900 respondents in the report "Business Transformation and the Corporate Agenda," more than 93% of US multinationals are in some stage of business transformation. Most business heads agree that change is an imperative of the times we live in. However, the not so surprising fact is that businesses differ widely on their perception of transformation. The biggest group, and a majority, of respondents (51 %) define transformation as a continuous process of aligning a business model to support strategy. The second-largest group (31 %) define transformation as narrower efforts limited to specific functions, processes or areas. Substantially fewer respondents (18%) define transformation as a complete overhaul of a business model.

I believe in a relatively slow transformation, the kind that takes root slowly but steadily, the kind that is more enduring and ultimately healthier. I am sure our company is following such a route.



Manoj Vadodaria  
CMD - Nila Infrastructures Limited

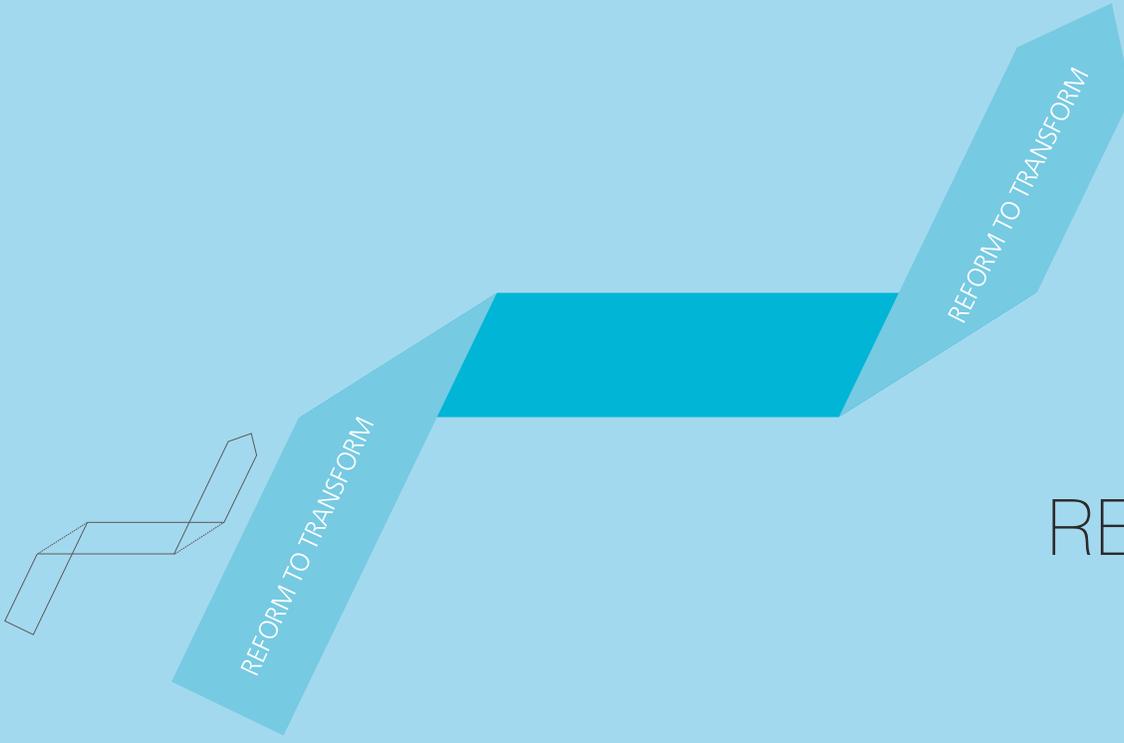
TRANSFORM





# THE REFORM AGENDA

HOW WEARING A HELMET  
INCREASES PROFITS



REFORM



One October day in 1987, the new CEO of the Aluminum Company of America, or Alcoa, took to the stage of a ballroom in a New York hotel. Paul O'Neill had been a surprise choice for head of one of the world's biggest aluminium product manufacturers. The former US Government bureaucrat was virtually unknown in Wall Street, and the company's many investors were nervous about his ability to stem the losses Alcoa had recently accumulated by launching unprofitable new lines.

To address this unease, Alcoa had decided to assemble prominent investors and stock analysts and formally introduce its new leader to them.

Standing on the ballroom stage, the 51-year-old O'Neill looked every bit the chief executive—trim and taut, with a dignified head of white hair and a warm, confident manner. The audience relaxed. You could almost hear the collective sigh of relief that said, 'Everything is going to be OK'. Then O'Neill opened his mouth.

## TO REFORM IS TO GET INTO THE HABIT OF EXCELLENCE

'I want to talk to you about worker safety', he said. 'Every year, numerous Alcoa workers are injured so badly that they miss a day of work. Our safety record is better than the general American workforce...but it's not good enough. I intend to make Alcoa the safest company in America. I intend to go for zero injuries.'



The audience's relief turned into confusion. This was not what they were accustomed to at such events. Where was the promise to raise profits and lower costs? Where were all the comforting buzz words like 'synergy', 'alignment', 'rightsizing' and 'co-opetition'? What was all this talk of worker safety?

Then, tentatively, hands started going up. In a desperate attempt to find familiar ground, people started asking about capital ratios and inventories and the like.

'I'm not certain you heard me', O'Neill said. 'If you want to understand how Alcoa is doing, you need to look at our workplace safety figures. If we bring our injury rates down, it won't be because of cheerleading or the nonsense you sometimes hear from other CEOs. It will be because the individuals at this company have agreed to become part of something important. They've devoted themselves to creating a habit of excellence. Safety will be an indicator that we're making progress in changing our habits across the entire institution. That's how we should be judged.'

## REFORM MAY TAKE TIME BUT IT IS CERTAINLY WORTH IT

After the presentation, many analysts called their clients and advised them to sell all their stock in Alcoa – immediately. It would turn out to be the worst financial advice those analysts ever gave. A year later, Alcoa's profits would hit a record high. Thirteen years later, on O'Neill's retirement, the firm's annual net income would be five times greater than it had been when the CEO was hired. His company would also be one of the safest in the world.

O'Neill concentrated on changing one influential and important habit throughout his organisation – safe practice – and this had a domino effect, causing many other habits to change too. For the better.

At Nila Infrastructures Limited, we try to spread the habit of change throughout the organization so that improvements to the company happen out of individual initiatives and not out of management directives. This makes the process of bettering things continual and sustainable.

### A CULTURE OF CHANGE

Nila Infrastructures Limited has been embracing change for a long time now. To infuse greater liquidity and improve cash flows, our company had merged with a leasing company with leasing rights over 88,000 sq ft of prime commercial property in an upmarket locality of Ahmedabad city.

We were among the first in our category to deploy an integrated ERP platform to help monitor and manage projects, track major milestones, resolve issues and allow management interventions.

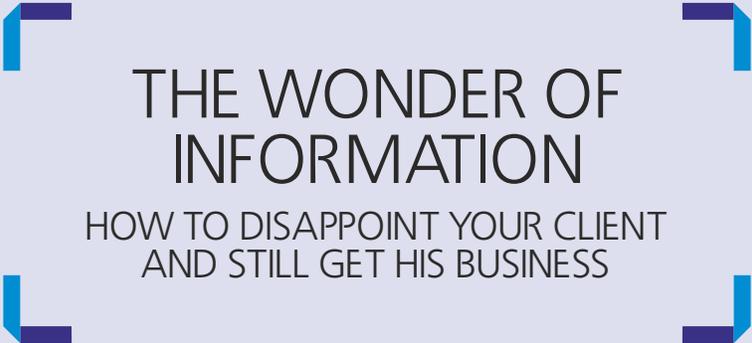
Our business mix has undergone a dramatic shift over the years. From relying solely on real estate projects earlier, we have a more diversified project portfolio of own developed real estate projects, white label construction for reputed private real estate and infrastructure players and construction mandates from government bodies today.

In the urban infrastructure segment, we have gone from BRTS to affordable housing projects, multilevel parking, etc.

Our project territories have also taken off with a move (at the city level) from our headquarters in Ahmedabad to Surat, Vadodara and Rajkot and a move (at the state level) from Gujarat to Rajasthan.

Marking a HR policy ground-shift, we are among the first in our category to introduce an ESOP (Employee Stock Options) scheme for all our employees. This, among others, is an excellent employee retention strategy that is going to further lower our already low attrition rates.

In a significant attempt at capital structure reform, the company has issued shares on a private placement basis, raising the authorized capital by ₹ 15 crore and reducing the proportion of promoter shareholding.

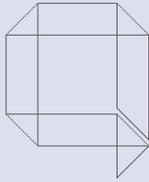


# THE WONDER OF INFORMATION

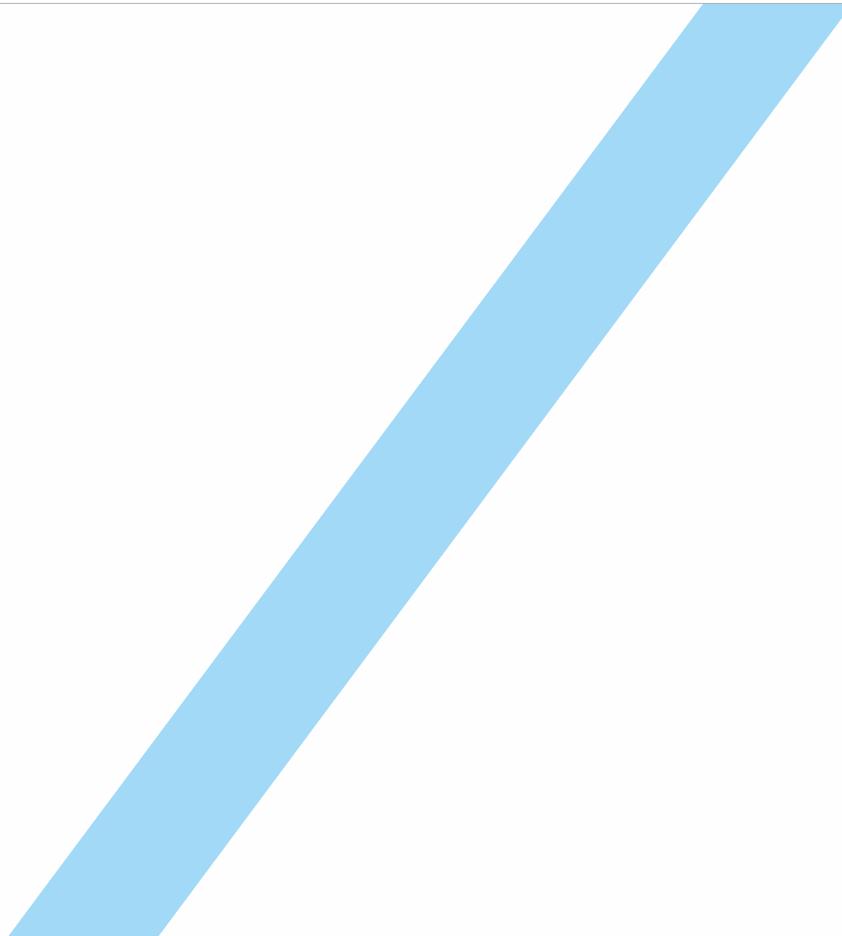
HOW TO DISAPPOINT YOUR CLIENT  
AND STILL GET HIS BUSINESS



INFORM TO TRANSFORM



INFORM



A

few years back, there was an ad agency called Allen Brady and Marsh (ABM). It had accounts largely in the entertainment industry and was not thought of as a serious mainstream player. They were pitching for the British Rail account against some very good agencies and to say they were considered 'underdogs' would be an understatement. If they were to stand any chance of winning this account, they had to find a way to show that they understood British Rail better than others.

## IS FIRST IMPRESSION EVERYTHING?

On the day of the pitch, the top management team of British Rail turned up at the ABM offices. When they arrived at reception, it was deserted.

The Chairman checked his watch, and they were on time. He looked around, and there was no one in sight - just a very untidy reception area littered with crumpled newspapers, food wrappers, cigarette butts, and cushions with holes burned in them. It looked like the worst agency they had ever been in.



Eventually, a shabbily dressed woman appeared and sat behind the desk. She ignored them and started looking through a drawer.

The Chairman coughed. She ignored him, so he coughed again. Silence. He said, "Excuse me, we're here to see ...". The woman replied, "Be with you in a minute." He said, "But we have an appointment ...". and she replied abruptly, "Can't you see I'm busy?" The Chairman got angry. "This is outrageous" he said, "we've been waiting more than fifteen minutes." "Can't help that." the receptionist replied.

The Chairman had enough. "Right that's it, we're leaving" he declared, and the top management team of British Rail started to walk out. At that very moment, a door opened and out stepped the agency creative director, Peter Marsh. He had been watching everything.

## TO INFORM IS TO ENLIGHTEN

He shook the Chairman's hand warmly and said, "Gentlemen, you've just experienced what the public's impression of British Rail is. Now, if you'll come this way, we'll show you exactly how we're going to turn that around."

And he took the British Rail management team into the boardroom and went through their pitch about how bright the future could be, if ABM was their agency, which of course, it became.

Nila Infrastructures Limited follows an unambiguous policy of disclosing information about the company's activities in a clear, transparent and engaging manner. The company also has put a Corporate Social Responsibility (CSR) project on track to enlighten the general public about cleanliness and hygiene.

### ZERO WASTE AHMEDABAD

For the first time in the country, Ahmedabad Municipal Corporation (AMC) had articulated the Zero Waste goal for the city. A Zero Waste goal makes eminent sense for aesthetic, health as well as economic reasons. Mountains of litter don't make for a good view and is unhealthy too. Plus, such waste is truly 'wasted' given that

technologies exist to profitably recycle and reuse many types of waste today.

### THE CRUX OF THE WASTE PROBLEM

AMC's department of Solid Waste Management (SWM) has been entrusted with the responsibility of working towards the goal. In a study of waste disposal practices in Ahmedabad, they found that some major issues aggravating the waste problem had to do with the average citizen's attitude and awareness – lack of ownership over waste that's gone out of the home, tendency to litter and general lack of awareness about waste segregation into dry and wet. It was clear that a citizen's participation program was necessary to tackle the waste nightmare from the ground-up and complement SWM's efforts from the top-down.

### THE SOLUTION: MY OWN STREET

Thus, was born the My Own Street (MOS) program. My Own Street is a bottom-up approach to civic cleanliness that attempts to meet AMC's efforts half way. Rather than relying on government directives, it revolves around individual initiatives at the grassroots level. MOS activities can be classed under the broad heads of Educate, Encourage and Execute (EEE).

In a short span of time, My Own Street has attracted a lot of public attention and has reached quite a number of nooks and corners of the city like Bodakdev, Judges Bungalow, Ambawadi, Maninagar Ghatlodia, Ellisbridge, etc. Till date, 11 streets have come under the MOS banner in a comprehensive way by adopting all aspects of the program like cleaning, dustbin distribution, waste segregation, waste management awareness, wall colouring, society name boards, street maps, CCTV installation and beautification. Dustbins and bio-degradable liners at highly subsidized cost are being distributed to residents and societies. To reduce dust deposits and utilize space effectively, parking sidewalks are being repaired and roads resurfaced. Dustbins are being provided on streets to facilitate waste disposal by passersby. Eight streets in Maninagar, Bodakdev, Judges Bungalow, Ambawadi and Ellisbridge are on their way to becoming Model Streets under My Own Street. So far, the project has covered around 20 sq km area and improved quality of life for 10,000 plus citizens.



# GREEN SHOOTS OF GROWTH

Global growth is set to slow this year to its weakest pace according to International Monetary Fund (IMF). China's recent stock market turbulence is fueling investor worries about deepening economic problems there, while Greece's long-troubling debt woes threaten once again to damp the Eurozone's nascent recovery. Among other trouble spots, these two were the reason IMF downgraded its growth forecast for 2015 to 3.3%, down from last year and the weakest since the world economy contracted in 2009. The oil price fall and the positive effects of the exchange rate movements will help the world economy to be on the path to a slight recovery next year.

### INDIA: THE GOOD NEWS

The world's eyes are on India now. The Indian economy expanded 7.3% in the year ended March 2015. This was marginally higher than the 6.9% recorded in the previous year, pointing to a soft recovery and to what would be called 'the green shoots of growth.'

India's January-March quarter growth of 7.5% is ahead of the 7% recorded by China and is in line with IMF's projections about the country. For the first time since 1999, India will outgrow China and its BRIC (Brazil, Russia, India, China) peers with a GDP growth of 7.5% this calendar year and the next. However, IMF has suggested an important structural reform agenda for India to reap productivity gains. This includes removing infrastructure bottlenecks as well as reforms to education, labour and product markets for raising labour force participation and productivity.

In the short-term, low oil prices are likely to increase GDP growth, ease the pressures of India's high current account deficit and help bring down inflation.

### INFRASTRUCTURE IS KEY

India's full growth potential can only be realized through key growth drivers like physical infrastructure. Investment in physical infrastructure leads to employment generation, increased production efficiency, reduction in

cost of doing business and improved standard of living.

It is a known fact that urbanization intensity in India is increasing. Our country is home to some of the world's largest cities and there is a dream of a prosperous urban life in the by-lanes of most Indian villages. Urbanization is here to stay. By 2030, 75% of India's GDP will be generated from urban areas.

So, developing urban infrastructure makes a lot of sense. Housing the millions migrating to cities everyday and creating integrated transportation networks constitute good first steps towards overcoming the urbanization challenge.

### GUJARAT: THE ORIGINAL INSPIRATION FOR 'MAKE IN INDIA'

With the manufacturing sector accounting for 40% of the state's GDP and a major contributor to its growth story, it is evident that Gujarat is a manufacturing economy. Sound infrastructure and adequate energy have been the key drivers in its manufacturing growth. Gujarat is in fact a pioneer to have encouraged private sector investment in infrastructure by creating a PPP (Public Private Participation) policy.

The result is that over the years, widespread traditional infrastructure, be it power, roads, ports, airports, health or education has been set up and a modern industrial base created. The



state has also surged ahead in terms of progressive infrastructure like an extensive optical fibre network covering its length and breadth and an award-winning e-governance backbone delivering citizen-level services.

#### URBAN INFRASTRUCTURE: NEED OF THE TIMES

High growth over the years has meant that Gujarat's commercial centres have become nerve-centres of city life. Extensive migration of people seeking greener pastures in cities or its suburbs, either from outside the state or from outlying areas near urban concentrations, has created a tremendous load on civic infrastructure and services.

The way ahead is robust urban infrastructure that allows efficient delivery of citizen services. Affordable housing and transportation networks like BRTS play a key role.

#### URBAN GUJARAT

Gujarat ranks among the most urbanized states in India with a 42% plus urbanization level and its urban population continues to rise at a high decadal growth rate of more than 35%. Heavy urbanization and industrialization are known to create a financially viable environment for big-ticket infrastructure projects.

Gujarat Government is committed to transform Gujarat's cities into world-class urban spaces. A case in point is the Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana (SJMMSVY) launched in 2009. The noteworthy approach of this initiative lies in the fact that it caters to the development needs of Gujarat's eight municipal corporations and 159 Nagarpalikas across the state, bringing at their doorstep facilities usually associated with bigger cities. A detailed analysis

of key aspects of the infrastructure model that exists in Gujarat by Barclays has revealed a robust sector, "unlike several other states that are crippled by losses, inefficiency, a heavy debt burden or financial unviability..."

#### HOUSING SIDE OF URBANIZATION

As more and more people make Gujarat their home, the local housing demand goes up. To cope with the steep rise in housing demand from the lower strata of society, the government has made provisions for affordable housing under various schemes like the MIG Aawas, LIG Aawas, Mukhyamantri Aawas Yojana.

The challenges of urbanization have unleashed a whole world of opportunities. Real estate developers see major growth potential in Gujarat on the grounds of the state's rapid industrialization, growth of manufacturing sector and creation of a better social infrastructure.

#### AHMEDABAD: WHERE GROWTH MEETS DEVELOPMENT

Gujarat's largest city Ahmedabad is also India's largest industrial inland centre. Ahmedabad has risen to fame internationally as the jewel of the 'Gujarat Model' of which the PM was himself the architect as Chief Minister (2001-2014).

Among the world's fastest growing cities, Ahmedabad is also a successful example of inclusive urbanization; this is seen in a decline in urban poverty rate from 28% to 10% and slum settlement populations from 25.6% to 4.5% in less than 20 years. The city has also dealt better with urban sprawl and environmental challenges as compared to Bangalore, Pune and Hyderabad. Pulsating with a Gandhian legacy of

consensual politics, civil disobedience and a rich political culture since the pre-independence era, Ahmedabad's town planning was historically shaped by community group demands, that succeeded in leveraging municipal sensitivity towards combating poverty, disease and slum issues. Some of the successful outcomes of this inclusive growth are the Slum Electrification Scheme, bringing power to 200,000 houses across 710 slums between 2001 and 2007 and the Slum Networking Project (1995-2008) which upgraded 60 city slums, benefitting 13,000 homes with sanitation and sewage services.

Of course, urban renewal is not only about replacing ramshackle buildings with spanking new ones. Nor is it about constructing flyovers, new malls, markets and gated societies. It is really about infusing life into a city so that it becomes an organic, living entity. Ahmedabad has quietly managed this and more.

#### AHMEDABAD'S LIFELINE: BRTS

A quick hop onto a slick BRTS (Bus Rapid Transit System) bus, with its dedicated corridors in the centre of the road, gets one breezing past the crawling traffic in the circular city of Ahmedabad. This successful transport system operates to provide affordable, convenient and comfortable intra-city transport to the people of Ahmedabad. Introduction of AC buses have added to the comfort and upgraded the commuter profile. Hardly surprising then that it has won one international award after another.

Till date, a total of 140 BRTS Stations have been created along a total corridor length of 82 km.

Crisscrossing the entire city, the BRTS network manages daily average ridership to the tune of 1.30 lac city travellers.

#### IMPORTANCE OF COMMERCIAL REAL ESTATE

Ahmedabad is the ideal city for acquiring commercial property due to its excellent infrastructure and a host of other factors. Ahmedabad has high affluence, so brands and organizations have set their sights on the city. Near India's commercial heart Mumbai, the city presents an excellent alternative for headquartering major corporate houses.

#### SPOTLIGHT ON RAJASTHAN

Rajasthan touches six major states of Northern, Western and Central India. It is a natural corridor between the wealthy northern and the prosperous western states of the country, which makes it an important trade and commerce centre. Rajasthan is experiencing an unprecedented real-estate boom. With saturation setting in the metros, the real action is now heating up in emerging cities. Rajasthan, with its well-planned cities and further initiatives for urban development, is attracting prestigious projects in real estate and construction. Favourable land rates, combined with good living spaces, are major contributors to the growth of this sector. Well-planned and congestion-free cities of the state have good urban infrastructure with wide roads, parks, drinking water, sanitation facilities and widespread affordable housing projects. It makes business sense to be in Rajasthan.



## COMPANY REVIEW

# TURNING POINT OF TURNOVER

Picture this. From 2014 to 2015, the construction sector grew by about 2% on an average; Nila Infrastructures Limited, which is a small part of the sector, grew by a thumping 31.53% - from ₹ 100.15 crore in financial year 2013-14 to ₹ 131.72 crore in financial year 2014-15. An anomaly or a triumph? How do you explain such a breathtaking performance?

An examination of underlying factors will show that Nila Infrastructures Limited's performance was no fluke. It was simply an outcome of developing the 'muscles' for it – processes and practices that were slowly percolated into the company's ecosystem

### A BUSINESS MODEL THAT IS VERSATILE AND DYNAMIC

Over the years, the company has been hard at work to implant a flexi-business model that quickly adapts to market changes. It works by shifting construction focus from one sector to another – in this case, from real estate to infrastructure and vice versa. During booms, when real estate has an upside, the company focuses on residential real estate projects; during recessions, when real estate generally goes down and governments start rolling out more infrastructure projects, the company quickly changes gears to focus on them.

Besides adjusting to economic cycles, the business model also adapts to up-scaling of projects, multiple project sites, different schedules and deadlines.

An example of this versatility is the company's foray into Rajasthan. The goal is to tap into the fierce pace of infrastructure development, especially of affordable housing, and position the company as one able to operate across multiple locations.

### TURNOVER WITH SUSTAINABILITY BUILT-IN

Some may argue that Nila Infrastructures Limited's higher turnover is at the expense of profit. To reinforce their contention, they may quote Nila Infra's Profit After Tax figures – an

increase from ₹ 1,185.07 lac in financial year 2013-14 to ₹ 1,205.00 lac in financial year 2014-15 for a growth of 1.68%.

There are two counter-arguments. One, since profit has grown, it means that the quantum of profit has gone up, if not its rate. Two, turnover growth is important for sustainability. Let's take an example. Say, there are two entities, Company A and Company B, both with equal profit volume. Further, Company A has a higher turnover than Company B. Now, on the face of it, Company A is worse off than Company B since its profitability (Profit/Turnover) is lower. Taking this example further, let's say that Company A has a higher turnover growth of 35%, while Company B has a turnover growth of only 5%. Now, which company is more sustainable in the future? It is Company A, since a 35% growth would propel it further into the future than a 5% growth.

Arguments apart, figures are conclusive too. The company has a healthy order book to keep turnover sustainable at current levels.

### COMFORTABLE FINANCES

Nila Infrastructures Limited merged with a highly liquid company, Pearl Stockholdings, during financial year 2009-10 and took over its leasing business. By doing so, Nila Infra acquired leasing rights over a prime commercial property and assured itself of steady and vital cash flow.



Strong financial fundamentals have prompted India Ratings (formerly Fitch Ratings) to assign BBB rating with stable outlook pronouncement for the company's long-term debt. This puts Nila Infrastructures Limited in good position with banks and financial intermediaries, which the company can leverage to acquire cost-effective loans for any expansion strategy.

In the year under consideration, the company was able to raise additional funds through private placement of equity. In the process, the company's capital structure underwent a change. Promoters' shareholding declined from 74.97% to 59.78%.

A sign of Nila Infra's financial maturity is its unbroken record of dividend payout for the 6th year running.

#### FINE-TUNED PROJECT MANAGEMENT SYSTEM AND PRACTICES

The lynchpin of Nila Infrastructures Limited's business model is astute project management. The company has adopted an integrated system to get project management, contract management and control functions all in sync. Project Monitoring Centres (PMC) created for individual projects are like control rooms to monitor project schedules, track milestones and allow fast decision-taking by management.

A web-based collaborative system displays project performance dashboards, flags important issues for information or resolution and helps fast-track management interventions. Infused with 'Just In Time' principle, it helps

create work flows and deploy resources, both internal and external, so that no resource is wasting time at any project site due to misallocation, over-allocation or under-allocation. It is no wonder that such a comprehensive system is equipped to handle turnkey projects, from concept to commissioning.

#### PROJECT PARTNERSHIPS

Nila Infrastructures Limited forges partnerships with reputed companies to undertake some projects. The aim is to share costs, divide risks, gain experience and expertise, undertake projects beyond its current scale of operations and gain valuable insights of mixed-use project concepts.

#### PROJECT DIVERSITY

The diversity of projects in Nila Infra's portfolio in terms of nature and location is what has contributed to the company's bandwidth of experience and depth of knowledge. They range from Bungalows and Flats to BRTS Stations, Multilevel Parking and quite a few Affordable Housing projects in Gujarat and Rajasthan.

It is quite clear from a discussion of the above factors that Nila Infrastructures Limited's performance can be sustained over the years. Transformation is always afoot at Nila Infrastructures Limited. Such continuous change is expected to propel the company into the big league in the near future.



# #BUILDTOTRANSFORM

Nila Infrastructures Limited is driven by a simple motto – Build To Transform. We build processes, skillsets and systems to fast-track projects, keep to strict schedules, reach project milestones and complete them on time; ultimately, to achieve one overriding goal: transform lives of clients and customers.

However, attaining the key objective at a company level demands a transformation of everyone at a personal level. Skills, knowledge and attitudes of individuals need to change for transformation to take full effect. Thus, Nila Infra's story of transformation is the cumulative result of personal transformation stories of our people.

We are sure you too dear reader would have your own set of business and personal transformation stories. Do drop in at our Facebook page and our Twitter handle, both named #BuildToTransform, to share your stories with others who would love to hear from you. Or simply read those who have their own interesting transformation story to tell.



## Statutory Information

13 × 1 + 72 = 85

12 × 05 = 60

25

25th Annual  
Report 2014 - 15

## NOTICE

**NOTICE** IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NILA INFRASTRUCTURES LIMITED (NILA) WILL BE HELD ON FRIDAY AUGUST 28, 2015 AT 10:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT FIRST FLOOR, SAMBHAHV HOUSE, OPP: CHIEF JUSTICE'S BUNGALOW, BODAKDEV, AHMEDABAD – 380015 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated financial statements of the Company for the year ended March 31, 2015 including audited balance sheet as at March 31, 2015 and the statement of profit and loss for the year ended on that date and the report of the board of directors and auditors thereon.
2. To appoint a Director in place of Mr. Dilip D. Patel (holding DIN 01523277), who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend on equity shares.
4. To re-appoint the auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, M/s O P Bhandari & Co., (Firm Registration No. 112633W), Chartered Accountants, be and are hereby reappointed as the statutory auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of next annual general meeting, at a remuneration to be decided by the Board of Directors in consultation with audit committee and the auditors.”

### SPECIAL BUSINESS:

5. *To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:*

**“RESOLVED THAT** Ms. Foram B. Mehta (holding DIN 07140346), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 28, 2015, in terms of Section 161 of the Companies Act, 2013 and articles of association of the Company and whose term of office expires at the annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, pursuant to section 149, 152 and Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, for a terms of period of 5 (Five) consecutive years w.e.f August 28, 2015.

6. *To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:*

**RESOLVED THAT** pursuant to Section 148(3) and other applicable provision, if any of the Companies Act, 2013, and Rule 14 of the Company (Audit and Auditor) Rules, 2014, including any statutory

modification(s), re-enactment(s) thereof, M/s Dalwadi & Associates, Cost Accountant (FRN: 000338) appointed by the Board of Director of the Company, to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2016, be paid the remuneration of ₹ 60,000 (Rupees Sixty Thousand Only) per annum for conducting cost audit.

Date: May 25, 2015

**Nilva Infrastructures Ltd.**

CIN: L45201GJ1990PLC013417

Reg. Off.: 1<sup>st</sup> Floor, Sambhaav House,

Opp. Chief Justice's Bungalow, Bodakdev,  
Ahmedabad - 380 015.

By order of the

Board of Directors

Dipen Y. Parikh

Company Secretary

### IMPORTANT NOTES:

1. The register of members and the share transfer books of the Company will remain closed from August 25, 2015 to August 28, 2015 (both days inclusive) for the purpose of annual general meeting and determining the entitlement of the shareholders to the final dividend for the year ended on March 31, 2015.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

## NOTICE

6. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the annual general meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the annual report for the year 2014-15 & the Notice of the 25<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
8. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report for the year 2014-15 will also be available on the Company's website [www.nilainfra.com](http://www.nilainfra.com) for their downloading. The physical copies of the aforesaid documents will also be available at the Company's registered office at Ahmedabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [secretarial@nilainfra.com](mailto:secretarial@nilainfra.com).
9. Voting through electronic means;
- I. With regard to voting through electronic means in compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through remote e-Voting Services provided by National Securities Depository Limited (NSDL):
- The instructions for remote e-voting are as under:
- A.** In case a member receives an email from NSDL [for members whose email IDs are registered with the Company / Depository Participants(s)]:
- Open email and open PDF file viz; "Nila Infra e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - Click on Shareholder – Login
  - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Nila Infrastructures Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [rssharma42@yahoo.co.in](mailto:rssharma42@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B.** In case a Member receives a physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- Initial password will be provided separately:  
EVEN (E Voting Event Number) USER ID PASSWORD/PIN.
  - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- V. The remote e-voting period commences on August 25, 2015 (9:00 am) and ends on August 27, 2015 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of August 22, 2015 may cast their vote electronically. The e-voting module shall be disabled thereafter. Once the vote on a resolution is casted by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. Further the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

- VII. Further physical poll papers shall be made available at the meeting and the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- VIII. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 22, 2015.
- IX. Any person, who acquires shares of the Company and becomes a member after dispatch of the Notice and holding shares as on the cut-off date i.e. August 22, 2015, may obtain login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if a person is already registered with NSDL for remote e-voting then existing user ID and password can be used for casting the vote.
- X. Mr. R S Sharma, of R S Sharma & Associates, Company Secretaries (Membership No. ACS:3126) (Address: 402, 'Panchdeep', Nr. Mayor Colony, Mithakhali Six Road, Navrangpura, Ahmedabad – 380009, has been appointed as the Scrutinizer to scrutinize the remote e-voting & poll process in a fair and transparent manner.
- XI. The Scrutinizer shall immediately after the conclusion of the voting at the general meeting, first count the votes at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and not later than 3 (three) days make a consolidated report on the votes cast through remote e-voting and poll process at the meeting to the Chairman.
- XII. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of the NSDL immediately after the result is declared by the Chairman.
- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 6.30 pm) on all working days, up to and including the date of the annual general meeting of the Company.**

**INFORMATION AS REQUIRED UNDER CLAUSE 49 (IV) (G) (i) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT:**

|  |   |   |
|--|---|---|
| Name of the Directors  | Mr. Dilip D. Patel  | Ms. Foram B. Mehta  |
| Director Identification Number (DIN)   | 01523277  | 07140346  |
| Date of Birth  | June 23, 1946   | November 05, 1987   |
| Nationality  | Indian  | Indian  |
| Date of Appointment on Board   | July 30, 2009   | March 28, 2015  |
| Qualification  | Post Graduate   | B.E (Chemical) MDP from IIM, Ahmedabad                                |
| Expertise in Specific Functional Area  | He has expertise in business management, marketing, and corporate strategies.   | She has expertise in marketing, branding and corporate communication. |
| Shareholding in Nila Infrastructures Ltd.  | Nil   | Nil   |
| List of Directorship held in other Companies                                       | Sambhaav Media Ltd.<br>Nalanda Management Institutes Pvt. Ltd.<br>Green Force Enviro Pvt. Ltd.<br>Soham Environment Services Pvt. Ltd.<br>Green Force SWM Pvt. Ltd.<br>Green Force Renewal Energy Pvt. Ltd. | Nil   |
| Membership / Chairmanship of Committees of other public companies                  | Member of Audit Committee and Nomination & Remuneration Committee of Sambhaav Media Ltd.  | Nil   |
| There is no inter-se relationship between these Directors and other Board Members. |   |   |

## NOTICE

### Explanatory Statement pursuant to the Section 102(1) of the Companies Act, 2013

#### Item No: 5

Ms. Foram B. Mehta is a Non-Executive Independent Director. She joined the Board of Director of the company on March 28, 2015 as an Additional Director. A notice has been received from a member proposing her appointment as a Director at the Annual General Meeting.

Ms. Foram B. Mehta has done BE Chemical from Nirma University and an MDP from IIM Ahmedabad. She has been in the field of marketing, advertising, corporate branding, television management, and television modelling. Ms. Mehta brings with herself extensive knowledge of brand conceptualisation and entire marketing management. She has in past worked with Hindustan Unilever Ltd., Tata Teleservices Ltd., Atharva Telefilms Pvt. Ltd., JP Group, Tashee Group and is presently managing affairs of her own firm "GOD BROTHERS" engaged in the activities of creative branding, marketing, and communication. Apart, Ms. Mehta is a qualified anchor, drama artist from All India Radio, and has participated, hosted number of events and won many awards.

As informed Ms. Foram B. Mehta is not disqualified from being appointed as Director in terms of Section 164 (2) of Companies Act, 2013 and the Company has received the requisite undertaking confirming her eligibility for such appointment. In the opinion of the Board Ms. Foram B. Mehta fulfills the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the listing agreement. As informed Ms. Foram B. Mehta does not hold any share of the Company. A copy

of the draft letter for appointment of Ms. Foram B. Mehta setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours, on any working day.

It is proposed to seek Members' approval, by passing ordinary resolution, for the appointment of Ms. Foram B. Mehta as a Director, in terms of the applicable provisions of the Companies Act, 2013.

None of the Directors and Key Managerial personnel other than Ms. Foram B. Mehta is interested in the resolution of Item No. 5

#### Item No: 6

M/s Dalwadi & Associates, Cost Auditor Ahmedabad has been appointed as the Cost Auditor of the company by the Board of Directors to conduct the cost audit of various cost records for the year ending March 31, 2016.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Company(Audit and Auditor) Rules, 2014, the remuneration payable to the Cost Auditors recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing special resolution as set out in the Item No. 6 of the notice for ratification of the remuneration of the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors and Key Managerial personnel is interested in the Resolution of Item No. 6.

## DIRECTORS' REPORT

### Dear Members,

The Directors of your company are pleased to present the 25<sup>th</sup> Annual Report to the Members with the audited financial statements for the year ended March 31, 2015.

### STATE OF AFFAIRS OF THE COMPANY

#### Financial Results:

The performance of the Company for the financial year 2014-15 is as under:

(₹ in Lacs)

| Particulars                                     | Standalone for the year ended |                 | Consolidated for the year ended |                 |
|---|-------------------------------|-----------------|---------------------------------|-----------------|
|   | 31/03/2015                    | 31/03/2014      | 31/03/2015                      | 31/03/2014      |
| Total Income                                    | 13,171.85                     | 10,014.92       | 13,174.74                       | 10,069.18       |
| Less: Total Expenditure                         | 11,303.34                     | 8,196.71        | 11,314.37                       | 8,254.50        |
| <b>Profit Before Tax</b>                        | <b>1,868.51</b>               | <b>1,818.21</b> | <b>1,860.37</b>                 | <b>1,814.68</b> |
| Less: Current Tax                               | 684.75                        | 632.33          | 684.75                          | 632.89          |
| Deferred Tax                                    | (21.24)                       | 0.82            | (21.24)                         | 0.83            |
| Net Profit After Tax                            | 1,205.00                      | 1,185.06        | 1,196.86                        | 1,180.96        |
| Add: Balance Brought Forward from previous year | 4,845.44                      | 4,105.78        | 4,770.84                        | 4,078.24        |
| <b>Profit available for appropriation</b>       | <b>6,050.44</b>               | <b>5,290.84</b> | <b>5,967.70</b>                 | <b>5,259.20</b> |
| Less: Reserve due to consolidation              | -                             | -               | 50.71                           | 42.96           |
| Less: Depreciation                              | 6.64                          | -               | 6.64                            | -               |
| Less: Transfer to General Reserve               | -                             | 100.00          | -                               | 100.00          |
| Less: Proposed Dividend                         | 370.23                        | 295.23          | 370.23                          | 295.23          |
| Less: Dividend Distribution Tax                 | 74.03                         | 50.17           | 74.03                           | 50.17           |
| Surplus carried to Balance Sheet                | 5,599.54                      | 4,845.44        | 5,466.09                        | 4,770.84        |
| Security Premium                                | 5,678.34                      | 2,678.34        | 5,678.34                        | 2,678.34        |
| General Reserve                                 | 524.77                        | 524.77          | 524.77                          | 524.77          |
| Reserves [Excluding Revaluation Reserve]        | 11,802.65                     | 8,048.55        | 11,669.20                       | 7,973.95        |

#### REVIEW OF OPERATIONS:

Your Company's primary area of operations include construction and development of infrastructure and real estate projects. The majority of the projects of your Company are being executed in Gujarat and one at Rajasthan.

During the year under review, total operational revenue of the Company increased by 28 % from ₹ 96.65 lac to ₹ 124.40 lac as compared to the previous financial year. The increase in turnover is predominantly due to higher operational activities at multiple projects as well as higher number of operational projects during the year. Out of the total turnover; the contribution of infrastructure projects is 65 % and remaining from the real estate, trading and leasing activities.

#### REPORT ON PERFORMANCE OF SUBSIDIARY COMPANY PURSUANT TO RULE 8 (1) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

As per Section 129 (3) of the Companies Act, 2013 and Clause 32 of the listing agreement your Directors have pleasure in attaching the consolidated financial statements prepared in accordance with the applicable accounting standards with this report.

In terms of proviso to Section 129(3) and rule 8(1) of the Companies (Accounts) Rules, 2014, the silent features and financial position of the subsidiary companies, associates and joint ventures are mentioned in the notes to the accounts.

#### 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 payout will absorb an amount of ₹ 370.23 lac. The dividend will be paid to the members, whose name appears in the register of members as on August 24, 2015.

## DIRECTORS' REPORT

### PUBLIC DEPOSITS:

During the year under review your Company has not accepted any deposits from the public within the meaning of Section 73 and 76 of the Companies Act, 2013.

### INSURANCE:

All the existing properties of the Company are adequately insured.

### DIRECTORATE:

Pursuant to Section 152 of the Companies Act, 2013, Shri Dilip D. Patel, (DIN:01523277) Director of the Company retires by rotation at the ensuing Annual General Meeting of the company and being eligible offers himself for reappointment.

During the year Mr. Akhilesh C. Mehta has resigned as a Director. The Board took note of the contribution made by him in the growth of the company.

During the year under review at the 24<sup>th</sup> Annual General Meeting your Company has appointed Shri Shyamal S. Joshi, Shri Ashok R. Bhandri, Shri Harcharansingh P. Jamdar, and Shri Hireen G. Pandit as Independent Directors in terms of Section 149 of the Companies Act, 2013.

Further in terms of the provisions of Section 203 of the Companies Act, 2013 Mr. Manoj B. Vadodaria, Managing Director; Mr. Prashant H. Sarkhedhi, Chief Finance Officer; and Mr. Dipen Y. Parikh, Company Secretary have been designated as Key Managerial Personnel. Further in terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has appointed Ms. Foram B. Mehta as a Woman Director on March 28, 2015. The appointment of Ms. Foram B. Mehta is made by the Board of Directors under Section 161 of the Companies Act, 2013.

Pursuant to the requirement of Section 149 (7) of the Companies Act, 2013, the Independent Directors have submitted their declarations to the Board that they meet the criterion of independence as provided in Section 149 (6) of the Companies Act, 2013.

### Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, an annual performance evaluation of the members of the Board of its own individually and working of the various committees of the Board was carried out. The manner in which the performance evaluation was carried out has been explained in the Corporate Governance Report.

### Board Meetings:

During the year under review 7 (seven) Board Meetings and 4 (four) Audit Committee Meetings were held. The details of the meetings are given in the Corporate Governance Report as a part to the Boards' Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013 your Directors confirm that:

- In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- The Directors have selected such accounting policies and applied them consistently and made judgment 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.
- The Directors 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.
- The Directors have prepared the annual accounts on a going concern basis; and
- Proper internal financial controls are in place and that the financial controls are adequate and were operating effectively.
- The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### ISSUE OF SECURITIES ON PRIVATE PLACEMENT BASIS:

During the year under review your Company has issued and allotted 75,000,000 equity shares of ₹ 1 each at an issue price of ₹ 5 per share on private placement basis to the persons other than promoters. Further the company has issued 22,500,000 warrants convertible into equivalent numbers of equity shares to the promoters and promoter group at an issue price of ₹ 5 per warrant on private placement basis. The utilisation of the money raised through this private placement has been made for the purpose mentioned in the explanatory statement of the notice of the General Meeting and Private Placement Offer Letter.

### INCREASE IN AUTHORIZED CAPITAL:

In order to facilitate the issue of equity shares and convertible warrants on private placement basis; the authorised share capital of the Company has been increased from ₹ 3,500 lac to ₹ 5,000 lac by creation of 1,500 lacs equity shares of ₹ 1 each.

### LISTING OF SHARES:

Equity shares of your Company are listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd (NSE). Your Directors are pleased to inform that the equity shares of your Company have been listed and admitted for dealing at NSE w.e.f May 21, 2015. The Company has duly paid the annual listing fees for the financial year 2015-16 to the exchanges. Adequate care has been taken to comply with all the norms and requirements as per the provisions of the listing agreements. 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 and Share Transfer Agent to undertake transfer of physical share certificates besides acting as an electronic registrar.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company has generally implemented the procedure and adopted practices in conformity with the code of Corporate Governance as enumerated in clause 49 of the listing agreement with the stock exchanges. The management discussion and analysis and corporate

governance report are made a part of this report. A certificate from the company secretary in practice regarding compliance of the conditions of corporate governance is given in annexure, which is attached hereto and forms part of the Directors' report.

Disclosure in terms of Schedule V (Part II) (Section II) (B) (iv) (IV) of the Companies Act, 2013 are mentioned in Corporate Governance Report as a part of this report.

**STATUTORY AUDITORS:**

M/s. O. P. Bhandari & Co. (FRN:112633W), Chartered Accountants, Ahmedabad retires at the ensuing Annual General Meeting and is eligible for reappointment. The Company has received a certificate from them that their re-appointment if approved by the shareholders would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The members are requested to appoint auditors to hold office until the conclusion of the next annual general meeting of the Company.

**AUDITORS' REPORT:**

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

**SECRETARIAL AUDITOR'S REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the company has appointed M/s R S Sharma & Associates (ACS 3126), Company Secretaries to undertake the secretarial audit of the Company. The report of the Secretarial Auditor is annexed herewith. The report of the Secretarial Auditor is self explanatory.

**AUDIT COMMITTEE:**

The audit committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement reviewed the financial results and financial statements, audit process, internal control system, scope of internal audit and compliance of related regulations as prescribed under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Composition and terms of reference of the audit committee is given in the Corporate Governance Report as a part of the Boards' Report.

**VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

The company has established Vigil Mechanism (Whistle Blower Policy) in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for the employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. The details of the Whistle Blower Mechanism is explained in the Corporate Governance Report and policy is available on the company's website.

**DISCLOSURE IN TERMS OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an anti sexual harassment policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is no such

instance reported during the year under review.

**STATUTORY DISCLOSURES REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

Detail of foreign exchange earnings and outgo form part of the financial statement for the year under review. Conservation of energy has always been of immense importance to your Company and all the equipments consuming energy have been placed under continuous and strict monitoring. In view of the nature of the operations, no report on the other matters is required to be made under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE BY THE COMPANY DURING THE YEAR:**

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS:**

In terms of Clause 49 of the Listing Agreement the Company has adopted policy on dealing with related party transactions. All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and were at arm's length basis. There are no material significant related party transactions made by the Company with its Directors, Promoters, Key Managerial Personnel or their relative exceeding the limit prescribed under Section 188 (1) of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its powers) Rules, 2014.

**BUSINESS RISK MANAGEMENT:**

In terms of the requirement of Clause 49 of the Listing Agreement; the Company has constituted Business Risk Management Committee. The details of the Committee and terms of reference are given in the Corporate Governance Report forming part of the Board of Directors' Report.

The Company has adopted a policy identifying and evaluating various business risks and mechanism to mitigate the risk. The policy aims to provide framework for the evaluation of various risk and entire risk management. The key business risks identified by the Company are as under.

**Cyclic Nature of Business:**

Your Company's primary area of operations includes construction and development of infrastructure and real estate projects which has a cyclic nature. The operations of your Company may be affected by any downturn in economy. To mitigate the impact of any slowdown in economy the management of your Company focuses on constructing urban infrastructure projects i.e affordable housing projects of Government wherein risk is considered to be less. With respect to real estate projects the Company considers various scientific parameters for selection of projects to ensure successful completion.

**Competition Risk:**

Competition in business is inevitable. The business in which your Company operates is highly competitive in nature with the presence of regional players and the new entrance of big corporates having pan India operations.

## DIRECTORS' REPORT

To mitigate this risk your Company focuses on providing quality products, improving after sales services and applying robust marketing strategy.

### Interest Rates and Monetary Policy:

The business of your Company is highly capital intensive and considering the long gestation period of housing and infrastructure projects; the Company requires long term working capital from time to time. Further the demand of housing is also linked with the rate of housing loans. Any increase in the base rates or any decision of the Central Bank to tighten the liquidity in the economy; increases the finance cost of your Company and consequently impacts profitability. To mitigate this risk, the Company focuses on better financial management practices to obtain cheaper funds and ensures optimal utilization thereof.

### Other Risks:

There are other risks which may affect the smooth functioning of your company i.e. shortage of labour may delay the execution of projects.

### CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of the provisions of Section 135 of the Companies Act, 2013, your Company has constituted CSR Committee. As a part of its initiatives under CSR, the Company has spent funds for the projects involving Promotion of Sanitation and preventive Healthcare. As a part of the Clean India Campaign, your company has initiated "My Own Street" campaign to spread awareness of environmental protection and cleanliness by encouraging people to participate and make it a habit to keep the society clean.

The Annual Report on CSR activities is annexed herewith as: **'Annexure A'**.

### NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a Nomination and Remuneration Committee and adopted a policy on appointment and remuneration of the Directors and Key Managerial Personnel. The composition, terms of reference of the Committee and policy on appointment and remuneration of Directors and Key Managerial Personnel are given in the Corporate Governance Report as a part to the Boards' Report.

### MATERIAL CHANGES

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

### COST AUDIT:

The Board has appointed M/s. Dalwadi & Associates, Cost Accountant (FRN 000338) to conduct the audit of the cost record for the financial year 2015-16.

### EMPLOYEES:

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### EMPLOYEE STOCK OPTION SCHEME:

The stock options granted to the eligible employees operate under the "Nila Infrastructures ESOP- 2014". The disclosures as required under the law have been made in the **'Annexure B'** to this report.

### DISCLOSURES IN TERMS OF RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The information required pursuant to rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

### EXTRACT OF THE ANNUAL RETURN

The extract of annual return in the prescribed form MGT-9 for the financial year March 31, 2015 is attached with the Boards' Report as **'Annexure C'**.

### ACKNOWLEDGMENTS

Your Directors take this opportunity to acknowledge with gratitude the trust reposed in the Company by the Shareholders, Investors, Customers, Corporations and Government Authorities. Directors of your Company specifically express their gratitude to the Bankers and Financial Institutions who have extended immense support to the Company for implementation of all the projects in time. Further, your Directors also keenly appreciate the dedicated commitment of the employees without which the sustained progress of the Company would not have been a reality.

For & on Behalf of the  
Board of Directors

**Manoj B. Vadodaria**  
Chairman & Managing Director  
DIN: 00092053

Date: May 25, 2015  
Place: Ahmedabad

## Annexure A

### Annual Report on Corporate Social Responsibility Activities

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs. Brief Outline of the CSR Policy is stated herein below:

#### CSR Policy

(Approved by the Board of Directors on May 29, 2014)

The object of the CSR policy is to frame a road map for the CSR activities to be undertaken by the Company and establish a monitoring mechanism for effective implantation as per regulatory requirement.

Thrust area of activities enumerated under the policy are as under.

#### Community healthcare, promotion of sanitation and hygiene, including, but not limited to:

- a) Establishment and/or management of infrastructure ensuring cleanliness, waste removal, and sanitation.
- b) Establish and manage medical healthcare units and allied infrastructure.
- c) Providing financial and/or other assistance to the agencies involved exclusive in waste management, sanitation, medical healthcare, therapeutic clinics, research, public health, nursing etc.
- d) Activities concerning or promoting:
  - i. General health care including preventive health care
  - ii. Safe motherhood
  - iii. Child survival support programs
  - iv. Health / medical camps

- v. Better hygiene and sanitation
- vi. Adequate and potable water supply, etc.

#### Social care and concern, including, but not limited to:

- (a) Creating Public awareness for cleanliness and to undertake campaign thereof;
- (b) Protection and upgradation of environment including ensuring ecological balance and related activities and undertaking public campaign thereof.

#### Web Link :

<http://www.nilainfra.com/pdfs/Policies%20and%20Code%20of%20Conducts/Corporate%20Social%20R esponsibility%20Policy.pdf>

2. Composition of the CSR Committee:

| Name of the Members    | Designation |
|------------------------|-------------|
| Mr. Shyamal S. Joshi   | Chairman    |
| Mr. Kiran B. Vadodaria | Member      |
| Mr. Manoj B. Vadodaria | Member      |

3. Average Net Profit of the Company for last three financial years: ₹ 1851.42 lac.
4. Prescribed CSR Expenditure ( 2% of the amount as in item no 3.) : ₹ 37.03 lac.
5. Details of CSR spent during the financial year:
  - (a) Total Amount spent during the financial year: ₹ 37.12 lac
  - (b) Amount unspent, if any: NA
  - (c) Manner in which the amount was spent during the financial year is detailed below:

| 1  | 2                                     | 3  | 4  | 5  | 6   | 7   | 8  |
|----|---------------------------------------|--|--|--|---|---|--|
| SN | CSR Projects or activities identified | Sector in which the project is covered         | Projects or programs (1) Local Areas or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budge) project or programs wise | Amount spent on the projects or programs<br><b>Sub-heads:</b><br>(1) Direct expenditure on projects or programs<br>(2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent : Direct or through implementing agency |
| 1  | Promotion of sanitation activity      | Promoting preventive healthcare and sanitation | Ahmedabad, Gujarat   | ₹ 37.03 lac                                    | ₹ 37.12 lac   | ₹ 37.12 lac   | Direct by the Company                                |
|    | <b>Total</b>                          |  |  | ₹ 37.03 lac                                    | ₹ 37.12 lac   | ₹ 37.12 lac   |  |

- Details of the implementing agency: Not Applicable
6. Reasons for not spending the prescribed amount during the year: Not Applicable

## ANNEXURES TO DIRECTORS' REPORT

### Annexure B

| Details of Employee Stock Options Scheme under the law  |   |
|---|---|
| a Options Granted   | 11,000,000  |
| b The Pricing Formula   | The Exercise Price is the Market Price as defined under SEBI ESOP Guideline, 1999. Meaning thereby, the Exercise Price is the latest available closing price, prior to the date of meeting in which Options are Granted, on the Stock Exchanges on which there is highest trading volume of shares on the said date. In case Market Price falls below the face value, the "Exercise Price" shall be the Face Value. |
| c Options Vested  | NIL   |
| d Options Exercised   | NIL   |
| E The Total number of shares arising as a result of exercise of option  | NIL   |
| F Options Lapsed  | NIL   |
| G Variation of terms of Options   | NA  |
| H Money realized by Exercise of Options   | NA  |
| I Total Number of Options in force  | 11,000,000  |
| J Employee wise details of Options Granted to:  |   |
| i) Key Managerial Personnel   |   |
| a) Prashant H. Sarkhedi, Chief Finance Officer  | 500,000   |
| b) Dipen Y. Parikh, Company Secretary   | 350,000   |
| ii) any other employee who receives a Grant in any one year of Option amounting to 5% or more of Option Granted during that year  | NA  |
| iii) Identified employees who were Granted Option, during any one year, equal to or exceeding 1% of the Issued Capital (excluding Outstanding Warrants and Conversions) of the Company at the time of Grant   | NA  |
| J Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options, calculated in accordance with Accounting Standard (AS)- 20 'Earnings Per Share'  | Not Applicable as Options have not been exercised.  |
| K Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed | Not Applicable as Options have not been exercised.  |
| L Weighted average exercise price of Options whose  |   |
| (a) Exercise price equals market price;   | ₹ 6.64  |
| (b) Exercise price is greater than market price   | No such Grant   |
| (c) Exercise price is less than market price  | No such Grant   |
| Weighted average Fair Value of Options whose  |   |
| (a) Exercise price equals market price;   | No such Grant   |
| (b) Exercise price is greater than market price   | No such Grant   |
| (c) Exercise price is less than market price  | No such Grant   |

|  |   |
|--|---|
| <p>M A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:</p> <p>(i) risk-free interest rate<br/>(ii) expected life<br/>(iii) expected volatility<br/>(iv) expected dividends, and<br/>(v) the price of the underlying share in market at the time of option grant</p> | <p>The Company had calculated fair value of options for options granted on November 28, 2014 using the Black Scholes method as option-pricing model.</p> <p>8.00%<br/>12 to 60 months<br/>68%<br/>1.50 %<br/>₹ 6.64</p> |
|--|---|

## Annexure C Form No. MGT 9 : Extract of Annual Return

As on financial year ended on March 31, 2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I. REGISTRATION & OTHER DETAILS:

|  |  |
|--|--|
| CIN  | L45201GJ1990PLC013417  |
| Registration Date                                  | February 26, 1990  |
| Name of the Company                                | Nila Infrastructures Limited   |
| Category/Sub-category of the Company               | Public Limited Listed Company  |
| Address of the Registered office & contact details | First Floor Sambhaav House<br>Opp. Chief Justice's Bungalow,<br>Bodakdev, Ahmedabad – 380015<br>Tel. +91 79 4003 6817/18<br>Fax: +91 79 3012 6371;<br>Email: secretarial@nilainfra.com |

|  |   |
|--|---|
| Whether listed company   | Yes   |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | <b>M/s MCS Ltd.</b><br>201, Third Floor, Shatdal Complex,<br>Opp: Bata Show Room<br>Ashram Road,<br>Ahmedabad - 380009<br>Tel no. (079) 26582878;<br>Fax no. (079) 26581296 |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sr.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|---|----------------------------------|------------------------------------|
| 1      | Construction and Construction Services          | 99531                            | 74%                                |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| SN | Name and Address of the Company   | CIN/ GLN/ LLPIN       | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section                       |
|----|---|-----------------------|--------------------------------|------------------|--|
| 1  | Nila Projects LLP<br>1st Floor, Sambhaav House,<br>Opp. Chief Justice Bungalow,<br>Bodakdev, Ahmedabad-15.      | AAD- 3464             | Subsidiary                     | 99.97%           | Section 2(87) of the Companies Act, 2013 |
| 2  | Nilsan Realty LLP<br>Sandesh Bhavan, Lad Society<br>Road, Bodakdev, Ahmedabad.                                  | AAA-0642              | Associate/Joint Venture        | 50%              | Section 2(6) of the Companies Act, 2013  |
| 3  | Shree Matangi Projects LLP<br>12, Saket Bungalows, Near<br>Takshshila Tower, Vastrapur,<br>Ahmedabad-15.        | AAA-1025              | Associate/Joint Venture        | 40%              | Section 2(6) of the Companies Act, 2013  |
| 4  | Fangdi Land Developers LLP<br>33, Amrapalash Bungalows,<br>B/h. Fun Republic, Satellite,<br>Ahmedabad-15.       | AAB-0424              | Subsidiary                     | 51%              | Section 2(87) of the Companies Act, 2013 |
| 5  | Mega City Cinemall Pvt. Ltd<br>City Pulse Building, Near<br>Samrat Hotel, Vishalla-<br>Sarkhej Road, Ahmedabad. | U92412GJ2006PTC048195 | Associate                      | 42.50%           | Section 2(6) of the Companies Act, 2013  |

## ANNEXURES TO DIRECTORS' REPORT

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Share Holding

| SN         | Category   | No. of Shares held at the beginning of the year |            |                    |                   | No. of Shares held at the end of the year |            |                    |                   | % Change during the year |
|------------|--|---|------------|--------------------|-------------------|---|------------|--------------------|-------------------|--------------------------|
|            |  | Demat   | Physical   | Total              | % of Total Shares | Demat                                     | Physical   | Total              | % of Total Shares |                          |
| <b>A.</b>  | <b>Promoters</b>   |   |            |                    |                   |   |            |                    |                   |                          |
| <b>(1)</b> | <b>Indian</b>  |   |            |                    |                   |   |            |                    |                   |                          |
| a)         | Individual/ HUF  | 221,325,187                                     | 00         | 221,325,187        | 74.97             | 221,325,187                               | 00         | 221,325,187        | 59.78             | (15.19)                  |
| b)         | Central Govt   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| c)         | State Govt(s)  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| d)         | Bodies Corp.   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| e)         | Banks / FI   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| f)         | Any other  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
|            | <b>Total shareholding of Promoters (A)</b>                                 | <b>221,325,187</b>                              | <b>00</b>  | <b>221,325,187</b> | <b>74.97</b>      | <b>221,325,187</b>                        | <b>00</b>  | <b>221,325,187</b> | <b>59.78</b>      | <b>(15.19)</b>           |
| <b>B.</b>  | <b>Public Shareholding</b>   |   |            |                    |                   |   |            |                    |                   |                          |
| <b>1.</b>  | <b>Institutions</b>  |   |            |                    |                   |   |            |                    |                   |                          |
| a)         | Mutual Funds   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| b)         | Banks / FI   | 133,900   | 00         | 133,900            | 0.05              | 9,430                                     | 00         | 9,430              | 0.00              | (0.05)                   |
| c)         | Central Govt   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| d)         | State Govt(s)  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| e)         | Venture Capital Funds  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| f)         | Insurance Companies  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| g)         | FIs  | 2,100,000                                       | 00         | 2,100,000          | 0.71              | 00  | 00         | 00                 | 00                | (0.71)                   |
| h)         | Foreign Venture Capital Funds  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| i)         | Others (specify)   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
|            | <b>Sub-total (B)(1):-</b>  | <b>2,233,900</b>                                | <b>00</b>  | <b>2,233,900</b>   | <b>0.76</b>       | <b>9,430</b>                              | <b>00</b>  | <b>9,430</b>       | <b>0.00</b>       | <b>(0.76)</b>            |
| <b>2.</b>  | <b>Non-Institutions</b>  |   |            |                    |                   |   |            |                    |                   |                          |
| a)         | Bodies Corp.   | 6,544,192                                       | 2,525,000  | 9,069,192          | 3.07              | 10,272,306                                | 2,521,000  | 12,793,306         | 3.46              | 0.39                     |
| i)         | Indian   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| ii)        | Overseas   | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| b)         | Individuals  | 00  | 00         | 00                 | 0.00              | 00  | 00         | 00                 | 0.00              | 0.00                     |
| i)         | Individual shareholders holding nominal share capital upto ₹ 1 lac         | 26,750,830                                      | 13,035,702 | 39,786,532         | 13.48             | 27,533,260                                | 12,551,702 | 40,084,962         | 10.83             | (2.65)                   |
| ii)        | Individual shareholders holding nominal share capital in excess of ₹ 1 lac | 15,792,930                                      | 1,362,000  | 17,154,930         | 5.81              | 59,502,910                                | 13,15,000  | 60,817,910         | 16.43             | 10.62                    |

ANNEXURES TO DIRECTORS' REPORT

| SN | Category                                     | No. of Shares held at the beginning of the year |                   |                    |                   | No. of Shares held at the end of the year |                   |                    |                   | % Change during the year |
|----|--|---|-------------------|--------------------|-------------------|---|-------------------|--------------------|-------------------|--------------------------|
|    |  | Demat   | Physical          | Total              | % of Total Shares | Demat                                     | Physical          | Total              | % of Total Shares |                          |
| c) | Others                                       |   |                   |                    |                   |   |                   |                    |                   |                          |
|    | Hindu Undivided Families                     | 3,136,766                                       | 00                | 3,136,766          | 1.06              | 13,149,802                                | 00                | 13,149,802         | 3.55              | 2.49                     |
|    | Non Resident Indians                         | 1,062,693                                       | 1,457,000         | 2,519,693          | 0.85              | 20,590,603                                | 1,455,000         | 22,045,603         | 5.95              | 5.10                     |
|    | Overseas Corporate Bodies                    | 00  | 00                | 00                 | 0.00              | 00  | 00                | 00                 | 0.00              | 0.00                     |
|    | Foreign Nationals                            | 00  | 00                | 00                 | 0.00              | 00  | 00                | 00                 | 0.00              | 0.00                     |
|    | Clearing Members                             | 00  | 00                | 00                 | 0.00              | 00  | 00                | 00                 | 0.00              | 0.00                     |
|    | Trusts                                       | 00  | 00                | 00                 | 0.00              | 00  | 00                | 00                 | 0.00              | 0.00                     |
|    | Foreign Bodies-D R                           | 00  | 00                | 00                 | 0.00              | 00  | 00                | 00                 | 0.00              | 0.00                     |
|    | <b>Sub-total (B)(2):-</b>                    | <b>53,287,411</b>                               | <b>18,379,702</b> | <b>71,667,113</b>  | <b>24.27</b>      | <b>131,048,881</b>                        | <b>17,842,702</b> | <b>148,891,583</b> | <b>40.22</b>      | <b>15.95</b>             |
|    | <b>Total Public Shareholding (B)=B1 + B2</b> | <b>55,521,311</b>                               | <b>18,379,702</b> | <b>73,901,013</b>  | <b>25.03</b>      | <b>131,058,311</b>                        | <b>17,842,702</b> | <b>148,901,013</b> | <b>40.22</b>      | <b>15.19</b>             |
| C. | Shares held by Custodian for GDRs & ADRs     | 00  | 00                | 00                 | 0.00              | 00  | 00                | 00                 | 0.00              | 0.00                     |
|    | <b>Grand Total (A+B+C)</b>                   | <b>276,846,498</b>                              | <b>18,379,702</b> | <b>295,226,200</b> | <b>100.00</b>     | <b>352,383,498</b>                        | <b>17,842,702</b> | <b>370,226,200</b> | <b>100.00</b>     | <b>0.00</b>              |

B) Shareholding of Promoter-

| SN | Shareholder's Name             | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % Change in shareholding during the year |
|----|--------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|    |                                | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1  | Manoj B. Vadodaria             | 44,154,712                                | 14.96                            | 0.00   | 44,154,712                          | 11.93                            | 0.00   | (3.03)                                   |
| 2  | Nila M. Vadodaria              | 43,955,267                                | 14.89                            | 0.00   | 43,955,267                          | 11.87                            | 0.00   | (3.02)                                   |
| 3  | Alpa K. Vadodaria              | 36,800,000                                | 12.46                            | 0.00   | 36,800,000                          | 9.94                             | 0.00   | (2.52)                                   |
| 4  | Kiran B. Vadodaria             | 31,858,100                                | 10.79                            | 0.00   | 31,858,100                          | 8.61                             | 0.00   | (2.18)                                   |
| 5  | Deep S. Vadodaria              | 25,002,108                                | 8.47                             | 0.00   | 25,002,108                          | 6.75                             | 0.00   | (1.72)                                   |
| 6  | Shailesh B. Vadodaria          | 12,960,000                                | 4.39                             | 0.00   | 12,960,000                          | 3.50                             | 0.00   | (0.89)                                   |
| 7  | Mina S. Vadodaria              | 8,695,000                                 | 2.94                             | 0.00   | 8,695,000                           | 2.35                             | 0.00   | (0.59)                                   |
| 8  | Rajesh Bhupatbhai Vadodaria    | 5,000,000                                 | 1.69                             | 0.00   | 5,000,000                           | 1.35                             | 0.00   | (0.34)                                   |
| 9  | Chhayaben Rajeshbhai Vadodaria | 4,300,000                                 | 1.46                             | 0.00   | 4,300,000                           | 1.16                             | 0.00   | (0.30)                                   |
| 10 | Siddharth Rajeshbhai Vadodaria | 4,300,000                                 | 1.46                             | 0.00   | 4,300,000                           | 1.16                             | 0.00   | (0.30)                                   |
| 11 | Karan Rajeshbhai Vadodaria     | 4,300,000                                 | 1.46                             | 0.00   | 4,300,000                           | 1.16                             | 0.00   | (0.30)                                   |
|    | <b>Total</b>                   | <b>221,325,187</b>                        | <b>74.97</b>                     | <b>0.00</b>                                      | <b>221,325,187</b>                  | <b>59.78</b>                     | <b>0.00</b>                                      | <b>(15.19)</b>                           |

## ANNEXURES TO DIRECTORS' REPORT

### C) Change in Promoters' Shareholding :

There is no change in the number of shares held by the promoters of the company. However, the percentage of shareholding has changed during the year due to allotment of shares made on private placement basis to the non promoters.

### D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For Each of the Top 10 Shareholders    | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  | % change in shareholding during the year |
|----|--|---|----------------------------------|-------------------------------------|----------------------------------|--|
|    |  | No. of Shares                             | % of total Shares of the Company | No. of Shares                       | % of total Shares of the Company |  |
| 1  | Hypnos Fund Limited                    | 2,100,000                                 | 0.71                             | NIL                                 | NIL                              | (0.71)                                   |
| 2  | Kanva Finance Limited                  | 1,486,000                                 | 0.50                             | 1,486,000                           | 0.40                             | (0.10)                                   |
| 3  | Sunrise Stock Broking Private Limited  | 1,350,000                                 | 0.45                             | 1,129,950                           | 0.30                             | (0.15)                                   |
| 4  | Magan Patel                            | 1,086,000                                 | 0.37                             | 1,086,000                           | 0.29                             | (0.08)                                   |
| 5  | Pravin Hiralal Vora                    | 1,068,209                                 | 0.37                             | 582,401                             | 0.16                             | (0.21)                                   |
| 6  | Kamlesh Natwarlal Patel                | 1,000,000                                 | 0.34                             | NIL                                 | NIL                              | (0.34)                                   |
| 7  | Manoj C Rathod                         | 986,425                                   | 0.34                             | 344,804                             | 0.09                             | (0.25)                                   |
| 8  | Manoj R Bhimani                        | 974,000                                   | 0.33                             | 974,000                             | 0.26                             | (0.07)                                   |
| 9  | Akshay Santprasad Bhatt                | 807,170                                   | 0.27                             | 807,170                             | 0.22                             | (0.05)                                   |
| 10 | SSJ Finance Securities Private Limited | 752,500                                   | 0.25                             | 396,650                             | 0.11                             | (0.14)                                   |
| 11 | Shobha Imtiaz Desai                    | 96,436                                    | 0.03                             | 20,096,436                          | 5.43                             | 5.40                                     |
| 12 | Raj nibhai J Desai                     | NIL                                       | NIL                              | 10,000,000                          | 2.70                             | 2.70                                     |
| 13 | Hemangi B Shah                         | NIL                                       | NIL                              | 6,000,000                           | 1.62                             | 1.62                                     |
| 14 | Patel Amit Kirtibhai (HUF)             | NIL                                       | NIL                              | 5,000,000                           | 1.35                             | 1.35                                     |
| 15 | Rajeshbhai J Desai                     | NIL                                       | NIL                              | 5,000,000                           | 1.35                             | 1.35                                     |
| 16 | Rameshbhai J Desai                     | NIL                                       | NIL                              | 5,000,000                           | 1.35                             | 1.35                                     |
| 17 | Jigna S Mehta                          | NIL                                       | NIL                              | 2,000,000                           | 0.54                             | 0.54                                     |
| 18 | Hetal D Mehta                          | NIL                                       | NIL                              | 2,000,000                           | 0.54                             | 0.54                                     |
| 19 | Veena B Mehta                          | NIL                                       | NIL                              | 2,000,000                           | 0.54                             | 0.54                                     |
| 20 | Kavita V Mehta                         | NIL                                       | NIL                              | 2,000,000                           | 0.54                             | 0.54                                     |

## E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|---|---|----------------------------------|---|----------------------------------|
|    |   | No. of Shares                             | % of total Shares of the Company | No. of Shares                           | % of total Shares of the Company |
| 1  | Manoj B. Vadodaria  | 44,154,712                                | 14.96                            | 44,154,712                              | 14.96                            |
| 2  | Kiran B. Vadodaria  | 31,858,100                                | 10.79                            | 31,858,100                              | 10.79                            |
| 3  | Dilip D. Patel  | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 4  | Shyamal S. Joshi  | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 5  | Hiren G. Pandit   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 6  | Ashok R. Bhandari   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 7  | H. P. Jamdar  | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 8  | Foram Mehta   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 9  | Dipen Y. Parikh   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 10 | Prashant Sarkhedi   | Nil                                       | Nil                              | Nil                                     | Nil                              |
|    | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | Nil                                       | Nil                              | Nil                                     | Nil                              |
|    | <b>At the end of the year</b>   |   |                                  |   |                                  |
| 1  | Manoj B. Vadodaria  | 44,154,712                                | 11.93                            | 44,154,712                              | 11.93                            |
| 2  | Kiran B. Vadodaria  | 31,858,100                                | 8.61                             | 31,858,100                              | 8.61                             |
| 3  | Dilip D. Patel  | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 4  | Shyamal S. Joshi  | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 5  | Hiren G. Pandit   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 6  | Ashok R. Bhandari   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 7  | H. P. Jamdar  | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 8  | Foram Mehta   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 9  | Dipen Y. Parikh   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| 10 | Prashant Sarkhedi   | Nil                                       | Nil                              | Nil                                     | Nil                              |

## ANNEXURES TO DIRECTORS' REPORT

### V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in ₹)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans    | Deposits | Total Indebtedness   |
|--|----------------------------------|--------------------|----------|----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                    |          |                      |
| i) Principal Amount  | 512,462,472                      | 395,564,949        | -        | 908,027,421          |
| ii) Interest due but not paid                              | -                                | -                  | -        | -                    |
| iii) Interest accrued but not due                          | 2,666,512                        | 1,871,851          | -        | 4,538,363            |
| <b>Total (i+ ii + iii)</b>                                 | <b>515,128,984</b>               | <b>397,436,800</b> | -        | <b>912,565,784</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                    |          |                      |
| - Addition   | 493,933,797                      | 250,000,000        | -        | 743,933,797          |
| - Reduction  | (32,149,355)                     | (180,741,195)      | -        | (212,890,550)        |
| <b>Net Change</b>  | <b>461,784,442</b>               | <b>69,258,805</b>  | -        | <b>531,043,247</b>   |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                    |          |                      |
| i) Principal Amount  | 974,246,914                      | 464,823,754        | -        | 1,439,070,668        |
| ii) Interest due but not paid                              | -                                | -                  | -        | -                    |
| iii) Interest accrued but not due                          | 3,224,981                        | 3,686,580          | -        | 6,911,561            |
| <b>Total (i+ ii + iii)</b>                                 | <b>977,471,895</b>               | <b>468,510,334</b> | -        | <b>1,445,982,229</b> |

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in ₹)

| SN | Particulars of Remuneration   | Name of MD/WTD/ Manager  |                    | Total Amount     |
|----|---|--|--------------------|------------------|
|    |   | Manoj B. Vadodaria   | Kiran B. Vadodaria |                  |
| 1  | Gross salary (per annum)  | 2,400,000  | 1,200,000          | 3,600,000        |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil  | Nil                | Nil              |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil  | Nil                | Nil              |
|    | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | Nil  | Nil                | Nil              |
| 2  | Stock Option  | Nil  | Nil                | Nil              |
| 3  | Sweat Equity  | Nil  | Nil                | Nil              |
| 4  | Commission as % of profit / others  | Nil  | Nil                | Nil              |
| 5  | Others  | Nil  | Nil                | Nil              |
|    | <b>Total (A)</b>  | <b>2,400,000</b>   | <b>1,200,000</b>   | <b>3,600,000</b> |
|    | Ceiling as per the Act  | ₹ 2.40 Crores as per the Schedule V of the Companies Act, 2013 |                    |                  |

**ANNEXURES TO DIRECTORS' REPORT**

**B. Remuneration to other Directors**

(Amount in ₹)

| SN | Particulars of Remuneration                  | Name of Directors  |                       |               |                |            |             | Total  |
|----|--|--|-----------------------|---------------|----------------|------------|-------------|--------|
|    |  | Other NED*   | Independent Directors |               |                |            |             |        |
|    |  | Dilip Patel  | Hiren Pandit          | Shyamal Joshi | Ashok Bhandari | H P Jamdar | Foram Mehta |        |
| 1  | Fee for attending board / committee meetings | Nil  | Nil                   | 26,000        | 1,000          | 5,000      | Nil         | 32,000 |
| 2  | Commission                                   | Nil  | Nil                   | Nil           | Nil            | Nil        | Nil         | Nil    |
| 3  | Others                                       | Nil  | Nil                   | Nil           | Nil            | Nil        | Nil         | Nil    |
|    | Total Managerial Remuneration                | Nil  | Nil                   | 26,000        | 1,000          | 5,000      | Nil         | 32,000 |
|    | Overall Ceiling as per the Act               | ₹ 1 lac per meeting per Director as per Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 |                       |               |                |            |             |        |

\* Other Non Executive Director

**C. Remuneration to Key Managerial Personnel other than MD/Managar/WTD**

(Amount in ₹)

| SN | Particulars of Remuneration  | Key Managerial Personnel |                |                  |
|----|--|--------------------------|----------------|------------------|
|    |  | CS                       | CFO            | Total            |
| 1  | Gross salary per annum   | 516,000                  | 800,400        | 1,316,400        |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | NIL                      | NIL            | NIL              |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                            | NIL                      | 39,600         | 39,600           |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961             | NIL                      | NIL            | NIL              |
| 2  | Stock Option   | NIL                      | NIL            | NIL              |
| 3  | Sweat Equity   | NIL                      | NIL            | NIL              |
| 4  | Commission as % of profit / others   | NIL                      | NIL            | NIL              |
| 5  | Others   | NIL                      | NIL            | NIL              |
|    | <b>Total</b>   | <b>516,000</b>           | <b>840,000</b> | <b>1,356,000</b> |

**Note:** There is no vesting of Stock Option during the year under the Stock Options Scheme of the Company.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

(Amount in ₹)

| SN        | Type                             | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made if any (give Details) |
|-----------|----------------------------------|------------------------------|-------------------|---|------------------------------|-----------------------------------|
| <b>A.</b> | <b>COMPANY</b>                   |                              |                   |   |                              |                                   |
|           | Penalty                          | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
|           | Punishment                       | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
|           | Compounding                      | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
| <b>B.</b> | <b>DIRECTORS</b>                 |                              |                   |   |                              |                                   |
|           | Penalty                          | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
|           | Punishment                       | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
|           | Compounding                      | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
| <b>C.</b> | <b>OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                   |
|           | Penalty                          | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
|           | Punishment                       | Nil                          | Nil               | Nil   | Nil                          | Nil                               |
|           | Compounding                      | Nil                          | Nil               | Nil   | Nil                          | Nil                               |

## MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT

### 1. ECONOMIC SCENARIO:

The Indian economy has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others.

The macroeconomic situation in India has improved significantly during the current year. Also, acceleration in services and manufacturing growth in the face of subdued global demand conditions point to the strengthening of domestic demand.

The outlook is for economic strengthening through higher infrastructure spending, increased fiscal devolution to states, and continued reform to financial and monetary policy. The government underscored its intention to move steadily to tackle politically difficult structural issues that have stalled investment and limited economic performance in recent years.

A more robust economic performance than was earlier indicated emerges from revised data based on an updated base year, wider coverage of goods and services, and the inclusion of tax data to estimate economic activity. Real growth in India was previously estimated as a change in volume, but the new series estimates value added at each stage.

The government's initial estimates for FY2015 show that economic growth accelerated to 7.4%. Agriculture growth slipped to 1.1% in FY2015 largely because the monsoon was erratic, particularly affecting the summer crop. The production of food grains contracted by 3.2% from FY2014.

After growing by 4.5% in FY2014, industry accelerated to 5.9% in FY2015, helped by a 6.8% expansion in manufacturing. These estimates may be a tad optimistic, however, as they assume manufacturing growth to have exceeded 10% in the final quarter of FY2015. Monthly industrial production estimates indicate a more modest upturn. The production of capital goods expanded after three (3) years in the red. However, consumer durables continued to decline. Improved coal production helped double the growth of electricity generation over the previous year's rate.

The outlook for fiscal 2016 and beyond will be shaped by a mix of global developments, a continuing rub of the green and, most importantly, domestic policy especially, how quickly and effectively bottlenecks are resolved, pending reforms are pushed through, and investment cycle gets kick-started. The government has initiated a number of small steps to debottleneck the economy. These steps have provided a mild boost to the economy during 2014-15 and will also support growth in the next fiscal.

### 2. THE INDUSTRY SCENARIO:

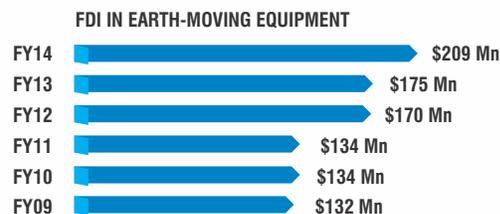
#### 2.1 Urban Infrastructure:

A key driver of the economy, Infrastructure is highly responsible for propelling India's overall development. The industry enjoys intense focus from the Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

Foreign direct investment (FDI) received in construction development sector from April 2000 to January 2015 stood at US\$ 24,028 million, according to the Department of Industrial Policy and Promotion (DIPP).

#### FDI inflows in earth moving equipment

Cumulative FDI inflow (since April 2000) into earth-moving equipment increased at a CAGR of 12.2 per cent to reach US\$ 209.3 million in March 2014.



Source: Website India Brand Equity Foundation (IBEF) a trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India.

#### 2.2 Real Estate Sector:

The Indian real estate sector is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

The Indian real estate market size is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's gross domestic product (GDP). Also, in the period FY08-20, the market size of this sector is expected to increase at a compound annual growth rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

#### Market size of real estate in India

The market size of real estate in India is expected to increase at a CAGR of 11.2 per cent during FY2008 - 2020.

**REAL ESTATE CAGR 11.2%**



Source: IBEF; 'E' = Estimated

Under the Sardar Patel Urban Housing Mission, 30 million houses will be built by 2022, mostly for the economically weaker sections and low-income groups, through public-private-partnership (PPP), interest subsidy and increased flow of resources to housing sector.

The Government of India has allocated US\$ 1.3 billion for Rural Housing Fund in the Union Budget 2014-15. It has also allocated US\$ 0.7 billion for National Housing Bank (NHB) to increase the flow of cheaper credit for affordable housing for urban poor. The Government of India has relaxed the norms to allow foreign direct investment (FDI) in the construction development sector. This move should boost affordable housing projects and smart cities across the country. The Securities and Exchange Board of India (SEBI) has notified final regulations that will govern real estate investment trusts (REITs) and infrastructure investment trusts (InvITs). This move will enable easier access to funds for developers and create a new investment avenue for institutions and high net worth individuals, and eventually ordinary investors.

**FDI in construction development sector as a per cent of India's total FDI**

Total FDI in the construction development sector during April 2000-April 2014 stood at around US\$ 23.38 billion.

**FDI IN CONSTRUCTION DEVELOPMENT V/S TOTAL**



Source: IBEF

Responding to an increasingly well-informed consumer and keeping in mind the globalisation of the Indian business outlook, real estate developers have also shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering. The growing flow of FDI into Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have

revamped their accounting and management systems to meet due diligence standards.

Continuous migration to urban areas from rural areas, rising income and decrease in household size on account of growing trend of nuclear families has increased the demand for houses in the urban areas. Supply of the affordable housing, though, remains limited in the urban areas. While there is a shortage of housing in rural as well as urban areas, this shortage is expected to comparatively increase in urban areas over the next five years.

Around 20 kms away from the Ahmedabad airport, India's first International Financial Tech City is being built. On the other hand, a new smart city at Dholera is being built which is twice the size of Ahmedabad.

**3. NILA IN RETROSPECT AND IN PROSPECT**

**3.1 Two phases lived by the Company**

(a) Pre-amalgamation phase:

The Company commenced its business operations from 1990 and it has been doing well and profitably managed. However the wings cannot be spread in full and the Company was not able to work at its full potential. The Company executed several housing projects successfully and developed land bank at cheaper rate during the unsupportive real estate market condition. The Company gained momentum in the year 2006-07 when the flagship company of the Group Sambhaav Media Ltd was awarded construction of decorative AMTS bus stands in the city of Ahmedabad. NILA entered into urban infrastructure project through the development of unique bus stands of AMTS on behalf of Sambhaav Media Ltd. In the year 2007-08 the Company launched its ambitious residential project "Asmaakam" The project received overwhelming response even during the period of financial crisis due to global meltdown in the year 2008-09. However still the Company was striving for strong foundation to operate on large scale and this has originated the idea of consolidation through merger and amalgamation.

(b) Post-amalgamation phase: Turnaround and consolidation:

The timely decision by the Company for the amalgamation of Pearl Stockholdings Pvt. Ltd, a financially sound company with resources and huge reserve base turned around the Company in terms of improvement in the financial performance of the Company. The successful amalgamation executed during 2009-10 by the Company had prepared a strong platform for the Company to grow.

**3.2 Growth Phase being implemented and Growth Plans being charted**

After successful consolidation of resources, the Company is concentrating on growth and creating value for its stakeholders. The management has a vision to make the Company one of the leading players in the sector. To achieve this, the Company has

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

started to work on large scale residential and infrastructure projects and developing its core competency. The management is optimistic towards the growth of the economy in general and construction sector in particular.

### 4. STRATEGIC FOCUS OF NILA

#### 4.1 Pricing Policy - Value For Money:

The Company has executed outstanding quality real estate projects ranging from affordable housing to luxurious, high-end residential projects at prime locations of Ahmedabad. It has led to high value appreciation for the buyers of houses. The Company is committed to deliver value to its customers through its real estate projects. Within civic/urban infrastructure space, your Company is favourably placed with its main principals/employers due to its timely, quality execution capabilities. It may be mentioned that your Company keeps getting repeat/multiple orders due to its overall project execution skills.

#### 4.2 Diversified Product Mix – Unique Business Model:

The company has developed a unique business model of construction and development of infrastructure and real estate projects and leasing. Your Company has successfully leveraged the construction expertise to grow into other associated business like construction contracts from reputed corporate and government authorities. Your Company holds commercial properties in the prime location of Ahmedabad, which has been leased-out to certain reputed corporates on long-term basis.

An integrated well balanced business model of construction and development of government and private projects and contracts provides hedging.

This diversified model of business has shown great strength and resilience in the past years of challenging business environment. Leasing ensures steady cash flow income while construction contracts of Government assure timely and confirmed recovery of dues. Your Company has developed in-house expertise in the entire gamut of construction and execution – including design, planning & estimation, project preparation, project execution, interior designing, integration of project management.

#### 4.3 Financial Resources:

The foremost source of finance of your Company has traditionally been internal accruals and borrowings from financial institutions. Your Company has made financial arrangement with banks and financial institutions for its various long-terms and working capital requirements. During the year the Company has successfully raised funds through private placement of securities. The detail thereof is given in the Board's Report.

#### 4.4 Project Selection and Execution:

Your Company's comprehensive evaluation of opportunities in infrastructure projects includes the following parameters:

- **Principal:** Constitution, financial strength, bureaucratic structure, involvement of any bilateral/multilateral agency, track record on other projects, contract management strength, appropriateness of design for local market, etc.
- **Pre-development:** Financing flexibility to fund the early design work, community/political participation/opposition, government stability over the life of the project, environmental problems, site selection and regulatory approval delays, land acquisition, etc.
- **Finance:** Commercial viability of the project, capacity of the lender to evaluate and speed in providing the credit lines, repayment mechanism, credit availability on viable terms, etc.
- **Construction:** Viability of the design/technology, availability of labour and raw-material, outlook of raw-material cost, contractor failure, developer's access to funds on a timely basis for construction, etc.
- **Market:** Local economic conditions, demand-supply outlook, interest/inflation rate scenario, etc.

Real estate projects are a complex and continually evolving process business. To effectively develop, finance, or supervise a project, your Company has developed fundamental understanding of the process and its many facets. To be successful, your Company must manage not only its own performance, but also the collaboration of numerous professionals representing multiple disciplines. Throughout this process, your Company has to identify and mitigate inherent risks that can threaten the viability of the project.

It is broadly evaluated in three parts: 1) preliminary considerations, market analysis, financial analysis, and strategic marketing; 2) site selection and due diligence, land acquisition, deal structure, entitlements, permitting, etc.; and 3) planning and design, construction management, operations and property management.

Hence, with sufficient due-diligence the project is selected and execution is carried-out accordingly by your Company. Your Company's Quality Management System is ISO 9001 : 2008 accredited by Certification International (UK) Ltd that include Project Management, Site Development and Construction activities for Infrastructure, and Real estate projects.

#### 4.5 Project Management and Monitoring:

Your Company has adopted an integrated system for planning, scheduling, monitoring and control of the approved project under implementation. To coordinate and synchronise all the support function of Project Management it relies on an Integrated Project Management Control System which integrates its project management, contract management and control function addressing all stages of project implementation from concept to commissioning.

All projects have project monitoring centres which facilitate monitoring of key project milestones and also act as a Decision Support System for the management. It is used as integrated web based collaborative system to facilitate consolidation of project related issues and its timely resolution. Various features for information delivery of ERP facilitate project tracking, issues resolution and management interventions on a regular basis. Integrated ERP platform for monitoring and controlling of critical project activities spread across various functions – projects, contracts, finance and execution. This will help in decision support through timely identification of critical input and provide a holistic approach towards project implementation and major project milestones.

#### 4.6 Joint Ventures:

In order to share risk and cost, experience and expertise your Company develops projects in association with other renowned corporates and has formed associates and joint ventures. This provides a larger scale to your Company to work on specific operations. In such a scenario, the construction work is invariably carried-out by your Company.

#### 5. GOVERNANCE AND WORK CULTURE:

Your Company's Corporate Governance philosophy is based on conscience, openness, fairness, professionalism and accountability. These qualities are ingrained in its value system and are reflected in its policies, procedures and systems. Your Company not only believes in adopting the best corporate governance system but also in proactive inclusion of public interest in its corporate priorities.

The Company has its mission, vision, goals and core values. The Company is being governed in accordance with the policies, code of conducts, charters and various committees are formed in accordance with the law to ensure governance. The management believes in team work and a corporate environment which is self motivating. The Company has successfully developed a work force of people over a period of time. The top management is acting as the governing force in creating and maintaining the corporate work culture.

#### 6. BUSINESS OVERVIEW:

##### 6.1 Infrastructure Projects:

Your company has completed the construction work of 60 Bungalows assigned by Applewoods Estate Pvt Ltd (the Sandesh Group company) for their residential township project at S.P. Ring Road, Ahmedabad.

Your company has, during the year, completed the construction work assigned by Adani Infrastructure and Developers Pvt Ltd for Phase-I comprising of 430 flats having a total construction

area of 344,363 sq. ft. of their mini township viz. "Pratham" at Tragad, while, work of Phase-II comprising of 370 flats having a total construction area of 326,782 sq. ft. is being carried out as per schedule.

Your company is constructing 13 Bus Shelters on BRTS Route in Ahmedabad for Ahmedabad Municipal Corporation (AMC). The BRTS Corridor starts from 1. Shah-e-Alam to Astodia (3 Nos.), 2. Sarangpur to Soni-ni-chali & Kalupur to Naroda Patia (5 Nos.), and 3. Delhi Darwaja to Kalupur Railway Station (5 Heritage Bus Shelters). The construction work is being carried out.

During the year under review your Company, under the Affordable Housing Scheme, initiated construction of 608 Low Income Group (LIG - Package-6) Multi-storeyed Residential Flats + 40 Shops + 8 offices including internal infrastructure and development work within the plot at various locations in Ahmedabad for AMC having a total construction area (Carpet) of 28,714.44 sq. mt. The construction work is being carried out.

During the year under review, your Company carried on construction of multi-storied parking facility for vehicles at Navrangpura in Ahmedabad for AMC. There are parking facility for 390 four wheelers, 719 two wheelers, etc. having total construction area of 30,444 sq. mt. The construction work is being carried out.

During the year under review, your Company has been handed over the possession of the site at Jodhpur, under the Affordable Housing Policy, by Rajasthan Government for construction of 1,072 units comprising of Economically Weaker Section (EWS-554 units), Low Income Groups (LIG-368 units) & Middle Income Group (MIG-A-160 units) having a total construction area of 472,800 sq. ft.

During the year under review, your Company has been allotted two (2) tenders from Vadodara Urban Development Authority (VUDA) for construction of affordable housing i.e. 200 EWS Residential Flats + 80 LIG-1 & 100 LIG-2 Residential Flats + 9 Shops including internal infrastructure & development work within the plot at Vemali having an approximate total construction area (Carpet) of 13,602 sq. mt. and 320 EWS Residential Flats + 60 LIG-1 Residential Flats + 60 LIG-2 Residential Flats + 12 Shops including internal infrastructure & development work at Sewasi having approximate total construction area (Carpet) of 14,088 sq. mt. The construction work is being carried out.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Summary of order book of the Company is given below: (₹ in lac)

|   | 2014-15       | 2013-14      |
|---|---------------|--------------|
| Opening Order book                            | 9,537         | 6,298        |
| Add: Work started on new orders               | 19,486        | 6,710        |
| Less: Tender's value reduced after allocation | 0             | 788          |
| Less: Work executed                           | 8,068         | 2,683        |
| <b>Work on hand</b>                           | <b>20,955</b> | <b>9,537</b> |

Detailed information on the order book is given in the subsequent part to this report.

### 6.2 Real Estate Projects and Trading:

Your Company has handed over the possession to 106 (out of total 121) buyers of "ATUJULYAM" project at Makarba, Ahmedabad comprising of two (2) towers of 3-BHK (80 - super built-up area of 1,755 sq. ft. each) flats and three (3) towers of 2-BHK (120 - super built-up area of 1,305 sq. ft. each) flats. Your Company keeps working on various projects simultaneously and such projects could be at various stages of development/regulatory approvals. During the financial year 2014-15, your Company sold projects at Makarba, Vasna, Chacharwadi, Ranip, etc. as it got beneficial offers – such revenue is classified/acknowledged as trading activity.

### 6.3 Leasing Activities:

Your Company holds 88,000 sq ft of commercial properties at the prime location in Ahmedabad, which has been leased-out to certain reputed corporates on long-term basis.

## 7. OPPORTUNITIES:

The state of Gujarat has become a corporate hub with the entry of national and multinational companies which has led to rising employment. Your Company foresees ample opportunities in infrastructural development. The rapid urbanisation is likely to boost metaphorical growth in years to come. All these would ultimately generate a demand of homes for all segments of people. Further, the various government tenders envisaging development of infrastructure shall also offer opportunity to the developers to grow in years to come. The envisaged opportunities are discussed below:

- **Affordable Housing:**

Right to adequate housing is a basic human right as shelter is a basic human need. Provision of adequate housing is emerging as a major thrust area for Government and the government accords a very high priority to this task. With all round increase in the cost of land, building materials, labour and infrastructure, affordable housing has become a distant dream for the economically weaker, low income groups, and middle income groups. Hence, the role and intervention of the

Government has become all the more important. Sustainable human development cannot be achieved without adequate & affordable housing. Affordable shelter for the masses or creation of productive and responsive housing for all is not a simple technological issue or a mere problem of finance. It is a complex amalgam of a host of factors, which need to be tackled at all levels and in a synchronised manner. Due to rapid pace of urbanisation, increasing rural to urban migration and the gap between demand and supply, there is a growing requirement for shelter and related infrastructure in urban areas of the country. Several policies [e.g. National Urban Housing and Habitat Policy (NUHHP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Basic Services for the Urban Poor (BSUP), Integrated Housing and Slum Development Programme (IHSDP), Affordable Housing in Partnership (AHIP), Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), Rajiv Awas Yojana, ECB for affordable housing, etc.] adopted by the Government offer a considerable opportunity.

For the sake of ready-reference, an estimation of opportunity in urban housing is furnished in the below table:

| Per month Expenditure ₹ | Estimated Number of Households | Housing Shortage in million | Percentage Shortage |
|-------------------------|--------------------------------|-----------------------------|---------------------|
| EWS 0 - 3,300           | 21.81                          | 21.78                       | 99.9%               |
| LIG 3,301 - 7,300       | 27.57                          | 2.89                        | 10.5%               |
| MIG 7,301 - 14,500      | 16.92                          | 0.04                        | 0.2%                |
| HIG 14,501 and above    |                                |                             |                     |
| <b>Total Shortage</b>   | <b>66.30</b>                   | <b>24.71</b>                | <b>37.3%</b>        |

Source: Report of the Technical Group (Planning Commission)

As your Company has already gathered vital experience in affordable housing space, it is quite favourably placed to participate in such opportunity.

- **Civic Urban Infrastructure:**

Your Company has, over a period of time, developed a niche for itself by executing unique and pioneering projects e.g. BRTS bus-shelters, Multi-level parking facility, etc. Through execution of such projects, your Company has built proprietary knowledge and it places your Company favourably with employers of such projects. The Company expects that number of large sized urban infrastructure projects in Gujarat will start taking shape on the basis of the ₹ 25 trillion investments committed during the latest Vibrant Gujarat – 2015. In the backdrop of the announcement of Gujarat International Finance Tec-City (GIFT), Metro-link Express for

Gandhinagar and Ahmedabad (MEGA), Dholera SIR, Mega cities, Million plus cities, etc., your Company is favourably poised to replicate such experience in additional geographies/ employers. Apart from this, there are also other opportunities that your Company can participate into, such as:

- Transportation infrastructure for better mobility through public transport, improved walkability, parking
- Sewerage, drainage and water supply
- Solid waste management
- Social infrastructures such as parks, playgrounds and leisure spaces
- Preservation of heritage precincts

• **Private white-label construction:**

Your Company has worked on a few assignments to develop/construct on behalf of the reputed private corporates engaged in real-estate development. Due to its execution capabilities, your Company has not only completed the projects satisfactorily but has also got repeat/multiple orders from such renowned corporates. Your Company has successfully utilised the opportunity and established itself as a preferred contractor. Apart from this, your Company is also preferred by the corporate developers as itself being a public listed entity wherein governance and compliance are strictly ensured. Your Company believes that in the backdrop of industrialisation, social factors, employment opportunities, modernisation,

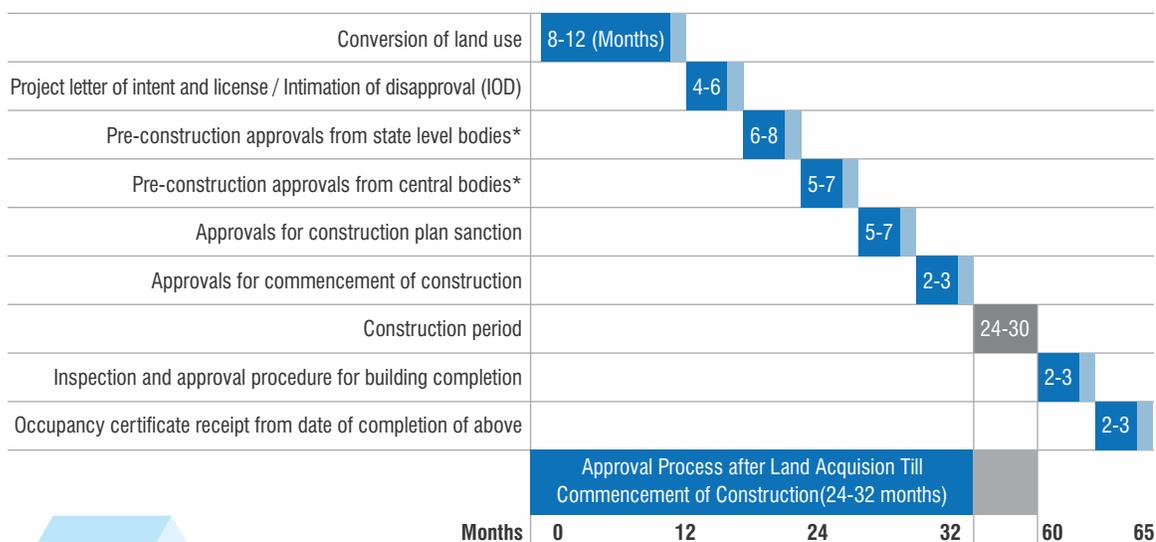
rural urban transformation, spread of education, etc. coupled with improving macroeconomic indicators, India's rise in technology, comparatively reasonable cost of living, expected falling interest rate scenario, permission of FDI in real-estate sector, there are ample opportunities that would be available to your Company wherein it could participate.

• **Industrial infrastructure:**

In the backdrop of the government's policy initiatives e.g. "Make in India", "Digital India", "Skill India", India Brand Equity Foundation Trust, signing of FTA/PTA, etc.; the country is soon expected to be back on the growth trajectory with GDP growth estimate of 7.4%. Your Company is favourably located being in the most vibrant state of India i.e. Gujarat to participate in developing/constructing the industrial infrastructure. The Company is favourably placed to take the advantage of the expected spur in construction/development of new industrial facilities e.g. industrial park, warehouse/logistics park, etc.

• **Real estate:**

Developing real estate projects faces significant challenges due to several economic, regulatory and urban issues. Your Company has successfully completed 25 years of operations and, over a period of time, has built a propitious land-bank. During its routine course the Company plans projects on such land and get various approvals for the said projects. A sketchy study of the multitude of statutory approvals is depicted below:



Source: CREDAI-Jones Lang LaSalle Real Estate Transparency Survey

\* The stages – Pre-construction approvals from state level bodies and central bodies can happen simultaneously.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Whilst the lack of availability of urban land, rising threshold costs of construction and regulatory issues are supply-side constraints, lack of access to home finance is a serious demand-side constraint, which impacts the ability of low-income groups to buy housing in the organised sector. Whilst some of these are gradually being mitigated, concerted efforts are required by multiple institutions to facilitate mass development in this sector. It may be mentioned that your Company, being an established player in developing, constructing, building, marketing and selling the real estate projects, has developed cordial relationships with various stakeholders in the system. Your Company has sufficient domain knowledge and can launch relevant real-estate projects at an apt time.

### 8. RISK AND CHALLENGES:

Expanded business activities have invited number of risks and challenges also for the Company. It is recognised that risks are not only inherent to any business but are also dynamic in nature. Further, the Company is susceptible to certain risks arising out of various activities undertaken in the normal course of business.

There are many constraints affecting the smooth functioning of the industry in which your Company operates. The company is operating in a business which is cyclic in nature and in which, the price is mainly driven by the 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 projects are capital intensive in nature. The Company's business requires long-term commitment of capital to meet the 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 projects are mainly dependent on the economic scenarios and any adverse events affecting the whole economy may deteriorate the industry as well. Further, the approval process and time for projects are generally uncertain which may delay the execution and thereby affect financials.

Your Company has in place an effective risk management mechanism to identify potential risk and its timely mitigation.

### 9. INTERNAL CONTROL SYSTEM:

The Company is well structured and the policy guidelines are well documented with predefined 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 assignments. The Company has developed and implemented computer based "Enterprise Resource Planning" within the organisation to ensure timely MIS, reporting and control system.

## 10. FINANCIAL DISCUSSION AND ANALYSIS

The profitability and financial position of the Company has been improved considerably during the last several years. The summarised analysis of financial statements viz. Profit and Loss Account, Balance Sheet and Cash Flow are furnished further.

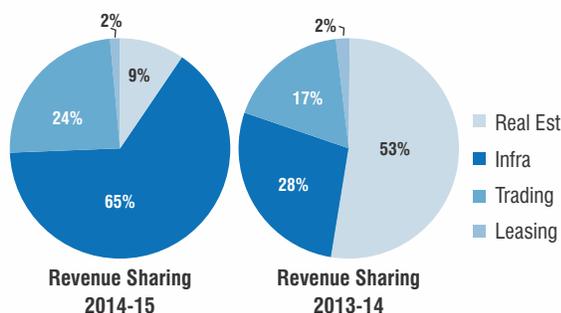
### 10.1 Total Income

(₹ in lacs)

| Particulars                               | For the year<br>2014-15 | For the year<br>2013-14 | Change<br>in % |
|---|-------------------------|-------------------------|----------------|
| Infrastructure Project                    | 8,068.43                | 2,682.12                | 200.82         |
| Real Estate Project                       | 1,169.37                | 5,080.62                | (76.98)        |
| Trading                                   | 3,019.45                | 1,686.30                | 79.06          |
| Lease Rental                              | 182.47                  | 216.25                  | (15.62)        |
| Revenue from Operation<br>(Refer Note 18) | 12,439.72               | 9,665.29                | 28.71          |
| Other Income<br>(Refer Note 19)           | 732.13                  | 349.63                  | 109.40         |
| <b>Total Income</b>                       | <b>13,171.85</b>        | <b>10,014.92</b>        | <b>31.53</b>   |

The revenue of the Company comprises income from construction and development of infrastructure, real estate project, trading and lease rental, while other income mainly comprises of interest earned on investments such as term deposits with banks, and on loans given.

The total revenue for financial year 2014-15 is ₹ 13,171.85 lac as against ₹ 10,014.92 lac in the previous year registering an increase of 31.53%. The percent break-up of the revenue is depicted below:



The major revenue comes from infrastructure projects. Each element of total revenue is discussed further:

### Infrastructure Projects

Your Company undertakes infrastructure projects for government / semi-government agencies/departments as well as private corporates engaged in real-estate development and sales. Infrastructure projects are carried-out pursuant to work order / Agreement issued by/entered into with the client

Infrastructure projects of your Company are driven by the success in selecting the right order (nature as well as size) and building sufficient order-book. The movement in your Company's order-book during financial year 2014-15 is depicted below:

(₹ in lacs)

| SN | Project                              | Unexecuted at<br>01/04/2014 | Execution initiated<br>during the year | Executed<br>during the year | Unexecuted at<br>31/03/2015 |
|----|--------------------------------------|-----------------------------|--|-----------------------------|-----------------------------|
|    |                                      | <b>A</b>                    | <b>B</b>                               | <b>C</b>                    | <b>D = (A+B) – C</b>        |
|    | <b>Affordable Housing Projects</b>   |                             |  |                             |                             |
| 1  | LIG-6 for AMC                        | -                           | 6,341                                  | 3,054                       | 3,287                       |
| 2  | Package-12 for RAVIL                 | -                           | 5,094                                  | -                           | 5,094                       |
| 3  | Package-1 for VUDA                   | -                           | 2,959                                  | 353                         | 2,606                       |
| 4  | Package-2 for VUDA                   | -                           | 2,857                                  | 325                         | 2,532                       |
|    | <b>Civic Urban Projects</b>          |                             |  |                             |                             |
| 5  | MLP for AMC                          | 5,057                       | -                                      | 1,182                       | 3,875                       |
| 6  | BRTS for AMC                         | -                           | 1,662                                  | 532                         | 1,130                       |
|    | <b>Private Construction Projects</b> |                             |  |                             |                             |
| 7  | Pratham for Adani                    | 3,919                       | -                                      | 1,488                       | 2,431                       |
| 8  | Applewood                            | 561                         | -                                      | 561                         | -                           |
| 9  | Others                               | -                           | 573                                    | 573                         | -                           |
|    | <b>Total</b>                         | <b>9,537</b>                | <b>19,486</b>                          | <b>8,068</b>                | <b>20,955</b>               |

Income from infrastructure project construction for the financial year 2014-15 was ₹ 8,068.43 lac which constituted 61.25% of the total revenue. The income from infrastructure construction has increased by 200.82% over the previous year's income of ₹ 2,682.12 lac.

### Real Estate Projects

Your Company has been active in developing, constructing, building, marketing and selling the real estate projects. The real estate market in Ahmedabad has been stagnant owing to the availability of a lot of unsold inventory, high home loan rates, low appreciation in capital values of residential units and the erratic stock market. Hence, the realty market is stagnant as the liquidity from the stock market has slowed down. Of late, the global economic recessionary scenario has also cast a gloomy spell on the sector. Collectively, these factors have resulted in a moderation in capital as well as rental values. However, over the next five (5) years we see a 9%–10% YoY appreciation in capital values due to the inherent demand for residential units and the infrastructure developments in the city.

Income from real estate projects for the financial year 2014-15 constituted 8.88% of the total revenue i.e. ₹ 1,169.37 lac from the sale of net 24 flats of Atuulyam (46 flats sold during the financial year 2014-15, less 22 flats were cancelled from the cumulative bookings). This is mainly owing to the prevailing slowdown in the real estate industry as explained in detail above. The income from real estate projects was ₹ 5,080.62 lac for the financial year 2013-14.

### Trading (Land and Land Rights)

It may be mentioned that trading is not an active focus-area for your Company to generate revenue. However, it is an incidental activity that is vital for your Company's business. Accordingly, trading keeps on contributing to the overall revenue. Over a period of time, your Company has built a propitious land-bank. During its routine course the company plans projects on such land and get various approvals for the said projects. At times, when your Company gets a beneficial offer, it weighs the sale-or-hold decision on various parameters e.g. rate/pace of development of vicinity, potential growth of the surrounding area, etc. Accordingly, the said proposed project, though not being a focus-area of your Company to generate revenue, keeps on contributing to the revenue.

Income from trading for the financial year 2014-15 was ₹ 3,019.45 lac which constituted 22.92% of the total revenue. The income from trading was ₹ 1,686.30 lac for the financial year 2013-14.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Lease Rental

In order to generate regular sustainable income, your Company has acquired and put-to-use the prime commercial office space of 88,000 sq ft that it owns in an upmarket locality of Ahmedabad. This space is leased to reputed corporates on long-term basis. Income from lease rental for the financial year 2014-15 was ₹ 182.47 lac which constituted 1.39% of the total revenue. The income from lease rental has reduced by 15.62% over the previous year's income of ₹ 216.25 lac mainly owing to unilaterally curtailing the lease period by the lessee for a couple of offices. However, the Company has successfully leased out a couple of offices afresh and has initiated steps to have the remaining vacated premises occupied at the earliest.

### Other Income (Refer Note 19)

Other income mainly comprises interest income from bank deposits and others, liabilities written back, share of profit/(loss) from LLP, and miscellaneous income.

Other income in financial year 2014-15 was ₹ 732.13 lac as compared to ₹ 349.63 lac in the financial year 2013-14. The break-up of other income is as under:

| Other Income                                       | 2014-15       | 2013-14       |
|--|---------------|---------------|
| Interest Income                                    |               |               |
| - on bank deposits                                 | 32.77         | 10.13         |
| - from others                                      | 695.07        | 332.82        |
| Liabilities no longer required to pay written back | 2.69          | 1.52          |
| Share of Profit / (Loss) from LLP                  | (2.70)        | 0.39          |
| Miscellaneous income                               | 4.30          | 4.77          |
| <b>Total Other Income (Refer Note 19)</b>          | <b>732.13</b> | <b>349.63</b> |

Interest income from bank deposits for financial year 2014-15 is ₹ 32.77 lac as compared to ₹ 10.13 lac in financial year 2013-14. The increment in interest income from bank deposits to the extent of ₹ 22.64 lac is due to incremental bank deposits kept with the banks towards margin for bank guarantee, and other statutory requirements. The interest income from bank deposits has registered a growth of 223.49% from the last financial year. Interest income from others for financial year 2014-15 is ₹ 695.07 lac as compared to ₹ 332.82 lac in financial year 2013-14. The increment in interest income from other parties to the extent of ₹ 362.25 lac is due to incremental advances given to various other parties. The interest income from others has registered a growth of 108.84% from the last financial year. It may be mentioned that such advances are given in the routine course of business and it carry interest not lesser than the weighted average cost of your Company's funds.

During the financial year 2014-15, your Company had written back liabilities no longer required to pay amounting to ₹ 2.69 lac in comparison to ₹ 1.52 lac in the financial year 2013-14.

During the financial year 2014-15, your Company has shared a loss of ₹ 2.70 lac from Shree Matangi Projects LLP, one of the Joint Venture

limited liability partnership firm. Your Company had earned ₹ 0.39 lac from the same LLP during the financial year 2013-14.

Miscellaneous income for financial year 2014-15 is ₹ 4.30 lac as compared to ₹ 4.77 lac in financial year 2013-14. The miscellaneous income has reduced by 9.85% from the last financial year.

### 10.2 Expenditure

Total expenditure in the financial year 2014-15 was ₹ 11,303.34 lac as compared to ₹ 8,196.71 lac in the financial year 2013-14. The break up of the said expenditure is as under:

| Expenditure                                   | 2014-15          | 2013-14         |
|---|------------------|-----------------|
| Project Expenses (Refer Note 20)              | 9,535.95         | 6,813.94        |
| Employee Benefits Expenses (Refer No 21)      | 295.10           | 262.19          |
| Interest and Finance Charges (Refer Note 22)  | 1,006.16         | 793.04          |
| Depreciation and Amortisation (Refer Note 11) | 130.41           | 93.50           |
| CSR Expenses (Refer Note 23.1)                | 37.12            | 0.00            |
| Other Expenses (Refer Note 23.2)              | 298.60           | 234.04          |
| <b>Total Expenditure</b>                      | <b>11,303.34</b> | <b>8,196.71</b> |

#### Project Expenses (Refer Note 20)

The expenditure incurred on projects for the financial year 2014-15 was ₹ 9,535.95 lac, which is an increment by 39.95% over the previous year's expenditure of ₹ 6,813.94 lac. The expenses are mainly towards Infrastructure projects ₹ 6,969.83 lac (73.08%), Trading ₹ 1,806.31 lac (18.94%), and Real-estate projects ₹ 759.81 lac (7.97%) for the financial year 2014-15, which were ₹ 2,484.46 lac (36.46%), ₹ 3,332.52 lac (48.91%), and ₹ 996.96 lac (14.63%) respectively for financial year 2013-14. The increment is mainly due to an increase in operations with higher no.; incremental scale as well as increase in infrastructure projects sites which were in the initial phase of development/construction. However, it may be mentioned that the overall profitability of infrastructure projects have improved owing to economies-of-scale. A discussion on main components of project expenses change are given below:

The expenditure incurred on Civil, Electrical, Contracting, Labour work, etc. for the financial year 2014-15 was ₹ 5,249.67 lac, which is an increment by 116.51% over the previous year's expenditure of ₹ 2,424.73 lac.

The expenditure incurred on Freight and cartage expense for the financial year 2014-15 was ₹ 204.89 lac, which is an increment by 94.10% over the previous year's expenditure of ₹ 105.56 lac.

The expenditure incurred on Welfare cess for the financial year 2014-15 was ₹ 54.46 lac, which is an increment by 860.14%

over the previous year's expenditure of ₹ 5.57 lac. The increment is mainly due to an increase in infrastructure construction sites of AMC and VUDA.

The expenditure incurred on Security charges for the financial year 2014-15 was ₹ 19.85 lac, which is an increment by 354.93% over the previous year's expenditure of ₹ 4.36 lac.

**Employee Benefits Expenses (Refer Note 21)**

Employees' remuneration and benefits expenses include salaries, bonuses, allowances, benefits, contribution to provident and other funds, welfare expenses, etc.

Employee benefits expenses have increased by 12.55% from ₹ 262.20 lac in financial year 2013-14 to ₹ 295.10 lac in financial year 2014-15. The increase is mainly due to addition in manpower, wherein certain employees have been recruited with higher salary packages. It is also attributable to new sites added during the year as well as for sites added during the previous year which were operational for a part of the previous year as compared to full year operations during the current year. Of the total increase in employee benefits expense, an increase of ₹ 3.28 lac is attributable to gratuity – that is incidental to the employees' loyalty to your Company.

**Finance cost (Refer Note 22)**

The finance costs (net of capitalisation) for the financial year 2014-15 were ₹ 1,006.16 lac in comparison to ₹ 793.03 lac in financial year 2013-14. Interest on borrowings (including interest during construction) has increased by 14.64% over last financial year due to increase in borrowings (net of repayment) during the year. However, the weighted average cost of borrowing has marginally reduced by 54 bps in financial year 2014-15 from previous financial year. The marginal reduction is on account of certain sizeable new debt was contracted at lower rate of interest as well as the reduction in higher rate of interest borrowing resultant of its yearly repayment.

The 'Other borrowing cost' have increased by 50% from ₹ 58.06 lac in financial year 2013-14 to ₹ 87.21 lac in financial year 2014-15. The increase is mainly due to processing fees paid on new borrowings.

For the financial year 2014-15, an amount of ₹ 914.61 lac relating to finance costs of projects under progress was capitalized while the corresponding amount for the previous year was ₹ 729.04 lac i.e. an increase of 25.51%.

**CSR Expenses (Refer Note 23.1)**

The Company has undertaken activities for promotion of sanitation and preventive healthcare by way of installation of sanitation equipments, organizing awareness campaigns for cleanliness and waste management, physical work for cleanliness and waste removal at various locations of Ahmedabad. The entire activity has been undertaken as a project

under the brand name "My Own Street" in association with Ahmedabad Municipal Corporation. An aggregate amount of ₹ 37.12 lac has been spent on the said CSR project during the year.

**Other expenses (Refer Note 23.2)**

Other expenses consist primarily of repair and maintenance of buildings, plant and machinery, power and fuel charges, expenses towards travel, communication, etc. These expenses increased to ₹ 298.60 lac in financial year 2014-15 from ₹ 234.04 lac in financial year 2013-14 registering an increase of 27.51%. An increase of ₹ 81.03 lac is on account of legal and professional fees paid during the year; incremental deficit on sale of fixed assets of ₹ 30.91 lac;

**Depreciation and amortisation expense (Refer Note 11)**

The depreciation and amortisation expense charged to the profit and loss account during the year was ₹ 130.41 lac as compared to ₹ 93.51 lac in financial year 2013-14, registering an increase of 39.46%. This is due to an increase in the gross block by ₹ 331.42 lac i.e. from ₹ 3,527.19 lac in the previous financial year to ₹ 3,607.76 lac in the current financial year. The increase in gross block is largely on account of an increase in commercial vehicles, construction equipments, plant and machinery on account of addition in no. of sites/projects.

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, your Company has re-worked depreciation with reference to useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as on April 1, 2014 has been adjusted to the General Reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is higher by ₹ 30.77 lac for the year ended on March 31, 2015.

**10.3 Profit Before Tax and Exceptional Items**

The profit of the Company before tax and exceptional items is tabulated below:

(₹ in lacs)

| Particulars                                    | 2014-15         | 2013-14         |
|--|-----------------|-----------------|
| Total Income                                   | 13,174.56       | 10,014.92       |
| <b>Less:</b>                                   |                 |                 |
| Expenditure related to operations              | 10,169.48       | 7,310.16        |
| Finance Cost                                   | 1,006.16        | 793.04          |
| Depreciation                                   | 130.41          | 93.51           |
| <b>Profit Before Tax and Exceptional Items</b> | <b>1,868.51</b> | <b>1,818.21</b> |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 10.4 Tax Expense

The Company provides for current tax and deferred tax computed in accordance with provisions of Income Tax Act, 1961. Provision for current tax has been computed at the applicable rate of 34.77% for the financial year 2014-15.

#### Provision for Current tax

A provision of ₹ 684.75 lac has been made towards current tax for the financial year 2014-15 as against the provision of ₹ 632.31 lac made in financial year 2013-14. The increase in current tax of ₹ 52.42 lac is primarily on account of increase in profit.

#### Provision for Deferred tax

As per Accounting Standard - 22 on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, your Company has accounted for Deferred Tax during the financial year. The net deferred tax assets for the financial year 2014-15 is ₹ 21.24 lac as against the provision of ₹ 0.82 lac made in financial year 2013-14, an increase of ₹ 22.05 lac consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, the Company has re-worked depreciation with reference to useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower.

### 10.5 Profit After Tax

The profit after tax for the financial year 2014-15 was ₹ 1,205.00 lac which has increased by 1.68% over the previous year's profit after tax of ₹ 1,185.07 lac.

### 10.6 Net Worth

The net worth of your Company has been augmenting considerably in past financial years mainly owing to plough-back of enhanced profit as well as increase in share capital base, and premium on securities issued. The net worth of the Company ₹ 11,000.81 lac as on March 31, 2014, has increased to ₹ 15,786.16 lac as on March 31, 2015 registering increase of 43.50%.

### 10.7 Non-current Assets

The non-current assets as at March 31, 2015 and March 31, 2014 and details of changes therein during the year are as follows: (₹ in lacs)

| Non-current Assets                           | As at 31/03/2015 | As at 31/03/2014 | YOY change      | % change      |
|--|------------------|------------------|-----------------|---------------|
| Fixed Assets (Refer Note 11)                 | 3,305.96         | 3,228.70         | 77.26           | 2.39%         |
| Non-current Investment (Refer Note 12)       | 1,827.86         | 316.51           | 1,511.35        | 477.50%       |
| Long-term Loans and Advances (Refer Note 13) | 821.96           | 1,226.61         | (404.65)        | (2.99%)       |
| Other Non-current Assets (Refer Note 14)     | 321.72           | 139.29           | 182.43          | 130.97%       |
| Deferred Tax Assets (Refer Note 6)           | 9.97             | -                | 9.97            | 100.00%       |
| <b>Total</b>                                 | <b>6,287.47</b>  | <b>4,911.11</b>  | <b>1,376.36</b> | <b>28.03%</b> |

Increase in Fixed Assets is mainly on account of purchase of vehicles, plant and machinery, etc.

The primary reason of increase in Non-current Investment during the year is fresh investment of ₹ 1,500 lac in a newly formed subsidiary i.e. Nila Projects LLP (99.97% shareholding), which is established to address specific business opportunities.

Long-term Loans and Advances include loans given to the associates, joint ventures, subsidiaries and business advances mainly towards commitment to purchase land for the purpose of the business of the Company and security deposits. Total Long-term Loans and Advances is ₹ 821.96 lac as against ₹ 1,226.61 lac as at March 31, 2015 indicating decrease of 33%. The decrease is mainly on account of change in nature of advances to joint ventures amounting to ₹ 888.59 lac from Long-term to Short-term. Security Deposit has increased from ₹ 135.96 lac as at March 31, 2014 to ₹ 474.52 lac as at March 31, 2015. The said security deposit is towards money retained by our principal contractors as per the terms of contract.

Other non-current assets have increased to ₹ 313.39 lac as at March 31, 2015 from ₹ 134.70 lac as at March 31, 2014. This mainly consists of interest bearing fixed deposits kept with bank for the purpose of issuing bank guarantee in order to participate in various tenders.

### 10.8 Current Assets:

The details of Current Assets as at March 31, 2015 and March 31, 2014 and changes therein during the year are as follows:

(₹ in lacs)

| Current Assets                            | As at 31/03/2015 | As at 31/03/2014 | YOY change      | % change      |
|---|------------------|------------------|-----------------|---------------|
| Inventories (Refer Note 15)               | 13,791.06        | 8,890.18         | 4,900.88        | 55.12%        |
| Trade Receivables (Refer Note 16)         | 3,087.06         | 2,584.13         | 502.93          | 19.46%        |
| Cash and Bank Balances (Refer Note 17)    | 458.66           | 407.60           | 51.06           | 12.54%        |
| Short-term Loans/advances (Refer Note 13) | 10,656.37        | 6,160.03         | 4,496.34        | 72.99%        |
| <b>Total</b>                              | <b>27,993.15</b> | <b>18,041.94</b> | <b>9,951.21</b> | <b>55.16%</b> |

#### Inventories

Details of inventories as at March 31, 2015 and March 31, 2014 and changes therein during the year are as follows:

(₹ in lacs)

| Inventory                        | As at 31/03/2015 | As at 31/03/2014 | YOY change      | % change      |
|----------------------------------|------------------|------------------|-----------------|---------------|
| Construction material            | 192.05           | 101.52           | 90.53           | 89.16%        |
| Work in progress                 | 2,604.67         | 1,616.83         | 987.84          | 61.10%        |
| Flats                            | 3,162.22         | 2,988.75         | 173.47          | 5.81%         |
| Land and land development rights | 7,832.12         | 4,183.08         | 3,649.04        | 87.23%        |
| <b>Total</b>                     | <b>13,791.06</b> | <b>8,890.18</b>  | <b>4,900.88</b> | <b>55.13%</b> |

Total increase of ₹ 4,900.88 lac in inventories is mainly due to purchase of land and land development rights of ₹ 3,649.04 lac out of which ₹ 434.90 lac have been increased on account of capitalisation of certain allowable costs.

The increased number of projects and operational activities during the year has also increased the amount of work in progress by ₹ 987.84 lac and construction material cost by ₹ 90.53 lac. The predominant reason of increase in work in progress is the new construction work of tenders amounting to ₹ 19,486 lac commenced during the year.

#### Trade Receivables

Trade Receivables is ₹ 3,087.06 lac as at March 31, 2015 against ₹ 2,584.13 lac as at March 31, 2014 exhibiting increase of 19.46%. The trade receivable collection period is 90 days and 97 days as at March 31, 2015 and March 31, 2014 respectively.

The total receivable comprises of ₹ 48.47 lac receivable from LLPs in which the Company is having more than 20% share contribution.

#### Short-term Loans and Advances

Short-term Loans and Advances include those loans and advances which are expected to be realized before a period of 12 months from the Balance Sheet Date. Total short Term Loans and Advances as at March 31, 2015 were ₹ 10,656.37 lac as against ₹ 6,160.03 lac as at March 31, 2014 depicting increase of 73%. Short-term Loans and Advances consists advances to contractors, security deposits, advances towards purchase of land, advances towards capital expenditure, advances to joint ventures and subsidiaries, short-term advances to employees, etc. Short-term loans and advances have increased primarily due to an increase in advances recoverable in cash or kind which includes purchase of land which has payment terms less than a year for execution of sale deed. Out of total ₹ 6,214.30 lac advances recoverable in cash or kind ₹ 6,127.40 lac advances is interest bearing. Total interest earned from advances recoverable in cash or kind is ₹ 532.99 lac. Further ₹ 888.59 lac Loans and Advances to Related Parties have been changed from Long-term to Short-term out of which ₹ 580.53 lac are also interest earning advances and earned interest of ₹ 69.42 lac.

### 10.9 Non-current Liabilities

(₹ in lacs)

| Non-current Liabilities                    | As at 31/03/2015 | As at 31/03/2014 | YOY change      | % change      |
|--|------------------|------------------|-----------------|---------------|
| Long-term Borrowings (Refer Note 5)        | 10,192.64        | 7,448.83         | 2,743.81        | 36.81%        |
| Deferred Tax Liability (Refer Note 6)      | -                | 14.46            | (14.46)         | (100.00%)     |
| Other Long-term Liabilities (Refer Note 7) | 289.81           | 194.62           | 95.19           | 48.91%        |
| Long-term Provisions (Refer Note 8)        | 26.57            | 18.25            | 8.32            | 45.59%        |
| <b>Total</b>                               | <b>10,509.02</b> | <b>7,676.10</b>  | <b>2,832.86</b> | <b>36.90%</b> |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

During the year Long-term Borrowings have been increased by ₹ 2,743.81 which were mainly utilised for inventories, work-in-progress, security deposits, advances for material and contractors, purchased of fixed assets, etc. As company started work on new construction tenders to the tune of ₹ 19,486 lac during the year it became the main cause for increased borrowings. However, during the year average cost of funds has been decreased to 0.54% from the previous financial year. Your Company has not delayed or defaulted in repayment of dues to a financial institution or a bank. It may be mentioned that the Company has honoured all its financial commitments and the account is Standard with all the lenders.

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, your Company has re-worked depreciation with reference to useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. Hence, the deferred tax liability has converted into asset

Other Long-term Liabilities mainly consists of Trade Deposits and Security Deposits which have been increased to ₹ 289.81 lac as at March 31, 2015 from ₹ 194.62 lac as at March 31, 2014. Security deposit are received from tenants of leased premises is ₹ 43.60 lac as at March 31, 2015 as against ₹ 65.36 lac as at March 31, 2014 whereas Trade Deposits are being kept as security from the contractors which are ₹ 246.21 lac as at March 31, 2015 as against ₹ 129.27 lac as at March 31, 2014.

Provision for employee benefits including gratuity and leave benefits have been increased to ₹ 26.57 lac as at March 31, 2015 from ₹ 18.25 lac as at March 31, 2014.

### 10.10 Current Liabilities

(₹ in lacs)

| Current Liabilities                 | As at 31/03/2015 | As at 31/03/2014 | YOY change      | % change      |
|-------------------------------------|------------------|------------------|-----------------|---------------|
| Short-term Borrowings (Note 9)      | 703.77           | 937.73           | (233.96)        | (24.95%)      |
| Trade Payables (Note 10)            | 1,284.28         | 1,142.15         | 142.13          | 12.44%        |
| Other Current Liabilities (Note 10) | 4,862.07         | 1,413.86         | 3,448.21        | 243.89%       |
| Short-term Provisions (Note 8)      | 1,135.32         | 982.35           | 152.97          | 15.57%        |
| <b>Total</b>                        | <b>7,984.44</b>  | <b>4,476.09</b>  | <b>3,509.35</b> | <b>78.40%</b> |

Short-term Borrowings consist of overdraft bank facility with lower utilisation by ₹ 233.96 lac in the current year as compared to the previous year.

Trade Payables as at March 31, 2015 have increased by ₹ 142.13 lac in the current year which shows an increase of 12.44%. The trade payables payment period as at March 31, 2015 is 61 days as against 49 days as at March 31, 2014.

Other Current Liabilities increased by ₹ 3,448.21 lac mainly due to ₹ 2,600.58 lac increased in current maturity of Long-term Borrowings and ₹ 543.49 lac increased on account of advances from the customers for property booking.

Increase in Provision of income tax, dividend on increased capital and tax thereon is the main cause of an increase in short-term provision of ₹ 152.97 lac.

### 10.11 Cash Flow

Details of Cash, cash equivalents and cash inflow and outflow on various activities is given below:

(₹ in lacs)

| For the financial year ended on            | 31/03/2015      | 31/03/2014    |
|--|-----------------|---------------|
| <b>Opening Cash &amp; Cash Equivalents</b> | <b>264.22</b>   | <b>69.34</b>  |
| Net Cash used in Operating Activities      | (6,896.71)      | (182.50)      |
| Net Cash used in Investing activities      | (1,222.40)      | 171.82        |
| Net cash flow from Financing activities    | 8,008.38        | 205.57        |
| <b>Change in cash and cash equivalents</b> | <b>(110.73)</b> | <b>194.89</b> |
| <b>Closing Cash &amp; Cash Equivalents</b> | <b>153.49</b>   | <b>264.22</b> |

Net cash used in operating activities was ₹ 6,896.71 lac during the year 2014-15 as compared to ₹ 182.50 lac in the previous year.

Net cash used in investing activities was ₹ 1,222.40 lac in financial year 2014-15 as compared to ₹ 171.82 lac net cash generated in the previous year. Cash invested on purchase of fixed assets net of receipts from sale of assets is ₹ 253.77 lac in current year as compared to ₹ 101.97 lac in previous year, Net proceed of margin money increased to ₹ 178.69 lac in current year against ₹ 71.44 lac in previous year and

invested in subsidiary and joint ventures as Non-current investment ₹ 1,514.05 lac in current year where as no such investment were made in previous year. Cash inflow arisen from interest from banks and interest received on advances of ₹ 724.11 lac used for various purposes. Net Cash outflow on investing activities arise from financing activities.

Net cash flow from financing activities is ₹ 8,008.38 lac out of which ₹ 3,750.00 lac received from share capital and ₹ 281.25 lac from proceeds from warrant and remaining from long term borrowings.

Operational cash flow utilisation is mainly for inventories, work-in-progress, security deposits, advances for material and contractors, purchased of fixed assets, and purchase of land and land rights for projects. As company started work on new construction tenders to the tune of ₹ 19,486 lac during the year and purchase of land and land rights for projects is main cause for increased in operational outflow.

**10.12 Details of Subsidiaries, Associates and Joint Ventures of the Company**

(₹ in lacs)

|   | Name of entity                           | NILA's investment in equity | % of shareholding | Loans & Advances Given | Profit After Tax Shared | Status   |
|---|--|-----------------------------|-------------------|------------------------|-------------------------|--|
| 1 | Nila Projects LLP (Subsidiary)           | 1,513.95                    | 99.97%            | 147.44                 | (0.32)                  | Formed recently and operations yet to commence |
| 2 | Fangdi Projects LLP (Subsidiary)         | 5.10                        | 51%               | 200.00                 | (0.17)                  | Plotting scheme and operations yet to commence |
| 3 | Nilsan Realty LLP (Joint Venture)        | 8.07                        | 50%               | 303.82                 | 10.36                   | Various regulatory approvals awaited           |
| 4 | Matangi Projects LLP (Joint Venture)     | 75.65                       | 40%               | 4.24                   | (2.70)                  | Residential Project Completed                  |
| 5 | Mega City Cinemall Pvt. Ltd. (Associate) | 222.06                      | 42.5%             | 580.53                 | N.A.                    | Investment in cine-mall                        |
|   | <b>Total</b>                             | <b>1,824.83</b>             |                   | <b>1,236.03</b>        |                         |  |

None of the subsidiary, joint venture or associate has declared any dividend during the year.

**CAUTIONARY STATEMENT:**

Statement in various parts in this Annual Report, the Directors' Report and Management Discussion & Analysis describing the company's analysis, objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results may differ materially from those expressed or implied. Shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinion expressed by the management herein contains its perception based 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 THE CODE OF CORPORATE GOVERNANCE

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

We at NILA firmly believe that firm Corporate Governance leads to the optimal utilization of resources and enhances 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 NILA's value system.

### 2. BOARD OF DIRECTORS

#### 2.1 Composition of the Board:

The Company has an optimum combination of Executive and Non Executive Directors. At the end of the year the Board consists of Eight Directors comprising of one Executive Chairman & Whole Time Director, two Non Executive Directors and five other Non Executive Independent Directors. The appointment of five Non Executive Independent Directors is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with the Stock Exchanges by the Company. There are two Promoter Directors out of which one is Executive Director and the other one is Non Executive Director. Out of the Independent Directors there is one Woman Director. There is no nominee Director on the Board.

#### 2.2 Directors' Profile:

*Brief Profile of all the Board Members, Nature of their expertise in specific functional areas and the Names of Companies in which they hold Directorships and Memberships / Chairmanship of Board or Committees of Board are as under:*

- a) Mr. Manoj B. Vadodaria is a commerce Graduate and self-made businessman. His induction into the business world was at a very early age. Mr. Manoj B. Vadodaria combated harsh realities and adversities of business life successfully. This experience culminated into maturity and fervor of a rare kind. The practical school of business has made him a financial wizard backed by his sharp business instincts. This unique blend has been a tremendous source of benefit to the Group in meeting financial

challenges and carving out ambitious expansion plans.

- b) Mr. Kiran B. Vadodaria is a Mechanical Engineer from L.D. Engineering College, Ahmedabad. 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 Joint Managing Director of Nila Infrastructures Ltd. He has been elected as the President of Indian Newspaper Society [INS] during the year. He was Part Time Non Executive Director of United Bank of India during 2011-14 on nomination by the Ministry of Finance. He was the Chairman of Gujarat Regional Committee and a Member of National Integration Council of Government of India.
- c) Mr. Dilip D. Patel possesses a vast experience of management education, training and consultancy for more than 25 years. He is the founder faculty of S.P. Jain Institution of Management Research, Mumbai-one of the top 10 Business Schools in the country. He has consulted number of Indian and multinational companies and offered training to senior managers in leading companies. He has consulted family owned/ managed companies on various issues including the interface of family with business. He is currently advisor to the Board of some companies in India and Overseas.
- d) Mr. Hiren G. Pandit was enrolled as an advocate in the year 1981 and has been practicing since 1982 on Revenue as well as Civil Sides. He is a legal advisor to various corporate groups of Ahmedabad.
- e) Mr. Shyamal S. Joshi is a fellow member of the Institution of Chartered Accounts of India and possesses rich experience in financial planning, funding, taxation and accounting and served number of renowned Companies. He is having expertise in Corporate Funding, Restructuring, Merger, Acquisition, Local & International Financing, Private Equity and many more. He possesses more than 40 years of senior level financial management experience in manufacturing and trading corporation.
- f) Mr. Ashok Bhandari is B.com (Hon.) and is a Chartered Accountant from ICAI, India. He has more than 35 years of experience in the field of accountancy, auditing, investment banking and finance. He possesses outstanding exposure as a practicing chartered accountant with various prominent groups of varied industries in India and abroad. Mr. Ashok Bhandari possesses extensive experience of preparing project reports, feasibility study, implementation of projects, listing of securities, amalgamation, mergers, takeovers and funds/assets management.
- g) Mr. Harcharansingh P Jamdar has headed various departments of the Government of Gujarat, including being Secretary and Principal Secretary. During his tenure, Mr. Jamdar was appointed

## REPORT ON CORPORATE GOVERNANCE

as Chairman of various state-owned corporations, especially in roads and ports sector. He has served as the President of Indian Roads Congress and the Institution of Engineers (India) and as the Vice- President of 'FIESCA' He holds a bachelor's degree in civil engineering from the Gujarat University. He is presently Director at IL&FS Transportation Network Ltd.

- h) Ms. Foram B. Mehta has done BE Chemical from Nirma University and an MDP from IIM Ahmedabad. She has been in the field of marketing, advertising, corporate branding, television management, and television modelling. Ms. Mehta brings with herself extensive knowledge of brand conceptualization and entire marketing management. In past she has worked with Hindustan Unilever Ltd., Tata Teleservices Ltd., Atharva Telefilms Pvt. Ltd., JP Group, Tashee Group and presently managing affairs of her own firm "GOD BROTHER" engaged in the activities of creative branding, marketing, and communication. Apart from this, Ms. Mehta is a qualified anchor, drama artist from All India Radio, and has participated, hosted number of events and has won many awards.

**The Name and Category of the Directors on the Board, their Attendance at Board Meetings held during the year and the Number of Directorships and Committee Chairmanships / Memberships held by them in other Companies are 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          | Meeting AGM |   |   |
| 1      | *Manoj Vadodaria | Executive Chairman & Managing Director | 7                      | Yes         | 1   | 1   |
| 2      | *Kiran Vadodaria | Non Executive Director                 | 7                      | Yes         | 2   | 2   |
| 3      | **Dilip Patel    | Non Executive Director                 | 3                      | No          | 1   | 2   |
| 4      | **Hiren Pandit   | Non Executive Independent Director     | 4                      | No          | Nil   | Nil   |
| 5      | **Shyamal Joshi  | Non Executive Independent Director     | 6                      | Yes         | 7   | Nil   |
| 6      | **Ashok Bhandari | Non Executive Independent Director     | 2                      | No          | 3   | Nil   |
| 7      | ** HP Jamdar     | Non Executive Independent Director     | 1                      | No          | 1   | 3   |
| 8      | **Foram Mehta    | Non Executive Independent Director     | 1                      | NA          | Nil   | Nil   |

\*Promoter Director; \*\* Non-Promoter Director

### Details of the Board Meetings

| Date of Board Meeting | Board Strength | No of Directors Present |
|-----------------------|----------------|-------------------------|
| May 29, 2014          | 7              | 5                       |
| August 12, 2014       | 7              | 5                       |
| September 29, 2014    | 7              | 3                       |
| November 14, 2014     | 7              | 5                       |
| January 03, 2015      | 7              | 4                       |
| February 14, 2015     | 7              | 4                       |
| March 28, 2015        | 8              | 5                       |

### Board and committee Meetings:

The procedure with respect to the Board and the Committees meetings are in compliance with , Secretarial Standards (SS-1) prescribed for the Board Meetings by the Institute of Company Secretaries of India, Listing Agreements with Stock Exchanges and other applicable laws and regulations.

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

In terms of Clause 49 of Listing Agreement, the Board has adopted the code of conduct for the Board of Directors and senior management personnel of the Company. This code of conduct is 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](http://www.nilainfra.com). The same code has been circulated to all the members of the Board and all senior

## REPORT ON CORPORATE GOVERNANCE

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 Personnels and the same is available on the Company's website. I confirm that the Company has in respect of the financial year ended on March 31, 2015, received from the Senior Management Personnel of the Company and the members of the Board a declaration of compliance with the Code of Conduct applicable to them.

Date: May 25, 2015

Manoj B. Vadodaria

Place: Ahmedabad

Chairman & Managing Director

DIN: 00092053

### Board Procedure:

Pursuant to the Listing Agreements, Stock Exchanges are being informed about the convening of the Board Meetings at least 7 clear days in advance. The agenda is prepared by the Secretarial Department in consultation with the Chairman of the Board. The information as required under the 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. The Stock Exchanges are 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. The constitution of the Audit Committee is in line with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreements executed with the Stock Exchanges. Mr. Shyamal S Joshi is the Chairman of the Committee. He possesses adequate financial accounting knowledge. Mr. Hiren G. Pandit and Mr. Kiran B. Vadodaria are the other two members of the Audit Committee. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

### 3.2 The terms of reference or role of the Audit Committee:

The terms of reference and role of the audit committee are in accordance with provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement as under:

a. Oversight of the company's financial reporting process and the

disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ii. changes, if any, in accounting policies and practices and reasons for the same
  - iii. major accounting entries involving estimates based on the exercise of judgment by management
  - iv. significant adjustments made in the financial statements arising out of audit findings
  - v. compliance with listing and other legal requirements relating to financial statements
  - vi. disclosure of any related party transactions
  - vii. qualifications in the draft audit report
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h. Approval or any subsequent modification of transactions of the company with related parties;
  - i. Scrutiny of inter-corporate loans and investments;
  - j. Valuation of undertakings or assets of the company, wherever it is necessary;
  - k. Evaluation of internal financial controls and risk management systems;
  - l. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - m. 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;
- n. Discussion with internal auditors of any significant findings and follow up there on;
  - o. 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;
  - p. 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;
  - q. 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;
  - r. To review the functioning of the Whistle Blower Mechanism(Vigil Mechanism);
  - s. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  - t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - u. A statement of all transactions with related parties, including their basis shall be placed before the Audit Committee for formal approval / ratification with explanations where there are interested transactions.
  - v. Details of material individual transactions with related parties which are not in the normal course of business shall be placed before the audit committee.
  - w. Details of material individual transactions with related parties or others, which are not an arm's length basis should be placed before the Audit Committee, together with the Manager's justification for the same.

**3.3 Attendance at the Audit Committee Meetings**

Four Audit Committee meetings were held during the year on May 29, 2014, August 12, 2014, November 14, 2014 and January 3, 2015. The time gap between two Audit Committee meetings was not more than four months. The name of the members of Audit Committee, and its Chairman and details of meetings attended by them are stated hereunder.

| Name                   | Designation | No. of Meetings |          |
|------------------------|-------------|-----------------|----------|
|                        |             | Held            | Attended |
| Mr. Shyamal S Joshi    | Chairman    | 4               | 4        |
| Mr. Kiran B. Vadodaria | Member      | 4               | 4        |
| Mr. Hiren G. Pandit    | Member      | 4               | 2        |

**4. NOMINATION AND REMUNERATION COMMITTEE:**

**4.1 Composition of the Committee:**

The Nomination and Remuneration Committee of the Company comprises three members and all are Non-Executive Independent Directors. Mr. Shyamal S Joshi is the Chairman and Mr. Hiren G Pandit and Mr. Dilip D. Patel are the other two members of the committee. The committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**4.2 Terms of reference or role of the Committee:**

The terms of reference and role of the Nomination and Remuneration Committee are in accordance with provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement as under.

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulate criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, and shall carry out evaluation of every director's performance.
- e. The company shall disclose the remuneration policy and the evaluation criteria in its Board Report.

**4.3 Attendance at the Nomination and Remuneration Committee meetings:**

Two Nomination and Remuneration Committee meetings were held during the year on August 12, 2014 and March 28, 2015. The names of the members of the Nomination and Remuneration Committee and its Chairman and details of meetings attended by them are stated hereunder:

| Name of the Director | Designation | No. of Meetings |          |
|----------------------|-------------|-----------------|----------|
|                      |             | Held            | Attended |
| Mr. Shyamal S Joshi  | Chairman    | 2               | 2        |
| Mr. Hiren G Pandit   | Member      | 2               | 2        |
| Mr. Dilip D Patel    | Member      | 2               | 1        |

**4.4. Remuneration Policy:**

The gist of the Nomination and Remuneration Policy of the Company constituted in terms of the provisions of the Companies Act, 2013 and as per the requirements of the listing agreement as amended from time to time is as under:

The Nomination and Remuneration Policy of the Company Policy is divided in three parts:

## REPORT ON CORPORATE GOVERNANCE

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination and

Part – C covers remuneration and perquisites etc.

### **PART – A: Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

#### **The Committee shall:**

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel (KMP) and Senior Management positions in accordance with the criteria laid down in this policy.
- (c) Recommend to the Board, appointment and removal of Director, KMP and Senior Management.

### **PART – B: Policy for appointment and removal of Director, KMP and Senior Management**

#### **(a) Appointment Criteria and Qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director or Manager who has attained the age of seventy years.

Provided that where any person has attained the age of seventy years and where his appointment or re-appointment is approved by passing a special resolution in the General Meeting based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years. In any other case the same shall be approved by Central Government.

#### **(b) Term or Tenure:**

##### **1. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No

re-appointment shall be made earlier than one year before the expiry of term.

#### **2. Independent Director:**

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
- ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years from cessation of Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.

- iii. At the time of appointment of an Independent Director it should be ensured that the number of Boards on which such an Independent Director serves is restricted to seven listed companies as an Independent Director and in case he is serving as a Whole-time Director of a listed company then he shall serve as an Independent Director in three listed companies.

#### **(c) Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).

#### **(d) Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### **(e) Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even

after attaining the retirement age, for the benefit of the Company.

**PART – C: Policy relating to the remuneration for the Whole-Time Director, KMP and Senior Management**

**(a) General:**

1. The committee will determine and recommend to Board the remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Managing Director or Whole-time Director shall be in accordance with the limits or conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under as amended from time to time.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director or Whole-time Director. Increments will be effective from the date mentioned in the respective resolutions in case of a Managing Director and Whole-time Director and April 1, in respect of other employees of the Company or such other date as may be determined from time to time
4. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Finance Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**(b) Remuneration to Whole-time Director, Managing Director/ Manager, KMP and Senior Management:**

**1. Fixed pay:**

The Managing Director/Manager, Whole-time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, superannuation or annuity fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the

recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**2. Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**3. Provisions for excess remuneration:**

If any Managing Director and Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**4. Stock Options:**

In case, Managing Director, Whole-time Director, Company Secretary and Chief Finance Officer, are not being Promoter Director or Independent Director, they shall be entitled to any stock option of the Company as qualified by the normal employees of the Company. Provided the same shall be subject to the Companies Act, 2013 and rules made there under read with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendment or modification thereof.

**Senior Management Personnel shall be eligible for stock options as normal employees of the Company.**

**(c) Remuneration to Non- Executive / Independent Director:**

**1. Remuneration / Commission:**

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

**2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees shall be decided by the Board of Directors of the Company at its meeting where quorum consists of disinterested directors. In case all the directors are interested, the same

## REPORT ON CORPORATE GOVERNANCE

shall be decided by the Resolution passed by the Members of the Company.

Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### 3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### 4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

### 4.5 The details of the remuneration and the sitting fees paid to the Directors during 2014 -2015:

Details are provided under extract of Annual Report in Form MGT 9 duly annexed with the Boards' Report.

### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted Stakeholders' Relationship Committee to consider and resolve grievances of the investors of the Company. Mr. Kiran B Vadodaria is the Chairman of the Committee and Mr. Dipen Y. Parikh is the Compliance Officer.

### 5.1 Details of Investors' Complaints during the year 2014-15:

Number of shareholders' complaints received during the year: **Nil**

Number of complaints not resolved to the satisfaction of shareholders: **Nil**

Number of pending Complaints: **Nil**

### 6. RISK MANAGEMENT COMMITTEE:

Business risk management and management of affairs is an ongoing process within the Company. The Company has a robust risk management framework to identify, monitor and minimize various internal and external risks. 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.

#### 6.1 Composition of the Committee:

In terms of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee

and framed a policy for Risk Management. The Risk Management Committee of the Board is comprised of three members. Mr. Kiran B Vadodaria - Joint Managing Director, Mr. Manoj B Vadodaria - Managing Director and Mr. Deep S Vadodaria - Chief Operating Officer are the member of the Risk Management Committee.

#### 6.2 Terms of reference or role of the Committee:

The broad terms of reference of the Risk Management Committee are as under:

- a) The Risk Management Committee shall evaluate risk exposure of the company and prepare an action plan to eliminate such risk in timely manner.
- b) The Risk Management Committee shall ensure that the company is maintaining prudent (optimum) balance between growth of activities and risk for both ongoing and new projects.
- c) The Risk Management Committee shall annually review this policy and recommend modification to the Board to meet the continuous evolving business environment.
- d) The Risk Management Committee shall, if required, appraise the audit committee for any potential risk for the company and endeavor to eliminate in timely manner.

#### 6.3 Risk Management Committee Meeting:

During the year under review one meeting of the Risk Management Committee was held on March 28, 2015 and all the three members have attended and reviewed the potential risk and mechanism to mitigate the same.

#### 7. DETAILS OF VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without the fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy or any misconduct. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism is available at the website of the company at [www.nilainfra.com](http://www.nilainfra.com).

**8. GENERAL BODY MEETINGS**

**8.1 Location and time of last three Annual General Meetings:**

| Year    | Venue  | Date       | Time    |
|---------|--|------------|---------|
| 2011-12 | 1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad | 15/09/2012 | 10:00AM |
| 2012-13 | 1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad | 06/07/2013 | 10:00AM |
| 2013-14 | 1st Floor, "Sambhaav House", Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad | 20/09/2014 | 10:00AM |

**8.2 Special Resolution passed at last 3 AGMs:**

- 2011-12: No special resolution was passed.
- 2012-13: Reappointment of Mr. Manoj B. Vadodaria as Chairman & Managing Director for a further period of 5 years.
- 2013-14: (1) Increase in borrowing powers under Section 180(1)(c) of the Companies Act, 2013; (2) Special Resolution to approve ESOP Scheme namely "Nila Infrastructures Ltd – ESOP 2014 under section 62(1)(b) of Companies Act, 2013.

**8.3 Postal Ballot:**

No resolution was passed during the year 2014-15 by Postal Ballot

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

**9. DISCLOSURES:**

**9.1 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 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 the nature of their interest in the Companies in which they are directors or members.

**9.2 Statutory Compliances, Penalties and Strictures:**

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

**9.3 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 of Conduct. The Code of Conduct has been posted on the Company's website.

**9.4 Listing Agreement Compliances:**

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

**10 MEANS OF COMMUNICATIONS:**

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

**10.2 Website of the Company:** www.nilainfra.com

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

**10.4 Half yearly reports:** Half yearly reports have not been sent to the shareholders

**10.5 The presentations made to the institutional investors or to the analysts:** No

**11. GENERAL SHAREHOLDERS INFORMATION:**

**11.1 Day, Date, Time and Venue of the 25th Annual General Meeting:**

**Day :** Friday

**Date :** August 28, 2015

**Time :** 10:00 am

**Venue :** First floor, "Sambhaav House", Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad-380015

**11.2 Financial Year:** April 1 to March 31

**11.3 Financial Calendar:** Tentative and subject to change for the financial year 2015-2016

| Quarter Ending     | Release of Results    |
|--------------------|-----------------------|
| June 30, 2015      | Mid of August, 2015   |
| September 30, 2015 | Mid of November, 2015 |
| December 31, 2015  | Mid of February, 2016 |
| March 31, 2016     | Mid of May, 2016      |

## REPORT ON CORPORATE GOVERNANCE

### 11.4. Date of Book Closure: From August 25, 2015 to August 28, 2015 [both days inclusive]

### 11.5 Dividend Payment History:

| Year    | Rate of Dividend (per equity share) in ₹ | Total Amount of Dividend Paid | Date of AGM at which Dividend was Declared | Date of Payment    |
|---------|--|-------------------------------|--|--------------------|
| 2009-10 | 0.10                                     | ₹ 295.23 lac                  | September 25, 2010                         | October 4, 2010    |
| 2010-11 | 0.10                                     | ₹ 295.23 lac                  | September 10, 2011                         | September 16, 2011 |
| 2011-12 | 0.10                                     | ₹ 295.23 lac                  | September 15, 2012                         | September 20, 2012 |
| 2012-13 | 0.10                                     | ₹ 295.23 lac                  | July 6, 2013                               | July 13, 2013      |
| 2013-14 | 0.10                                     | ₹ 295.23 lac                  | September 20, 2014                         | September 26, 2014 |

### 11.6 Unpaid and Unclaimed Dividend:

The Company has uploaded the details of shareholders of the Company containing information like name, address, amount due to be transferred to the Investor Education & Protection Fund (IEPF) and the due date of transfer of amount to IEPF on its website. The said information has also been filed in e-Form No. 5 INV on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). It may be noted that no claim lies against the Company once the dividend is deposited in IEPF.

### 11.7 Listing on stock exchanges and payment of listing fees

Shares of the Company are listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE). Listing Fees required to be paid have been paid in time to the Stock Exchanges.

**11.8 a) Stock Code:** BSE: 530377  
NSE: NILAINFRA

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

### 11.9 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        |                 |                |
|----------------|------------|----------|---------|------------|-----------------|----------------|
|                | BSE Sensex | High (₹) | Low (₹) | Volume     | BSE Sensex High | BSE Sensex Low |
| April 2014     |            | 3.44     | 2.55    | 1,587,745  | 22,939.31       | 22,197.51      |
| May 2014       |            | 5.41     | 2.70    | 46,690,995 | 25,375.63       | 22,277.04      |
| June 2014      |            | 5.38     | 3.93    | 3,721,070  | 25,725.12       | 24,270.20      |
| July 2014      |            | 4.70     | 3.42    | 1,846,559  | 26,300.17       | 24,892.00      |
| August 2014    |            | 6.13     | 4.05    | 5,099,434  | 26,674.38       | 25,232.82      |
| September 2014 |            | 6.25     | 4.48    | 2,811,548  | 27,354.99       | 26,220.49      |
| October 2014   |            | 5.40     | 4.32    | 810,732    | 27,894.32       | 25,910.77      |
| November 2014  |            | 7.65     | 4.51    | 7,454,116  | 28,822.37       | 27,739.56      |
| December 2014  |            | 7.99     | 5.41    | 3,829,439  | 28,809.64       | 26,469.42      |
| January 2015   |            | 7.93     | 6.05    | 3,497,600  | 29,844.16       | 26,776.12      |
| February 2015  |            | 11.16    | 7.26    | 11,228,103 | 29,560.32       | 28,044.49      |
| March 2015     |            | 10.00    | 7.90    | 3,600,329  | 30,024.74       | 27,868.21      |

11.10 Distribution of share holding as on March 31, 2015

| Shareholding of nominal value of |     |         | Number of Shares   |               | Number of Holders |               |
|----------------------------------|-----|---------|--------------------|---------------|-------------------|---------------|
| In ₹                             |     |         | Nos                | % of total    | Nos               | % of total    |
| 1                                | -   | 500     | 779,289            | 22.48         | 2830              | 0.21          |
| 501                              | -   | 1,000   | 4,521,409          | 36.56         | 4602              | 1.22          |
| 1,001                            | -   | 2,000   | 3,055,585          | 13.07         | 1646              | 0.82          |
| 2,001                            | -   | 3,000   | 2,024,263          | 5.69          | 715               | 0.55          |
| 3,001                            | -   | 4,000   | 1,375,489          | 2.84          | 357               | 0.37          |
| 4,001                            | -   | 5,000   | 3,679,391          | 5.89          | 741               | 0.99          |
| 5,001                            | -   | 10,000  | 6,554,405          | 6.27          | 789               | 1.77          |
| 10,001                           | -   | 50,000  | 15,412,484         | 5.34          | 673               | 4.17          |
| 50,001                           | -   | 100,000 | 7,836,111          | 0.81          | 103               | 2.11          |
| 100,001                          | and | Above   | 324,987,774        | 1.05          | 132               | 87.79         |
| <b>Total</b>                     |     |         | <b>370,226,200</b> | <b>100.00</b> | <b>12,588.00</b>  | <b>100.00</b> |

11.11 Shareholding Pattern as on March 31, 2015

| Category                          | No. of shares held | % of total share capital |
|-----------------------------------|--------------------|--------------------------|
| <b>Promoters' Holding</b>         | <b>221,325,187</b> | <b>59.78</b>             |
| <b>Public holding</b>             |                    |                          |
| Institutions and Bodies Corporate | 12,802,736         | 3.46                     |
| Individuals                       | 100,902,872        | 27.26                    |
| HUF                               | 13,149,802         | 3.55                     |
| Non Resident Indians              | 22,045,603         | 5.95                     |
| <b>Total</b>                      | <b>370,226,200</b> | <b>100.00</b>            |

11.12 Share Capital Evolution

| Date of Issue/ Allotment | No. of shares issued | Issue Price per share (₹) | Distinctive Numbers    | Type of Issue                                | Cumulative capital (No of shares) |
|--------------------------|----------------------|---------------------------|------------------------|--|-----------------------------------|
| 26/02/1990               | 20                   | 10                        | 1 to 20                | Subscriber to memorandum                     | 20                                |
| 30/03/1991               | 9,500                | 10                        | 21 to 9520             | Further Allotment                            | 9,520                             |
| 31/03/1992               | 3,500                | 10                        | 9521 to 13020          | Further Allotment                            | 13,020                            |
| 31/03/1993               | 18,500               | 10                        | 13021 to 31520         | Further Allotment                            | 31,520                            |
| 23/03/1994               | 4,400                | 10                        | 31521 to 35920         | Further Allotment                            | 35,920                            |
| 10/01/1995               | 1,010,000            | 15                        | 35921 to 1045920       | Further Allotment                            | 1,045,920                         |
| 31/03/1995               | 2,990,000            | 15                        | 1045921 to 4035920     | Further Allotment- Public Issue              | 4,035,920                         |
| 31/03/1995               | 1,920,000            | 15                        | 4035921 to 5955920     | Further Allotment- Public Issue              | 5,955,920                         |
| 28/04/1995               | 6,366,700            | 15                        | 5955921 to 12322620    | Further Allotment- Public Issue              | 12,322,620*                       |
| 27/07/2010               | 172,000,000          | 1.20                      | 123226201 to 295226200 | Further Allotment- pursuant to amalgamation  | 295,226,200                       |
| 03/01/2015               | 75,000,000           | 1.00                      | 295226201 to 370226200 | Further Allotment on private placement basis | 370,226,200                       |

\* Note: The above 1,23,22,620 Equity Shares of ₹ 10 each have been sub divided into 12,32,26,200 Equity Shares of ₹ 1 each pursuant to an ordinary resolution passed at the AGM dated August 30, 2005.

## REPORT ON CORPORATE GOVERNANCE

### 11.13 Registrar and Share Transfer Agent:

M/s MCS Limited  
Address: 201, Third Floor Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380009  
Email : mcsahmd@gmail.com; Phone No: 079-26582878/79/80; Fax No. : 079-26581296

### 11.14 Share Transfer System:

The powers of transfer and transmission of shares of the company have been delegated to the RTA of the Company M/s MCS Limited, Ahmedabad. The RTA, within time limit prescribed under the law approves the transfer lodged by the investors.

### 11.15 Dematerialisation of Shares and liquidity:

Trading in the Company's shares is permitted only in dematerialisation 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, 2015, 95.18% of the paid up share capital has been dematerialised.

### 11.16 Outstanding GDR/ADR/Warrants or any convertible instrument:

The Company has made allotment of 22,500,000 warrants convertible into equivalent number of equity shares to the Promoters and Promoter Group on January 03, 2015. The warrants are convertible into equity shares within a period of 18 months from the date of its allotment and are subject to the terms of the issue.

### 11.17 Address for Correspondence:

All enquires; clarifications and correspondence should be addressed at the following address: "The Compliance Officer Nila Infrastructures Limited, 1st Floor, 'Sambhaav House', Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad-15  
Email: secretarial@nilainfra.com | Fax: +91 79 30126371  
Phone: +91 79 40036817/18"

## 12. 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 dematerialised and physical mode and the status of the register of members.

## 13. SECRETARIAL AUDIT REPORT FOR COMPLIANCES

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

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To  
**The Members,**  
Nila Infrastructures Limited.

In accordance with Clause 49 of the Listing Agreement entered into by Nila Infrastructures Limited ("the Company") with the Bombay Stock Exchange, we have examined all relevant records of the Company relating to its compliance of condition of Corporate Governance as stipulated in Clause 49 for the financial year ended March 31, 2015.

It is the responsibility of the Company to prepare and maintain the relevant necessary record under the SEBI guidelines, Listing Agreement and other application Laws. Our responsibility is to carry out an examination on the basis of our professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate.

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

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

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

**O. P. Bhandari**  
Partner  
Membership No. 34409

Date: May 25, 2015  
Place: Ahmedabad

## CEO & 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 March 31, 2015 and to the best of my 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 March 31, 2015 are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and audit committee, deficiencies.
- (d) We have indicated to the Auditors and to the Audit Committee:
  - (i) Significant change in the internal control over financial reporting during the year.
  - (ii) Significant change in the accounting policies during the year and that the same has disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant in the Company's internal control system over financial reporting.

**Manoj B. Vadodaria**  
Chairman & Managing Director  
DIN: 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

Date: May 25, 2015  
Place: Ahmedabad

## FORM No. MR.3 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 Nila Infrastructures Limited ( hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Nila Infrastructures Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the course/conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions of the enactments listed hereunder as applicable and also that the Company has proper Board- processes and compliance-mechanism, in place to be extent, in the manner and subject to the reporting made hereinafter:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the Extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

## SECRETARIAL AUDIT REPORT

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other Applicable Laws specifically applicable to the Company are as under:
- a) Transfer of Property Act, 1882
- b) Registration Act, 1882
- c) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
- d) The Land Acquisition Act, 1894

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above

### I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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.

I further report that during the audit period the company has:

- (i) Made preferential issue of 75,000,000 equity shares of Re. 1 each at a premium of ₹ 4 per share and 22,500,000 warrants convertible into equivalent number of equity shares of ₹ 1 each at a premium of ₹ 4 per share.
- (ii) Granted 11,000,000 stock options to the eligible employees under the "Nila Infrastructures Ltd. ESOP-2014"

Date: May 25, 2015  
Place: Ahmedabad

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

**R.S. Sharma**  
Membership No: 3126  
Certificate of Practice No: 2118

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## AUDITORS' REPORT

### To the Members of Nila Infrastructures Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Nila Infrastructures Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books ;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Company as on March 31, 2015 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement - Refer Note 24 to the financial statements.
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

## AUDITORS' REPORT

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**O. P. Bhandari**  
Partner  
Membership No. 34409

Date: May 25, 2015  
Place: Ahmedabad

## ANNEXURE TO THE AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

Referred to in paragraph under the heading "Reports on other legal and regulatory requirements" of our report on even date.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management, in accordance with a phased program of verification, which in our opinion, is reasonable, considering the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. (a) The Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no discrepancies were noticed on physical verification
- iii. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iii) of paragraph 3 of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted fixed deposits from the public during the year under section 73 and 76 of the Companies Act 2013. Consequently, clause v of paragraph 3 of the order is not applicable.
- vi. According to the information and explanations given to us, in our opinion, the Company has, prima facie, made and maintained the prescribed cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act,

2013, wherever applicable. However, we have not made detailed examination of the same.

- vii. According to the information & explanations given to us in respect of statutory and other dues:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues outstanding of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax or Cess on account of any dispute as at the end of the financial year, are as follow:

| Financial year to which amount relates | Nature of dues | Amount    | Forum where dispute is pending      |
|--|----------------|-----------|-------------------------------------|
| 2010-11                                | Income Tax     | 7,593,770 | Commissioner of Income Tax (Appeal) |

- (c) According to the information and explanations given to us, no amount to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- viii. The Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix. 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.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. 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.
- xii. 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 Registration No. 112633W  
**O. P. Bhandari**  
Partner  
Membership No. 34409

Date: May 25, 2015  
Place: Ahmedabad

## BALANCE SHEET AS AT MARCH 31, 2015

(Amount in ₹)

| Particulars                                 | Note | As at<br>31/03/2015  | As at<br>31/03/2014  |
|---|------|----------------------|----------------------|
| <b>EQUITY AND LIABILITIES</b>               |      |                      |                      |
| <b>Shareholders' Funds</b>                  |      |                      |                      |
| Share Capital                               | 3    | 370,226,200          | 295,226,200          |
| Money Received Against Convertible Warrants | 3    | 28,125,000           | -                    |
| Reserves and Surplus                        | 4    | 1,180,264,781        | 804,854,560          |
|   |      | <b>1,578,615,981</b> | <b>1,100,080,760</b> |
| <b>Non-Current Liabilities</b>              |      |                      |                      |
| Long-term Borrowings                        | 5    | 1,019,263,538        | 724,882,957          |
| Deferred Tax Liabilities (Net)              | 6    | -                    | 1,445,615            |
| Other Long-term Liabilities                 | 7    | 28,981,140           | 19,462,479           |
| Long-term Provisions                        | 8    | 2,656,951            | 1,824,728            |
|   |      | <b>1,050,901,629</b> | <b>747,615,779</b>   |
| <b>Current Liabilities</b>                  |      |                      |                      |
| Short-term Borrowings                       | 9    | 70,376,983           | 93,772,791           |
| Trade Payables                              | 10   | 128,427,750          | 114,215,448          |
| Other Current Liabilities                   | 10   | 486,207,492          | 141,385,644          |
| Short-term Provisions                       | 8    | 113,532,390          | 98,235,277           |
|   |      | <b>798,544,615</b>   | <b>447,609,160</b>   |
| <b>TOTAL</b>                                |      | <b>3,428,062,225</b> | <b>2,295,305,699</b> |
| <b>ASSETS</b>                               |      |                      |                      |
| <b>Non-Current Assets</b>                   |      |                      |                      |
| Fixed Assets                                |      |                      |                      |
| - Tangible Assets                           | 11   | 330,595,885          | 322,838,156          |
| - Intangible Assets                         | 11   | -                    | 32,553               |
| Non-Current Investments                     | 12   | 182,786,288          | 31,651,133           |
| Deferred Tax Assets (Net)                   | 6    | 996,941              | -                    |
| Long-term Loans and Advances                | 13   | 82,195,571           | 122,660,941          |
| Other Non-Current Assets                    | 14   | 32,172,176           | 13,928,950           |
|   |      | <b>628,746,861</b>   | <b>491,111,733</b>   |
| <b>Current Assets</b>                       |      |                      |                      |
| Inventories                                 | 15   | 1,379,106,116        | 889,017,935          |
| Trade Receivables                           | 16   | 308,706,395          | 258,412,880          |
| Cash and Bank Balances                      | 17   | 45,866,347           | 40,759,715           |
| Short-term Loans and Advances               | 13   | 1,065,636,506        | 616,003,436          |
|   |      | <b>2,799,315,364</b> | <b>1,804,193,966</b> |
| <b>TOTAL</b>                                |      | <b>3,428,062,225</b> | <b>2,295,305,699</b> |
| Significant Accounting Policies             | 2    |                      |                      |

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

**For, O. P. Bhandari & Co.**

Chartered Accountants  
Firm Registration Number : 112633W

**O. P. Bhandari**  
Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

**For and on behalf of the Board of Directors of Nila Infrastructures Ltd.**

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars  | Note      | For the year ended<br>31/03/2015 | For the year ended<br>31/03/2014 |
|--|-----------|----------------------------------|----------------------------------|
| <b>INCOME</b>  |           |                                  |                                  |
| Revenue from Operations  | 18        | 1,243,971,821                    | 966,529,717                      |
| Other Income   | 19        | 73,213,547                       | 34,962,672                       |
| <b>Total Income</b>  |           | <b>1,317,185,368</b>             | <b>1,001,492,389</b>             |
| <b>EXPENDITURE</b>   |           |                                  |                                  |
| Project Expenses   | 20        | 953,595,462                      | 681,393,981                      |
| Employee Benefits Expenses   | 21        | 29,509,744                       | 26,219,508                       |
| Interest and Finance Charges   | 22        | 100,615,980                      | 79,303,787                       |
| Depreciation and Amortization Expenses                               | 11        | 13,040,755                       | 9,350,563                        |
| CSR Expenses   | 23.1      | 3,711,558                        | -                                |
| Other Expenses   | 23.2      | 29,860,387                       | 23,403,545                       |
| <b>Total Expenditure</b>   |           | <b>1,130,333,886</b>             | <b>819,671,384</b>               |
| <b>Profit Before Tax</b>   |           | <b>186,851,482</b>               | <b>181,821,005</b>               |
| <b>Tax Expenses</b>  |           |                                  |                                  |
| Current Tax  |           | 68,475,000                       | 63,232,700                       |
| Deferred Tax   | 31        | (2,123,555)                      | 81,642                           |
| <b>Total Tax Expenses</b>  |           | <b>66,351,445</b>                | <b>63,314,342</b>                |
| <b>Profit After Tax</b>  |           | <b>120,500,037</b>               | <b>118,506,663</b>               |
| <b>Earning Per Equity Share (EPS) (Face Value of Share ₹ 1 each)</b> |           |                                  |                                  |
| <b>Basic &amp; Diluted</b>   | <b>30</b> | <b>0.38</b>                      | <b>0.40</b>                      |
| Significant Accounting Policies                                      | 2         |                                  |                                  |

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

**For, O. P. Bhandari & Co.**

Chartered Accountants  
Firm Registration Number : 112633W

**O. P. Bhandari**

Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

**For and on behalf of the Board of Directors of Nila Infrastructures Ltd.**

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars   | For the year ended<br>31/03/2015 | For the year ended<br>31/03/2014 |
|---|----------------------------------|----------------------------------|
| <b>(A) Cash flow from operating activities</b>                                |                                  |                                  |
| <b>(a) Profit before tax from continuing operations</b>                       | <b>186,851,482</b>               | <b>181,821,005</b>               |
| <b>(b) Add/(Less) : Adjustments</b>   |                                  |                                  |
| Depreciation and Amortization Expense   | 13,040,755                       | 9,350,563                        |
| Deficit / (surplus) on Sale of Fixed Assets                                   | 3,627,477                        | 534,254                          |
| Provision for Gratuity  | 679,502                          | 351,365                          |
| Provision for Leave Benefits  | 294,227                          | 284,342                          |
| Excess Provision Written Back   | (145,441)                        | (95,086)                         |
| Sundry Balance Written Back   | (123,656)                        | (57,053)                         |
| Interest & Finance Charges  | 98,789,531                       | 78,314,500                       |
| Interest Income   | (72,785,065)                     | (34,295,570)                     |
| Bonus Payable   | 487,015                          | 390,134                          |
| Share of (profit) / Loss From LLP   | 270,254                          | (38,543)                         |
| <b>Total of Adjustments (b)</b>   | <b>44,134,599</b>                | <b>54,738,906</b>                |
| <b>Operating profit before working capital changes (a + b)</b>                | <b>230,986,081</b>               | <b>236,559,911</b>               |
| <b>(c) Movements in working capital :</b>                                     |                                  |                                  |
| Increase / (decrease) in Trade Payables                                       | 14,335,958                       | (3,616,573)                      |
| Increase / (decrease) in Long-term Provisions                                 | 832,223                          | 529,484                          |
| Increase / (decrease) in Short-term Provisions                                | (658,484)                        | (404,428)                        |
| Increase / (decrease) in Other Current Liabilities                            | 68,096,404                       | (49,422,983)                     |
| Increase / (decrease) in Other Long-term Liabilities                          | 9,518,661                        | (1,192,122)                      |
| Decrease / (increase) in Current Trade Receivables                            | (50,293,515)                     | (91,247,302)                     |
| Decrease / (increase) in Inventories  | (490,088,181)                    | 49,625,332                       |
| Decrease / (increase) in Long-term Loans and Advances                         | 40,465,370                       | 21,511,818                       |
| Decrease / (increase) in Short-term Loans and Advances                        | (430,722,741)                    | (119,881,883)                    |
| <b>Net movements in Working Capital (c)</b>                                   | <b>(838,514,305)</b>             | <b>194,098,657</b>               |
| <b>(d) Direct taxes paid (net of refunds)</b>                                 | <b>(82,143,029)</b>              | <b>(60,712,037)</b>              |
| <b>Net cash flow from/ (used in) operating activities (A) (a + b + c + d)</b> | <b>(689,671,253)</b>             | <b>(18,250,783)</b>              |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars   | For the year ended<br>31/03/2015 | For the year ended<br>31/03/2014 |
|---|----------------------------------|----------------------------------|
| <b>(B) Cash flow from investing activities</b>                            |                                  |                                  |
| Purchase of Fixed Assets and Capital Advances                             | (33,142,118)                     | (11,207,123)                     |
| Proceeds from Sale of Fixed Assets  | 7,765,500                        | 1,010,385                        |
| Purchase of Non-current Investments                                       | (151,405,409)                    | -                                |
| Proceeds / (Deposit) of Margin Money (net)                                | (17,869,721)                     | (7,144,350)                      |
| Interest Received   | 72,411,560                       | 34,523,325                       |
| <b>Net cash flow from / (used in) investing activities (B)</b>            | <b>(122,240,188)</b>             | <b>17,182,237</b>                |
| <b>(C) Cash flows from financing activities</b>                           |                                  |                                  |
| Proceeds from Issue of Share Capital                                      | 375,000,000                      | -                                |
| Proceeds from Issue of Warrant  | 28,125,000                       | -                                |
| Proceeds from Long-term Borrowings (Net)                                  | 554,439,055                      | 224,550,606                      |
| Repayment of Short-term Borrowings  | -                                | (120,000,000)                    |
| Cash Credit (Net)   | (23,395,808)                     | 28,861,178                       |
| Interest & Finance Charges  | (98,789,531)                     | (78,314,500)                     |
| Dividend Paid on Equity Shares  | (29,522,620)                     | (29,522,620)                     |
| Tax on Equity Dividend Paid   | (5,017,978)                      | (5,017,370)                      |
| <b>Net cash flow from / (used in) in financing activities (C)</b>         | <b>800,838,118</b>               | <b>20,557,294</b>                |
| <b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b> | <b>(11,073,323)</b>              | <b>19,488,748</b>                |
| Cash and cash equivalents at the beginning of the year                    | 26,422,417                       | 6,933,669                        |
| <b>Cash and cash equivalents at the end of the year</b>                   | <b>15,349,094</b>                | <b>26,422,417</b>                |

### Notes :

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

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

### For, O. P. Bhandari & Co.

Chartered Accountants  
Firm Registration Number : 112633W

### O. P. Bhandari

Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

### For and on behalf of the Board of Directors of Nila Infrastructures Ltd.

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. Corporate Information

Nila Infrastructures Ltd is a Company based in Ahmedabad, Gujarat. It is currently engaged in construction as well as development of real estate and infrastructure projects. Nila Infrastructures Ltd is a public company incorporated on February 26, 1990 and listed on BSE and NSE (Bombay Stock Exchange and National Stock Exchange).

### 2. Significant Accounting Policies

#### a) Basis of preparation of financial statements:

These financial statements have been prepared in accordance with generally accepted accounting principles in India under historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects, with Accounting Standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

#### 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 and the reported income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise

#### c) Fixed Assets

##### (i) Tangible Assets

Fixed assets are stated at cost of acquisition or construction (net of tax / duty credits availed if any) including any cost attributable to bringing the assets to their working condition for their intended use. Fixed assets are valued at cost less accumulated depreciation there on.

##### (ii) Intangible Assets

All Intangible Assets are initially measured at cost (net of tax / duty credits availed if any) and amortized so as to

reflect the pattern in which the assets' economic benefits are consumed. Intangible assets are amortized on a straight-line basis (pro-rata from the date of additions) over estimated useful life of four years.

#### d) Depreciation

##### (i) Useful lives

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013, till the year ended March 31, 2014, depreciation was provided in the manner and rates prescribed under Schedule XIV to the Companies Act, 1956.

The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014. The change in accounting policy did not have any material impact on financial statements of the company for the current year.

##### (ii) Depreciation on assets costing less than ₹ 5,000

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000 in the year of purchase. However, Schedule II to the Companies Act, 2013 applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000. As per the revised policy, the company is depreciating such assets over their useful life as prescribed under Schedule II to the Companies Act, 2013. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014. The change in accounting for depreciation of assets costing less than ₹ 5,000 did not have any material impact on financial statements of the company for the current year.

#### e) Impairment of Assets

At each Balance sheet date, the company considers 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.

## NOTES TO FINANCIAL STATEMENTS

### f) 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 a decline in the value of non-current investment as on the reporting date other than of temporary in nature, such decline is debited to the statement of profit and loss as "Provision for diminution in value of Investments". Subsequent increase in the realizable value of investment will be credited to the statement of profit and loss to the extent provision made for.

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

### g) Taxation

Provision for Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably. The deferred tax impact resulting from timing difference between accounting and taxable profit is accounted by using tax rates and tax laws enacted or subsequently 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.

### h) Revenue Recognition

#### (i) Construction and Development of Infrastructures Project

Income from Infrastructure project has been recognized on accrual basis. Revenue has been recognized on the basis of work done and as per the terms of the tender / contract. The company records revenue of its infrastructure projects based on running bill raised. Revenue expenditure is accounted on accrual basis.

#### (ii) Construction and Development of Real Estate Project

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 the sale of property

when the company has transferred all significant risks and rewards of ownership to the buyer and when the company is not required to perform any substantial acts to complete the 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) Trading (Land and Land Rights)

Income from Trading is recognized when the Company enters into agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer and there is no uncertainty regarding realisability of the sale consideration.

#### (iv) Lease Rental (Income)

Income from leasing of commercial complex is recognized on an accrual basis. The leasing agreements range from 11 months to 10 years generally and are usually cancellable / renewable by mutual consent on the agreed terms.

(v) Interest income is accounted on an accrual basis at contracted rates.

(vi) Dividend income is recognized when the right to receive the same is established.

(vii) 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.

#### i) Employee Benefits

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with the Accounting Standard-15 "Employee Benefits" notified under section 211 (3c) of the Companies Act, 2013

(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) The company's Contribution to the 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.

#### j) Borrowing costs

Borrowing costs attributable to the acquisition and/or construction of qualifying assets is capitalised to as part of the cost of such assets in accordance with notified Accounting Standard-16 "Borrowing Cost". A qualifying asset is one that necessarily takes a substantial period

of time to get ready for use or sale. Capitalisation of borrowing cost 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.

**k) Inventories**

**(i) Inventory comprises of Completed property for sale, Land, Transferable development rights**

Completed property for sale, land and transferable property rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing cost and other related overhead as the case may be.

In case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the immediate period, generally, the land is not registered in the name of the company.

**(ii) Raw materials and stores**

Stock of raw materials and stores are valued at the cost or net realizable value whichever is less. Cost is arrived at on Weighted Average Method (WAM) basis.

**(iii) Work-in-progress**

**Construction and Development of Infrastructure Project**

Cost of work yet to be certified / billed, as it pertains to contract cost that relates to future activity on the contract, are recognized as work-in-progress provided it is probable that they will be recovered. Work-in-progress is valued at cost or net realizable value whichever is less. Cost includes direct material, labour and proportion of project overhead.

**Construction and Development of Real Estate Project**

Work-in-progress is valued at cost or net realizable value whichever is less. Cost includes cost of land, land development rights, materials, services, borrowing cost, acquisition of tenancy rights and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

**l) Cash Flow Statement**

Cash flow is reported using indirect method, whereby profit / (loss) before extra ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash

receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

Cash equivalents for the purpose of cash flow statements comprise cash at bank and in hand Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**m) Earnings Per Share**

The company reports basic and diluted earnings per share in accordance with Accounting Standard-20. Basic earning per equity share is calculated by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the equity shareholders by weighted average number of the equity shares and dilutive potential equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if ;

- (i) the company has a present obligation as a result of past event
- (ii) a probable outflow of resources is expected to settle the obligation and
- (iii) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- (ii) a present obligation arising from past events, when no reliable estimate is possible
- (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**o) General**

Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

## NOTES TO FINANCIAL STATEMENTS

### 3. Share Capital

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| <b>Authorised Share Capital</b><br>500,000,000 (Previous year 350,000,000)<br>Equity shares of ₹ 1 each                                       | 500,000,000         | 350,000,000         |
| <b>Issued, Subscribed and Paid-up Capital</b><br>370,226,200 (Previous Year 295,226,200) <sup>1</sup> Equity shares<br>of ₹ 1 each fully paid | 370,226,200         | 295,226,200         |
| <b>Total Issued, Subscribed and Paid-up Capital</b>   | <b>370,226,200</b>  | <b>295,226,200</b>  |
| Money received towards issue of Convertible Warrants<br>22,500,000 (Previous Year 0) <sup>2</sup>   | 28,125,000          | -                   |
| <b>Total Money Received against Convertible Warrants</b>  | <b>28,125,000</b>   | -                   |

<sup>1</sup>. Out of paid up capital, 172,000,000 equity share of ₹ 1 each fully paid up allotted pursuant to the Scheme of Amalgamation, for consideration other than cash on July 24, 2010.

<sup>2</sup>. The company has received 25% of the total consideration towards allotment of 22,500,000 warrants convertible into equivalent number of equity shares of ₹ 1 each at a premium of ₹ 4 per share to the promoters on January 03, 2015. The remaining 75% amount of total consideration of the said warrants shall be received on conversion within 18 months from its allotment.'

#### a. Reconciliation of number of Equity Shares

| Particulars                             | As at<br>31/03/2015 |             | As at<br>31/03/2014 |             |
|---|---------------------|-------------|---------------------|-------------|
|   | Numbers             | Amount in ₹ | Numbers             | Amount in ₹ |
| Balance as at the beginning of the year | 295,226,200         | 295,226,200 | 295,226,200         | 295,226,200 |
| Addition / (Deduction) during the year  | 75,000,000          | 75,000,000  | -                   | -           |
| Balance as at the end of the year       | 370,226,200         | 370,226,200 | 295,226,200         | 295,226,200 |

#### 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

| Name of Shareholders                        | As at<br>31/03/2015 |           | As at<br>31/03/2014 |           |
|---|---------------------|-----------|---------------------|-----------|
|   | Number<br>of Shares | % holding | Number<br>of Shares | % holding |
| <b>Equity shares of ₹ 1 each fully paid</b> |                     |           |                     |           |
| Mr. Manoj B. Vadodaria                      | 44,154,712          | 11.93     | 44,154,712          | 14.96     |
| Mrs. Nila M. Vadodaria                      | 43,955,267          | 11.87     | 43,955,267          | 14.89     |
| Mrs. Alpa K. Vadodaria                      | 36,800,000          | 9.94      | 36,800,000          | 12.46     |
| Mr. Kiran B. Vadodaria                      | 31,858,100          | 8.61      | 31,858,100          | 10.79     |
| Mr. Deep S. Vadodaria                       | 25,002,108          | 6.75      | 25,002,108          | 8.47      |
| Mrs. Shobha I. Desai                        | 20,096,436          | 5.43      | -                   | -         |

NOTES TO FINANCIAL STATEMENTS

4. Reserves and Surplus

(Amount in ₹)

| Particulars  | As at<br>31/03/2015  | As at<br>31/03/2014 |
|--|----------------------|---------------------|
| <b>Security Premium</b>  |                      |                     |
| Balance as at the beginning of the year  | 267,833,500          | 267,833,500         |
| Add: Addition during the year  | 300,000,000          |                     |
| <b>Total Security Premium</b>  | <b>567,833,500</b>   | <b>267,833,500</b>  |
| <b>General Reserve</b>   |                      |                     |
| Balance as at the beginning of the year  | 52,476,690           | 42,476,690          |
| Add: Amount Transferred from surplus in the statement of Profit and Loss   | -                    | 10,000,000          |
| <b>Balance as at the end of the year</b>   | <b>52,476,690</b>    | <b>52,476,690</b>   |
| <b>Surplus in the Statement of Profit and Loss</b>   |                      |                     |
| Balance as at the beginning of the year  | 484,544,370          | 410,577,697         |
| Add: Profit transferred from statement of Profit & Loss  | 120,500,037          | 118,506,663         |
| Less: Appropriation  |                      |                     |
| Depreciation Transferred to retained earnings on account of change in useful life of assets (net of deferred tax credit) (Refer Note 11) | (664,211)            | -                   |
| Proposed final Equity Dividend [(Dividend per share ₹ 0.10) (p.y. ₹ 0.10)]   | (37,022,620)         | (29,522,620)        |
| Tax on proposed Equity Dividend  | (7,402,985)          | (5,017,370)         |
| Transfer to General Reserve  | -                    | (10,000,000)        |
| <b>Net surplus in the Statement of Profit and Loss</b>   | <b>559,954,591</b>   | <b>484,544,370</b>  |
| <b>Total Reserves and Surplus</b>  | <b>1,180,264,781</b> | <b>804,854,560</b>  |

5. Long-term Borrowings

(Amount in ₹)

| Particulars   | Non-current portion  |                     | Current portion     |                     |
|---|----------------------|---------------------|---------------------|---------------------|
|   | As at<br>31/03/2015  | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>(a) Secured Loans</b>  |                      |                     |                     |                     |
| Indian rupee loan from  |                      |                     |                     |                     |
| - Banks   | 158,374,387          | 88,042,967          | 7,286,578           | 5,550,536           |
| - Financial Institutions  | 429,942,167          | 312,755,888         | 286,017,279         | -                   |
| Vehicle loans from  |                      |                     |                     |                     |
| - Banks   | 12,404,360           | 4,238,802           | 5,883,720           | 1,945,026           |
| - Financial Institutions  | 1,964,975            | 2,512,867           | 1,996,465           | 3,643,595           |
| <b>(b) Unsecured Loans</b>  |                      |                     |                     |                     |
| Indian Rupee Loan from  |                      |                     |                     |                     |
| - Financial Institutions  | 416,577,649          | 317,332,433         | 48,246,105          | 78,232,516          |
| <b>Total Long-term Borrowings</b>   | <b>1,019,263,538</b> | <b>724,882,957</b>  | <b>349,430,147</b>  | <b>89,371,673</b>   |
| The above amount includes   |                      |                     |                     |                     |
| Secured Borrowings  | 602,685,889          | 407,550,524         | 301,184,042         | 11,139,157          |
| Unsecured Borrowings  | 416,577,649          | 317,332,433         | 48,246,105          | 78,232,516          |
| Amount disclosed under the head "Other Current Liabilities" (Refer Note 10) |                      |                     | (349,430,147)       | (89,371,673)        |
| <b>Total Long-term Non-current Borrowings</b>                               | <b>1,019,263,538</b> | <b>724,882,957</b>  | <b>-</b>            | <b>-</b>            |

The details of security, terms of repayment and interest rate are mentioned here in after.

## NOTES TO FINANCIAL STATEMENTS

| SN | Nature of Security   | Terms of Repayment and Interest Rate   |
|----|--|--|
| 1. | Line of Credit amounting to ₹ 281,585,225 (P.Y. NIL) is secured by way of Equitable Mortgage of Land admeasuring 2377 Sq. Mt. bearing Survey No.761/B mouje Vejalpur District and Sub-district of Ahmedabad-10 (Vejalpur) owned by Nila Infrastructures Ltd. and Personal Guarantee of Mr. Manoj Vadodaria , Mrs.Nilaben Vadodaria, Mr. Kiran Vadodaria, Mrs. Alpaben Vadodaria, Mr. Shailesh Vadodaria & Mrs. Minaben Vadodaria. Escrow of Revenue from Mega Housing Project for EWS, LIG & MIG Catagory at Jodhpur in Rajasthan and at Vadodara.   | Repayable in 60 months from the last day of the month in which the first disbursement is made (i.e. 10/10/2014)<br>Rate of Interest 13.50% (P.Y.Nil) as at year end.                     |
| 2. | Dropped Down Overdraft amounting to ₹ 5,000,757 (P.Y. ₹ 65,680) is secured by way of registered equitable mortgage over properties situated at<br>1. 2nd and 6th Floor inclusive of all wings situated at Sambhaav House, Bodakdev, Ahmedabad-380015<br>2. B/3, Suryavan Appt, Nr. Judges Bunglow, Bodakdev, Ahmedabad<br>3. 42/404, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>4. 42/405, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>5. 58/404, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>6. 58/405, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>7. 30/404, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>8. 5/401, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>9. 5/404, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>10. 5/405, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>11. 5/406, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>12. 5/407, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>13. 5/408, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>Hypothecation of lease rent income of 2nd and 6th Floor of Sambhaav House, Bodakdev, Ahmedabad-380015.<br>Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria | The limit disbursed will be reduced in 60 equal installments commencing from August 2013. Last Instalment due in October 2016. Rate of Interest 12.75% (P.Y. 12.75%) as at year end.     |
| 3. | Dropped Down Overdraft amounting to ₹ 68,089,752 (P.Y. Nil) is secured by way of registered equitable mortgage over Land admeasuring 102,132.50 Sq. Mtrs. situate lying and being at Bavla, Taluka Bavla, District Ahmedabad and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.  | Repayable in 7 years (yearly reducing by 15%) Rate of interest 14.05% (P.Y. 14.05%) as at year end.  |
| 4. | Term Loan amounting to ₹ 40,864,738 (P.Y. Nil) is secured by way of equitable mortgage of immovable Property being Flat No 101, 102, 103, 104, 201, 202, 203, 204, 301, 302, 303, 304, 401, 402, 403, 404 in the building known as ANURAADHAA together with undivided proportionate share in the land of Final Plot No.273 of TPS 3 [City survey no.1796] admeasuring 835 Sq. Mtrs. situated at Mouje SHAIKHPUR-KHANPUR Taluka, City in the District of Ahmedabad and Registration Sub District Ahmedabad-3 [MEMNAGAR] & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria   | Repayable in 60 equated monthly installments commencing from August-2014. Last Instalment due in January-2019.<br>Rate of Interest 14.95% (P.Y. Nil) as at year end.                     |
| 5. | Line of Credit amounting to ₹ 237,366,736 (P.Y. ₹ 312,755,888) is secured by way of equitable mortgage of NA land bearing Final Plot No. 31 of Town Planning Scheme No.84/A City Survey No.16/25 admeasuring 8493 Sq. Ft. and bearing Final Plot No. 14 of Town Planning Scheme No.84/A City Survey No.16/2/1, 16/6, 16/12, 16/15, 16/16, 16/17, 16/19, 16/21, 16/24, 16/29 and 16/30 admeasuring 77824 Sq. Ft. aggregating to 86317 Sq. Ft. situated at Taluka City, Mouje  | Repayable in 48 months from the last day of the month following the date of first disbursement of original loan (September 29, 2011) Rate of Interest 16.25% (P.Y.17.1%) as at year end. |

NOTES TO FINANCIAL STATEMENTS

| SN  | Nature of Security   | Terms of Repayment and Interest Rate   |
|-----|--|--|
|     | Makarba, District and Sub-District of Ahmedabad-4 (Paldi), Equitable Mortgage of Land admeasuring 2377 Sq. Mt. bearing Survey No.761/B mouje Vejalpur District and Sub-district of Ahmedabad-10 (Vejalpur), Lien of all flats in the project "Atuulyam" and Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria  |  |
| 6.  | Term Loan amounting to ₹ 28,932,137 (P.Y. ₹ 30,754,785) is secured by way of equitable mortgage of property situated at 3rd Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad  | Repayable in 123 Equated Monthly Installments commencing from July-2013. Last Instalment due in September 2023. Rate of Interest 12.50% (P.Y. 12.50%) as at year end.  |
| 7.  | Term Loan amounting to ₹ 29,100,716 (P.Y. ₹ 30,903,649) is secured by way of equitable mortgage of property situated at 4th Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad  | Repayable in 123 Equated Monthly Installments commencing from August-2013. Last Instalment due in October 2023. Rate of Interest 12.50% (P.Y. 12.50%) as at year end.  |
| 8.  | Term Loan amounting to ₹ 30,010,114 (P.Y. ₹ 31,869,389) is secured by way of equitable mortgage of property situated at 5th Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad  | Repayable in 123 Equated Monthly Installments commencing from August-2013. Last Instalment due in October 2023. Rate of Interest 12.50% (P.Y. 12.50%) as at year end.  |
| 9.  | Term Loan amounting to ₹ 120,000,000 (P.Y. ₹ 150,000,000) is secured by way of Registered Mortgage of Land admeasuring 7499 Sq. Mt. bearing FP No.48/1 (old survey No.47/1) of TPS 84/A, Mauje Makarba, Taluka & Dist. Ahmedabad & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.  | Repayable in 12 equal quarterly installments commencing from May-2014. Last Installment due in January 2017. Rate of Interest 13% (P.Y. 13%) as at year end.           |
| 10. | Term Loan amounting to ₹ 80,300,000 (P.Y. ₹ 87,500,000) is secured by way of Legal Mortgage of land Survey No.190 paiki 17, 19, 20, 21, 22, 23 & 24 of Town Planning Scheme No.217, situate lying and being at Village Thaltej, Taluka Ahmedabad City West, in the Registration District Ahmedabad and Sub District Ahmedabad-9 (Bopal) admeasuring 3877 Sq. Mt. & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria | Repayable in 60 monthly installments commencing from October-2014. Last Installment due in September 2019. Rate of Interest 12.25% (P.Y. 12.25%) as at year end.       |
| 11. | Term Loan amounting to ₹ 3,587,349 (P.Y. Nil) is secured by way of hypothecation of vehicle.   | Repayable in 36 Equated Monthly Installments commencing from May 2014. Last Instalment due in April 2017. Rate of Interest 10.75% (P.Y. Nil) as at year end.           |
| 12. | Term Loan amounting to Nil (P.Y. ₹ 5,089,163) is secured by way of hypothecation of vehicle.   | Repayable in 36 Equated Monthly Installments commencing from December 2012. Last Instalment due in November 2015. Rate of Interest 9.75% (P.Y. 9.75%) as at year end.  |
| 13. | Term Loan amounting to ₹ 374,091 (P.Y. ₹ 1,067,299) is secured by way of hypothecation of vehicle.   | Repayable in 36 Equated Monthly Installments commencing from October2012. Last Instalment due in September 2015. Rate of Interest 10.25% (P.Y. 10.25%) as at year end. |
| 14. | Term Loan amounting to ₹ 299,821 (P.Y. ₹ 425,954) is secured by way of hypothecation of vehicle.   | Repayable in 60 Equated Monthly Installments commencing from April 2012. Last Instalment due in March 2017. Rate of Interest 11.25% (P.Y. 11.25%) as at year end.      |
| 15. | Term Loan amounting to ₹ 2,656,231 (P.Y. ₹ 3,871,520) is secured by way of hypothecation of vehicle.   | Repayable in 35 Equated Monthly Installments commencing from April 2014. Last Instalment due in February 2017. Rate of Interest 10.25% (P.Y. 10.25%) as at year end.   |
| 16. | Term Loan amounting to ₹ 641,375 (P.Y. ₹ 943,177) is secured by way of hypothecation of vehicle.   | Repayable in 35 Equated Monthly Installments commencing from March 2014. Last Instalment due in January 2017. Rate of Interest 10.52% (P.Y. 10.52%) as at year end.    |
| 17. | Term Loan amounting to ₹ 641,375 (P.Y. ₹ 943,177) is secured by way of hypothecation of vehicle.   | Repayable in 35 Equated Monthly Installments commencing from March 2014. Last Instalment due in January 2017. Rate of Interest 10.52% (P.Y. 10.52%) as at year end.    |

## NOTES TO FINANCIAL STATEMENTS

| SN | Nature of Security  | Terms of Repayment and Interest Rate  |
|----|---|---|
| 18 | Term Loan amounting to ₹ 36,613,386 (P.Y. ₹ 57,066,407) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters | Repayable in 66 Equated Monthly Installments commencing from May 2011. Last Instalment due in October 2016.<br>Rate of Interest 13.00% (P.Y. 14.50%) as at year end.            |
| 19 | Term Loan amounting to ₹ 35,280,177 (P.Y. ₹ 38,561,743) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters | Repayable in 109 Equated Monthly Installments commencing from July 2012. Last Instalment due in July 2021.<br>Rate of Interest 13% (P.Y. 14.50%) as at year end.                |
| 20 | Term Loan amounting to ₹ 36,069,497 (P.Y. ₹ 44,586,841) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters | Repayable in 59 Equated Monthly Installments commencing from July 2013. Last Instalment due in May 2018.<br>Rate of Interest 13% (P.Y. 14.50%) as at year end.                  |
| 21 | Term Loan amounting to ₹ 48,179,703 (P.Y. Nil) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters          | Repayable in 120 Equated Monthly Installments commencing from July 2014. Last Instalment due in June 2024.<br>Rate of Interest 14% (P.Y. Nil) as at year end.                   |
| 22 | Term Loan received from Financial Institutions are secured by way of Personal Guarantee of Promoters  | Repayable in 59 Equated Monthly Installments commencing from August 2013. Last Instalment due in June 2018.<br>Rate of Interest 13% (P.Y. 14.50%) as at year end.               |
| 23 | Term Loan received from Financial Institutions are secured by way of Personal Guarantee of Promoters and DSRA for 3 months Principal & Interest repayment   | Repayable in 57 Equal Monthly Installments alongwith interest commencing from May 2016. Last Instalment due in January 2021. Rate of Interest 14.95% (P.Y. Nil) as at year end. |

## NOTES TO FINANCIAL STATEMENTS

| SN | Nature of Security  | Terms of Repayment and Interest Rate  |
|----|---|---|
| 24 | Term Loan amounting to ₹ 2,130,809 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from December 2014. Last Instalment due in October 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 25 | Term Loan amounting to ₹ 2,130,809 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from December 2014. Last Instalment due in October 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 26 | Term Loan amounting to ₹ 465,063 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 27 | Term Loan amounting to ₹ 465,063 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 28 | Term Loan amounting to ₹ 2,217,806 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 29 | Term Loan amounting to ₹ 2,217,806 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 30 | Term Loan amounting to ₹ 621,345 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 31 | Term Loan amounting to ₹ 621,345 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 32 | Term Loan amounting to ₹ 1,693,547 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 33 | Term Loan amounting to ₹ 1,591,252 (P.Y. Nil) is secured by way of hypothecation of Commercial Equipment. | Repayable in 47 Equated Monthly Installments commencing from January 2015. Last Instalment due in November 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 34 | Term Loan amounting to ₹ 4,421,922 (P.Y. Nil) is secured by way of hypothecation of vehicle.              | Repayable in 36 Equated Monthly Installments commencing from February 2015. Last Instalment due in January 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |

## NOTES TO FINANCIAL STATEMENTS

### 6. Deferred Tax Liabilities / (Assets) (Net)

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| <b>(A) Deferred Tax Liabilities on account of following</b>   |                     |                     |
| Impact of difference between tax depreciation and depreciation charged for the financial reporting                                  | 187,061             | 2,541,075           |
| <b>Gross Deferred Tax Liabilities (A)</b>   | <b>187,061</b>      | <b>2,541,075</b>    |
| <b>(B) Deferred Tax Assets on account of following</b>  |                     |                     |
| Impact of expenditure charged to the statement of profit and loss for the current year but allowed for tax purpose on payment basis | 1,184,002           | 836,642             |
| Amalgamation Expenses   | -                   | 258,818             |
| <b>Gross Deferred Tax Assets (B)</b>  | <b>1,184,002</b>    | <b>1,095,460</b>    |
| <b>Net Deferred Tax Liabilities / (Assets) (A - B)</b>  | <b>(996,941)</b>    | <b>1,445,615</b>    |

### 7. Other Long-term Liabilities

(Amount in ₹)

| Particulars                              | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Security Deposits                        | 4,359,633           | 6,535,784           |
| Trade Deposits                           | 24,621,507          | 12,926,695          |
| <b>Total Other Long-Term Liabilities</b> | <b>28,981,140</b>   | <b>19,462,479</b>   |

### 8. Provisions

(Amount in ₹)

| Particulars  | Long-term           |                     | Short-term          |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>Provision for Employee Benefits<br/>(Refer Note 25)</b> |                     |                     |                     |                     |
| Provision for Gratuity                                     | 1,711,608           | 1,100,056           | 190,179             | 122,229             |
| Provision for Leave Benefits                               | 945,343             | 724,672             | 315,114             | 241,558             |
| <b>Total Provision for Employee Benefits</b>               | <b>2,656,951</b>    | <b>1,824,728</b>    | <b>505,293</b>      | <b>363,787</b>      |
| <b>Other Provisions</b>                                    |                     |                     |                     |                     |
| Provision for Income tax                                   | -                   | -                   | 68,475,000          | 63,232,700          |
| Provision for Proposed Equity Dividend                     | -                   | -                   | 37,022,620          | 29,522,620          |
| Provision for tax on proposed Equity Dividend              | -                   | -                   | 7,402,377           | 5,017,370           |
| Provision for Wealth tax                                   | -                   | -                   | 127,100             | 98,800              |
| <b>Total Other Provisions</b>                              | <b>-</b>            | <b>-</b>            | <b>113,027,097</b>  | <b>97,871,490</b>   |
| <b>Total Provisions</b>                                    | <b>2,656,951</b>    | <b>1,824,728</b>    | <b>113,532,390</b>  | <b>98,235,277</b>   |

NOTES TO FINANCIAL STATEMENTS

9. Short-term Borrowings

(Amount in ₹)

| Particulars                                | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Overdraft facility from Banks <sup>3</sup> | 70,376,983          | 93,772,791          |
| <b>Total Short - term Borrowings</b>       | <b>70,376,983</b>   | <b>93,772,791</b>   |
| The above amount includes :                |                     |                     |
| Secured Borrowings                         | 70,376,983          | 93,772,791          |
| <b>Total Short-term Borrowings</b>         | <b>70,376,983</b>   | <b>93,772,791</b>   |

Nature of security for short term borrowings

<sup>3</sup> Overdraft facility of ₹ 70,376,983 (P.Y. ₹ 93,772,791) is secured by way of equitable mortgage of properties situated at 7<sup>th</sup> to 9<sup>th</sup> floor Sambhaav House, Ahmedabad and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.

10. Trade Payables and Other Current Liabilities

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Trade payables (Refer Note 32)                               | 128,427,750         | 114,215,448         |
| <b>Total Trade Payables</b>                                  | <b>128,427,750</b>  | <b>114,215,448</b>  |
| <b>Other Current Liabilities</b>                             |                     |                     |
| Current maturities of Long-term Borrowings of (Refer Note 5) |                     |                     |
| - Term Loans   | 341,549,962         | 83,783,052          |
| - Vehicle Loans  | 7,880,185           | 5,588,621           |
| <b>Total Current Maturities of Long-term Borrowings</b>      | <b>349,430,147</b>  | <b>89,371,673</b>   |
| Interest accrued but not due on Borrowings                   | 6,911,561           | 4,538,364           |
| Advances from Customers                                      | 83,039,972          | 28,690,849          |
| Advances from Contractors                                    | 8,886,403           | -                   |
| Statutory Obligations  | 9,706,549           | 3,134,756           |
| Employee Obligations   | 560,227             | 396,113             |
| Unclaimed Dividend <sup>4</sup>                              | 4,884,397           | 3,934,391           |
| Others   | 22,788,236          | 11,319,498          |
| <b>Total Other Current Liabilities</b>                       | <b>486,207,492</b>  | <b>141,385,644</b>  |

<sup>4</sup> There is no amount due and outstanding to be credited to the Investor Education and Protection fund as at March 31, 2015

NOTES TO FINANCIAL STATEMENTS

11. Fixed Assets

| SN       | Particulars                | GROSS BLOCK        |                   |                   |                        | DEPRECIATION      |                   |                       | NET BLOCK         |                    |                    |
|----------|----------------------------|--------------------|-------------------|-------------------|------------------------|-------------------|-------------------|-----------------------|-------------------|--------------------|--------------------|
|          |                            | As at 01/04/2014   | Additions         | Sale / Transfer   | Total as at 31/03/2015 | As at 01/04/2014  | For the year      | Adjustment/ Deduction | Uplo 31/03/2015   | As at 31/03/2015   | As at 31/03/2014   |
| <b>A</b> | <b>Tangible Assets</b>     |                    |                   |                   |                        |                   |                   |                       |                   |                    |                    |
| 1        | Land                       | 1,073,100          | 0                 | 0                 | 1,073,100              | 0                 | 0                 | 0                     | 0                 | 1,073,100          | 1,073,100          |
| 2        | Building / Office Premises | 306,347,788        | 0                 | 951,949           | 305,395,839            | 25,058,280        | 5,620,603         | 45,533                | 30,633,350        | 274,762,489        | 281,289,508        |
| 3        | Furniture and Fixtures     | 8,721,948          | 0                 | 0                 | 8,721,948              | 2,111,390         | 988,546           | (26,241)              | 3,126,177         | 5,595,771          | 6,610,558          |
| 4        | Electrifications           | 1,016,600          | 0                 | 0                 | 1,016,600              | 202,677           | 120,966           | (852)                 | 324,495           | 692,105            | 813,923            |
| 5        | Vehicles                   | 33,802,383         | 13,671,406        | 13,152,998        | 34,320,791             | 6,185,936         | 3,916,276         | 2,814,342             | 7,287,870         | 27,032,921         | 27,616,447         |
| 6        | Commercial Vehicles        | 272,740            | 10,326,204        | 272,740           | 10,326,204             | 209,675           | 501,424           | 237,543               | 473,556           | 9,852,648          | 63,065             |
| 7        | Computer Equipments        | 3,343,930          | 359,025           | 485,135           | 3,217,820              | 2,083,700         | 417,017           | 83,334                | 2,417,383         | 800,437            | 1,260,230          |
| 8        | Office Equipments          | 3,211,419          | 281,717           | 134,000           | 3,359,136              | 611,720           | 1,053,242         | (531,883)             | 2,196,845         | 1,162,291          | 2,599,699          |
| 9        | Plant & Machinery          | 1,585,635          | 8,503,766         | 0                 | 10,089,401             | 74,009            | 391,269           | 0                     | 465,278           | 9,624,123          | 1,511,626          |
|          | <b>Total (A)</b>           | <b>359,375,543</b> | <b>33,142,118</b> | <b>14,996,822</b> | <b>377,520,839</b>     | <b>36,537,387</b> | <b>13,009,343</b> | <b>2,621,776</b>      | <b>46,924,954</b> | <b>330,595,885</b> | <b>322,838,156</b> |
| <b>B</b> | <b>Intangible Assets</b>   |                    |                   |                   |                        |                   |                   |                       |                   |                    |                    |
| 1        | Software                   | 1,400,016          | 0                 | 1,400,016         | 0                      | 1,367,463         | 31,412            | 1,398,875             | 0                 | 0                  | 32,553             |
|          | <b>Total (B)</b>           | <b>1,400,016</b>   | <b>0</b>          | <b>1,400,016</b>  | <b>0</b>               | <b>1,367,463</b>  | <b>31,412</b>     | <b>1,398,875</b>      | <b>0</b>          | <b>0</b>           | <b>32,553</b>      |
|          | <b>Total (A+B)</b>         | <b>360,775,559</b> | <b>33,142,118</b> | <b>16,396,838</b> | <b>377,520,839</b>     | <b>37,904,850</b> | <b>13,040,755</b> | <b>4,020,651</b>      | <b>46,924,954</b> | <b>330,595,885</b> | <b>322,870,709</b> |
|          | Previous Year              | 352,719,434        | 11,207,123        | 3,150,998         | 360,775,559            | 30,160,646        | 9,350,563         | 1,606,359             | 37,904,850        | 322,870,709        |                    |

During the year the company has changed the useful life of its assets in line with the requirement of schedule II of Companies Act, 2013 on account of such a change the company has charged depreciation of ₹ 664,211 (net of deferred tax of ₹ 319,002), said amount is included in adjustment/deduction column.

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, the Company has re-worked depreciation with reference to useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at April 1, 2014 has been adjusted to profit and loss reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is higher by ₹ 30.77 lacs for the year ended on March 31, 2015

NOTES TO FINANCIAL STATEMENTS

12. Non-Current Investments

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Investments are valued at cost unless stated otherwise</b>  |                     |                     |
| <b>Non Trade Investment</b>  |                     |                     |
| <b>Investment in Equity Instruments (Quoted)</b>   |                     |                     |
| 22,760 (P. Y. 22,760) Equity shares of<br>Morepen Laboratories Ltd. of ₹ 2 each fully paid.                                | 102,875             | 102,875             |
| 50,000 (P. Y. 50,000) Equity shares of<br>Visu International Ltd. of ₹ 10 each fully paid.                                 | 174,500             | 174,500             |
|  | <b>277,375</b>      | <b>277,375</b>      |
| <b>Investment in Equity Instruments (Unquoted)</b>   |                     |                     |
| 101 (P. Y. 101) Equity shares of<br>Saraspur Nagrik Co-Op Bank Ltd of ₹ 100 each fully paid                                | 10,100              | 10,100              |
| 100 (P. Y. 100) Equity shares of United Co-Op. Bank Ltd. ₹ 50 each fully paid  | 5,000               | 5,000               |
| <b>Trade Investment (Unquoted)</b>   |                     |                     |
| N.S.C. [Pledged with VAT Department, Rajasthan]<br>[From 25/11/14 to 24/11/19 Investment ₹ 10,000 & Market Value ₹ 15,162] | 10,293              | -                   |
|  | <b>25,393</b>       | <b>15,100</b>       |
| <b>Investment in Joint Venture</b>   |                     |                     |
| Shree Matangi Projects LLP - Capital Account   | 7,565,085           | 7,835,339           |
| Nilsan Realty LLP - Capital Account  | 807,069             | 807,069             |
|  | <b>8,372,154</b>    | <b>8,642,408</b>    |
| <b>Investment in Subsidiary</b>  |                     |                     |
| Fangdi Land Developers LLP - Capital Account   | 510,000             | 510,000             |
| Nila Projects LLP - Capital Account  | 151,395,116         | -                   |
|  | <b>151,905,116</b>  | <b>510,000</b>      |
| <b>Investment in Associate</b>   |                     |                     |
| 233,750 (P. Y. 233,750) Equity shares of<br>Mega City Cinemall Pvt. Ltd. of ₹ 10 each fully paid up                        | 22,206,250          | 22,206,250          |
|  | <b>22,206,250</b>   | <b>22,206,250</b>   |
| <b>Total of Non-Current Investments</b>  | <b>182,786,288</b>  | <b>31,651,133</b>   |

| Particulars                                 | Book Value          |                     |
|---|---------------------|---------------------|
|   | As at<br>31/03/2015 | As at<br>31/03/2014 |
| Aggregate value of quoted investment        | 277,375             | 277,375             |
| Aggregate value of unquoted investment      | 182,508,913         | 31,373,758          |
| <b>Total of Non-Current Investments</b>     | <b>182,786,288</b>  | <b>31,651,133</b>   |
| Aggregate market value of quoted investment | 298,202             | 112,943             |

**NOTES TO FINANCIAL STATEMENTS**
**13. Loans and Advances**

(Amount in ₹)

| Particulars  | Non-current portion |                    | Current portion      |                    |
|--|---------------------|--------------------|----------------------|--------------------|
|  | As at 31/03/2015    | As at 31/03/2014   | As at 31/03/2015     | As at 31/03/2014   |
| <b>(A) Unsecured, Considered Good</b>  |                     |                    |                      |                    |
| Security Deposit   | 47,451,867          | 13,596,405         | 49,726,474           | 38,096,502         |
| Loans and Advances to Related Parties  | 34,743,704          | 109,064,536        | 88,858,763           | 94,954,707         |
| Advances recoverable in cash or kind-unsecured   | -                   | -                  | 621,429,586          | 104,754,780        |
| <b>Sub Total (A)</b>   | <b>82,195,571</b>   | <b>122,660,941</b> | <b>760,014,823</b>   | <b>237,805,989</b> |
| <b>(B) Other Loans and Advances</b>  |                     |                    |                      |                    |
| Advance tax  | -                   | -                  | 57,552,953           | 38,642,624         |
| Prepaid Expenses   | -                   | -                  | 1,092,514            | 875,031            |
| Other Advances   | -                   | -                  | 237,936,857          | 332,424,785        |
| Loans to Employees   | -                   | -                  | 504,921              | 479,199            |
| MAT credit entitlement   | -                   | -                  | 93,960               | 93,960             |
| Balance with government authorities  | -                   | -                  | 8,440,478            | 5,681,848          |
| <b>Sub Total (B)</b>   | <b>-</b>            | <b>-</b>           | <b>305,621,683</b>   | <b>378,197,447</b> |
| <b>Total Loans and Advances (A + B)</b>  | <b>82,195,571</b>   | <b>122,660,941</b> | <b>1,065,636,506</b> | <b>616,003,436</b> |
| 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 28) | 34,743,704          | 109,064,536        | 88,858,763           | 94,954,707         |
| <b>Total Loans and Advances to Related Parties</b>   | <b>34,743,704</b>   | <b>109,064,536</b> | <b>88,858,763</b>    | <b>94,954,707</b>  |

**14. Other Non-Current Assets**

(Amount in ₹)

| Particulars   | As at 31/03/2015  | As at 31/03/2014  |
|---|-------------------|-------------------|
| <b>Unsecured, Considered good unless stated otherwise</b> |                   |                   |
| Margin money deposits with banks (Refer Note 17)          | 31,339,371        | 13,469,650        |
| Interest accrued on Fixed Deposits                        | 832,805           | 459,300           |
| <b>Total Other Non-Current Assets</b>                     | <b>32,172,176</b> | <b>13,928,950</b> |

**15. Inventories**

(Amount in ₹)

| Particulars                      | As at 31/03/2015     | As at 31/03/2014   |
|----------------------------------|----------------------|--------------------|
| Construction Material on hand    | 19,204,807           | 10,151,795         |
| Work-In-Progress                 | 260,467,464          | 161,683,299        |
| Flats                            | 316,221,857          | 298,875,150        |
| Land and Land Development Rights | 783,211,988          | 418,307,691        |
| <b>Total Inventories</b>         | <b>1,379,106,116</b> | <b>889,017,935</b> |

NOTES TO FINANCIAL STATEMENTS

16. Trade Receivables

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Unsecured, considered good unless stated otherwise</b>  |                     |                     |
| Outstanding for a period exceeding six months from the date they are due for the payment                         | 76,351,965          | 86,275,844          |
| Other Receivables  | 232,354,430         | 172,137,036         |
| <b>Total Trade Receivables</b>   | <b>308,706,395</b>  | <b>258,412,880</b>  |
| <b>Trade Receivable include</b>  |                     |                     |
| Dues from the Limited Liability Partnerships in which the Company is having more than 20% share of Profit / Loss | 4,847,500           | -                   |
| <b>Total Trade Receivables from Related Parties</b>  | <b>4,847,500</b>    | <b>-</b>            |

17. Cash and Bank Balances

(Amount in ₹)

| Particulars  | Non-current portion |                     | Current portion     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>Cash and Cash Equivalents</b>                             |                     |                     |                     |                     |
| Cash on hand   | -                   | -                   | 145,147             | 374,234             |
| <b>Balance with Banks</b>                                    |                     |                     |                     |                     |
| In Current Accounts  | -                   | -                   | 15,203,947          | 26,048,183          |
| <b>Total of Cash and Cash Equivalents</b>                    | <b>-</b>            | <b>-</b>            | <b>15,349,094</b>   | <b>26,422,417</b>   |
| <b>Other Bank Balances</b>                                   |                     |                     |                     |                     |
| Margin Money Deposits  | 31,339,371          | 13,469,650          | 25,627,476          | 10,397,527          |
| Unpaid Dividend Account                                      | -                   | -                   | 4,889,777           | 3,939,771           |
|  | <b>31,339,371</b>   | <b>13,469,650</b>   | <b>30,517,253</b>   | <b>14,337,298</b>   |
| Amount disclosed under Non-Current Assets<br>(Refer Note 14) | (31,339,371)        | (13,469,650)        | -                   | -                   |
| <b>Total Cash and Bank Balances</b>                          | <b>-</b>            | <b>-</b>            | <b>45,866,347</b>   | <b>40,759,715</b>   |

## NOTES TO FINANCIAL STATEMENTS

### 18. Revenue from Operations

(Amount in ₹)

| Particulars   | For the Year ended   |                    |
|---|----------------------|--------------------|
|   | 31/03/2015           | 31/03/2014         |
| Construction and Development of Infrastructure Projects | 806,842,943          | 268,212,020        |
| Construction and Development of Real Estate Projects    | 116,936,850          | 508,062,270        |
| Trading (Land and Land Rights)                          | 301,945,000          | 168,630,000        |
| Lease Rental  | 18,247,028           | 21,625,427         |
| <b>Total Revenue from Operations</b>                    | <b>1,243,971,821</b> | <b>966,529,717</b> |

### 19. Other Income

(Amount in ₹)

| Particulars  | For the Year ended |                   |
|--|--------------------|-------------------|
|  | 31/03/2015         | 31/03/2014        |
| Interest Income  |                    |                   |
| - on Bank Deposits                                       | 3,277,357          | 1,013,250         |
| - from Others  | 69,507,708         | 33,282,320        |
| Liabilities no longer required to pay written back       | 269,097            | 152,139           |
| Share of Profit / (Loss) from LLP (Refer Note 27 and 28) | (270,254)          | 38,543            |
| Miscellaneous Income                                     | 429,639            | 476,420           |
| <b>Total Other Income</b>                                | <b>73,213,547</b>  | <b>34,962,672</b> |

### 20. Project Expenses

(Amount in ₹)

| Particulars                                      | For the Year ended |                    |
|--|--------------------|--------------------|
|  | 31/03/2015         | 31/03/2014         |
| Advertisement Expenses                           | 512,240            | 5,649,750          |
| Auda Charges                                     | -                  | 1,543,599          |
| Civil, Electrical, Contracting, Labour work etc. | 524,967,413        | 242,473,205        |
| Consumption of Raw Materials                     | 325,552,545        | 328,846,700        |
| Discount Brokerage and Commission Charges        | 2,517,649          | 2,237,944          |
| Electricity Expenses                             | 2,936,394          | 4,622,496          |
| Freight and Cartage Expenses                     | 20,489,801         | 10,555,846         |
| Fuel-Expenses                                    | 113,087            | -                  |
| Insurance Expenses                               | 1,090,372          | 795,835            |
| Legal and Professional Charges                   | 1,133,236          | 6,192,682          |
| Other Direct Expenses                            | 3,896,636          | 6,452,284          |
| Project Interest & Finance Expenses              | 59,168,031         | 67,038,463         |
| Repair and Maintenance Expense                   | 159,319            | -                  |
| Security Charges                                 | 1,985,296          | 436,394            |
| Service Tax                                      | 138,818            | 13,741             |
| Travelling Expenses                              | 719,670            | 420,178            |
| Value Added Tax                                  | 2,769,181          | 3,547,677          |
| Welfare cess                                     | 5,445,774          | 567,187            |
| <b>Total Project Expenses</b>                    | <b>953,595,462</b> | <b>681,393,981</b> |

NOTES TO FINANCIAL STATEMENTS

**21. Employee Benefits Expenses** (Amount in ₹)

| Particulars                               | For the Year ended |                   |
|---|--------------------|-------------------|
|   | 31/03/2015         | 31/03/2014        |
| Contribution to Provident and Other Fund  | 371,865            | 366,293           |
| Gratuity Expenses                         | 679,502            | 351,365           |
| Leave Encashment Expenses                 | 294,227            | 284,342           |
| Remuneration and Perquisites to Directors | 3,600,000          | 3,600,000         |
| Salaries, Allowances and Bonus            | 23,971,095         | 21,307,540        |
| Staff Welfare Expenses                    | 593,055            | 309,968           |
| <b>Total Employee Benefits Expenses</b>   | <b>29,509,744</b>  | <b>26,219,508</b> |

**22. Interest and Finance Charges** (Amount in ₹)

| Particulars   | For the Year ended |                   |
|---|--------------------|-------------------|
|   | 31/03/2015         | 31/03/2014        |
| Interest on - Banks and Financial Institutions <sup>5</sup> | 80,569,674         | 44,327,667        |
| - Paid to Others  | 11,325,628         | 29,170,237        |
| Other Borrowing Cost - Bank charges                         | 1,826,449          | 989,287           |
| - Processing fees   | 6,894,229          | 4,816,596         |
| <b>Total Finance Cost</b>                                   | <b>100,615,980</b> | <b>79,303,787</b> |

<sup>5</sup>Total Interest Inventorised ₹ 91,461,074 (P.Y. ₹ 72,904,225). Total Interest capitalised on fixed assets ₹ NIL (P.Y. ₹ NIL)

**23.1 CSR Expenses** (Amount in ₹)

| Particulars                    | For the Year ended |            |
|--------------------------------|--------------------|------------|
|                                | 31/03/2015         | 31/03/2014 |
| Street Utility Expenses        | 2,332,815          | -          |
| Awareness Campaigning Expenses | 1,056,180          | -          |
| Administrative Expenses        | 322,563            | -          |
|                                | <b>3,711,558</b>   | -          |

**23.2 Other Expenses** (Amount in ₹)

| Particulars                     | For the Year ended |                   |
|---------------------------------|--------------------|-------------------|
|                                 | 31/03/2015         | 31/03/2014        |
| Advertisement Expenses          | 208,769            | 170,049           |
| Business Promotion Expenses     | 1,000,000          | -                 |
| Deficit on Sale of Fixed Assets | 3,627,477          | 534,254           |
| Directors' Sitting fees         | 32,000             | 7,000             |
| Donation Expenses               | 466,000            | 10,000            |
| Insurance Expenses              | 383,733            | 447,210           |
| Legal & Professional Fees       | 13,626,776         | 5,523,167         |
| Miscellaneous Expenses          | 2,208,446          | 504,004           |
| Office Rent                     | 471,072            | 498,492           |
| Payment to Auditors (Audit Fee) | 140,450            | 120,787           |
| Postage & Courier Charges       | 160,241            | 158,128           |
| Power & Fuel Expenses           | 3,522,863          | 3,242,676         |
| Printing & Stationary Expenses  | 726,055            | 601,502           |
| Rates and Taxes                 | 829,963            | 427,701           |
| Repairs & Maintenance Expenses  | 1,849,692          | 1,856,292         |
| Sundry Balances Written Off     | 179                | 8,206,741         |
| Telephone Expenses              | 576,829            | 558,749           |
| Travelling Expenses             | 29,842             | 536,793           |
| <b>Total Other Expenses</b>     | <b>29,860,387</b>  | <b>23,403,545</b> |

## NOTES TO FINANCIAL STATEMENTS

### 24. Contingent Liabilities not provided for is as under

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Income Tax Demands for A.Y. 2011-12 matter before CIT(Appeal), Ahmedabad | 7,593,770           | 10,824,480          |

### 25. Employee Benefits

#### a) Defined Contribution Plan

Amount of ₹ 679,502 (P.Y. ₹ 351,365) is recognized as an expense and included in Employee Benefits Expense in Note 21 to statement of profit and loss.

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

The present value of gratuity 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 recognised in the same manner as Gratuity.

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

The details of Gratuity (unfunded) are given below

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Reconciliation of Benefit Obligation</b>                                      |                     |                     |
| Obligation at the beginning of the year  | 1,222,285           | 870,920             |
| Current Service Cost   | 489,016             | 301,868             |
| Interest Cost  | 97,783              | 69,674              |
| Actuarial (Gain) / Loss  | 92,703              | (20,177)            |
| Benefits Paid  | NIL                 | NIL                 |
| <b>Present value of obligations at the year end</b>                              | <b>1,901,787</b>    | <b>1,222,285</b>    |
| <b>Change in Fair value of Plan Assets</b>                                       |                     |                     |
| Fair value of the Plan at period beginning                                       | NIL                 | NIL                 |
| Actual return on Plan Assets   | NIL                 | NIL                 |
| Employer's Contribution  | NIL                 | NIL                 |
| Benefits Paid  | NIL                 | NIL                 |
| <b>Plan Assets as at year end</b>  | <b>NIL</b>          | <b>NIL</b>          |
| <b>Liability recognised in the Balance Sheet</b>                                 |                     |                     |
| Present value of the obligation at year end                                      | 1,901,787           | 1,222,285           |
| Fair Value of Plan Assets  | NIL                 | NIL                 |
| Un-funded Liability  | 1,901,787           | 1,222,285           |
| Unrecognised actuarial Gains / (Loss)  | NIL                 | NIL                 |
| <b>Unfunded liability recognised in the Balance Sheet</b>                        | <b>1,901,787</b>    | <b>1,222,285</b>    |
| <b>Net Cost recognised in the Statement of Profit &amp; Loss</b>                 |                     |                     |
| Interest Cost  | 97,783              | 69,674              |
| Service Cost   | 489,016             | 301,868             |
| Expected /Actual return on Plan Assets   | NIL                 | NIL                 |
| Gain / (Loss) recognized   | 92,703              | (20,177)            |
| <b>Net (Gain) / Cost provided as Expense in the Statement of Profit and Loss</b> | <b>679,502</b>      | <b>351,365</b>      |
| <b>Assumptions used to determine the benefit obligations</b>                     |                     |                     |
| 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 primary reportable segment i.e. Construction and Development of Infrastructure and Real Estate Projects, there is no separate reportable segment as required in Accounting Standard - 17. Also there being no business outside India, the entire business has been considered as single geographic segment.

**27.1 Form AOC-1 Pursuant to Section 129(3) of the Companies Act, 2013.**

**a) Statement containing salient features of the financial statements of subsidiaries (Amount in ₹)**

| SN | Particulars                       | Nila Projects LLP        | Fangdi Land Developers LLP |
|----|-----------------------------------|--------------------------|----------------------------|
| 1  | Reporting Period                  | 01/04/2014 to 31/03/2015 | 01/04/2014 to 31/03/2015   |
| 2  | Reporting currency                | INR                      | INR                        |
| 3  | Share Capital / Partners' Capital | 151,445,548              | 1,000,000                  |
| 4  | Reserves and Surplus              | (32,589)                 | (77,897)                   |
| 5  | Total Assets                      | 166,167,075              | 268,000                    |
| 6  | Total Liabilities                 | 14,754,116               | 55,726,897                 |
| 7  | Investments                       | NIL                      | 56,381,000                 |
| 8  | Turnover                          | NIL                      | NIL                        |
| 9  | Profit before Taxation            | (32,589)                 | (17,609)                   |
| 10 | Provision for Taxation            | NIL                      | NIL                        |
| 11 | Profit after Taxation             | (32,589)                 | (17,609)                   |
| 12 | Proposed Dividend                 | NIL                      | NIL                        |
| 13 | % of Shareholding / Capital       | 99.97%                   | 51%                        |

**b) Statement containing salient features of the financial statements of Associate Companies and Joint Ventures (Amount in ₹)**

| SN | Particulars   | Nilsan Realty LLP - Joint Venture | Shree Matangi Projects LLP - Joint Venture | Mega City Cinemall Pvt. Ltd. - Associate |
|----|---|-----------------------------------|--|--|
| 1. | Latest audited Balance Sheet Date   | 31/03/2015                        | 31/03/2015                                 | 31/03/2015                               |
| 2. | Shares of associates and Joint Ventures held by the company at the year end   |                                   |  |  |
|    | Number of Shares  | NIL                               | NIL  | 233,750                                  |
|    | Amount of Investment  | 807,069                           | 7,565,085                                  | 22,206,250                               |
|    | Extent of Holding %   | 50%                               | 40%  | 42.5%                                    |
| 3. | Description of how there is significant influence                             | By contractual agreement          | By contractual agreement                   | By holding more than 20% of voting power |
| 4. | Reason for non consolidation  | N.A                               | N.A  | N.A                                      |
| 5. | Networth attributable to shareholding as per the latest audited balance sheet | (1,300,451)                       | 7,565,085                                  | (3,769,240)                              |
| 6. | Profit / (Loss) for the year  | 2,072,617                         | (675,636)                                  | (12,541,469) <sup>6</sup>                |
|    | i Considered in consolidation   | 1,036,309                         | (270,254)                                  | N.A <sup>6</sup>                         |
|    | ii Not considered in consolidation  | 1,036,308                         | (405,382)                                  | N.A <sup>6</sup>                         |

<sup>6</sup> Profit and Loss of Mega City Cinemall Pvt. Ltd. , associate is not required to be consolidated and hence not considered.

**27.2 Disclosure in respect Accounting Standard 27 for Joint Ventures**

| Particulars                | Year    | Assets      | Liabilities | Income    | Expenses  | Tax    |
|----------------------------|---------|-------------|-------------|-----------|-----------|--------|
| Nilsan Realty LLP          | 2014-15 | 101,747,861 | 87,857,147  | 1,197,347 | 161,039   | 0      |
|                            | 2013-14 | 93,691,650  | 48,395,534  | 70,563    | 478,684   | 0      |
| Shree Matangi Projects LLP | 2014-15 | 16,047,217  | 8,312,717   | 753,600   | 1,004,329 | 17,038 |
|                            | 2013-14 | 38,273,407  | 12,928,332  | 5,424,808 | 5,370,265 | 16,000 |

## NOTES TO FINANCIAL STATEMENTS

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

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

|   |   |  |
|---|---|--|
| <b>Relationship</b>   | : | <b>Name of Related Parties</b>   |
| Subsidiary  | : | Nila Projects LLP<br>Fangdi Land Developers LLP                                |
| Associates & Joint Ventures   | : | Nilsan Realty LLP<br>Shree Matangi Projects LLP<br>Mega City Cinemall Pvt. Ltd |
| Key Managerial Personnel  | : | Manoj B. Vadodaria<br>Kiran B. Vadodaria                                       |
| Enterprise in which Key Managerial Personnel have significant influence | : | Sambhaav Media Limited   |

b) Transactions during the year with Related Parties:

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

(Amount in ₹)

| SN  | Nature of Transactions                     | Associates & Joint Ventures |               | Key Managerial Personnel & their Relatives |               | Enterprise in which Key Managerial Personnel have significant Influence |               |
|-----|--|-----------------------------|---------------|--|---------------|---|---------------|
|     |  | Current Year                | Previous Year | Current Year                               | Previous Year | Current Year  | Previous Year |
| 1.  | Rent Paid                                  | 0                           | 0             | 0  | 0             | 498,492   | 498,492       |
| 2.  | Sale of Land                               | 0                           | 0             | 100,000,000                                | 0             | 0   | 0             |
| 3.  | Sales Return                               | 0                           | 890,090       | 0  | 0             | 0   | 0             |
| 4.  | Repayment of Advance given                 | 0                           | 1,727,279     | 0  | 0             | 0   | 0             |
| 5.  | Advances Given                             | 0                           | 13,508,117    | 0  | 0             | 0   | 0             |
| 6.  | Advertisement Expenditure                  | 0                           | 0             | 0  | 0             | 50,000  | 5,642,750     |
| 7.  | Interest Received                          | 8,041,389                   | 4,854,493     | 0  | 0             | 0   | 0             |
| 8.  | Remuneration and Perquisites to Directors  | 0                           | 0             | 3,600,000                                  | 3,600,000     | 0   | 0             |
| 9.  | Rent Deposit                               | 0                           | 0             | 0  | 0             | 0   | 8,958         |
| 10. | Share of Profit / (Loss)                   | (270,254)                   | 38,543        | 0  | 0             | 0   | 0             |
| 11. | Inventory Return                           | 25,530,000                  | 0             | 0  | 0             | 0   | 0             |
| 12. | Purchase of Land / Land Development Rights | 0                           | 0             | 0  | 16,192,540    | 0   | 0             |
| 13. | Additional cost of Flats Purchased         | 3,580,000                   | 5,745,000     | 0  | 0             | 0   | 0             |
| 14. | Capital Introduce                          | 149,950,000                 | 0             | 0  | 0             | 0   | 0             |
| 15. | Asset Purchase                             | 0                           | 0             | 0  | 0             | 0   | 180,000       |
| 16. | Loans Given                                | 24,624,999                  | 0             | 0  | 0             | 0   | 0             |
| 17. | Loans Received Back                        | 112,088,048                 | 0             | 0  | 0             | 0   | 0             |
| 18. | Contract Revenue                           | 0                           | 0             | 0  | 0             | 826,434   | 0             |
| 19. | Money Received against convertible Warrant | 0                           | 0             | 19,687,500                                 | 0             | 0   | 0             |

NOTES TO FINANCIAL STATEMENTS

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

(Amount in ₹)

| SN | Particulars  | 2014-15 Transactions                                 | Closing Balance   | 2013-14 Transactions                              | Closing Balance   |
|----|--|--|---|---|---|
| 1  | <b>Rent Paid</b><br>Sambhaav Media Limited   | 498,492  | Nil   | 498,492   | 37,378  |
| 2  | <b>Sales Infrastructure Project</b><br>Sambhaav Media Limited  | 826,434  | Nil   | Nil   | Nil   |
| 3  | <b>Sales Return</b><br>Nilsan Realty LLP   | Nil  | Nil   | 890,090   | Nil   |
| 4  | <b>Advances/Loans Given</b><br>Shree Matangi Projects LLP<br>Nilsan Realty LLP<br>Mega City Cinemall Pvt. Ltd<br>Nila Projects LLP<br>Fangdi Land Developers LLP         | 1,300,000<br>Nil<br>8,674,999<br>14,650,000<br>Nil   | 423,539<br>30,382,330<br>58,052,894<br>14,743,704<br>20,000,000 | 1,027,668<br>3,000,000<br>9,480,449<br>Nil<br>Nil | 45,623,539<br>95,265,750<br>43,129,954<br>Nil<br>20,000,000 |
| 5  | <b>Advertisement Given</b><br>Sambhaav Media Limited   | 50,000   | Nil   | 5,642,750   | Nil   |
| 6  | <b>Interest Received</b><br>Mega City Cinemall Pvt. Ltd<br>Nila Projects LLP (Capital)<br>Nila Projects LLP (Loan)   | 6,492,157<br>1,455,116<br>104,116                    | 58,052,894<br>151,395,116<br>14,743,704                         | 4,854,493<br>Nil<br>Nil                           | 43,129,954<br>Nil<br>Nil                                    |
| 7  | <b>Remuneration and Perquisites to Directors</b><br>Manoj B. Vadodaria<br>Kiran B. Vadodaria   | 2,400,000<br>1,200,000                               | Nil<br>Nil  | 2,400,000<br>1,200,000                            | Nil<br>Nil  |
| 8  | <b>Share of Profit / (Loss)</b><br>Nila Projects LLP<br>Fangdi Land Developers LLP<br>Shree Matangi Projects LLP<br>Nilsan Realty LLP                                    | NIL<br>NIL<br>(270,254)<br>NIL                       | 151,395,116<br>510,000<br>7,565,085<br>807,069                  | NIL<br>NIL<br>38,543<br>NIL                       | NIL<br>510,000<br>7,835,339<br>807,069                      |
| 9  | <b>Purchase of Immovable Property</b><br>Kiran B. Vadodaria  | Nil  | 16,192,540  | 16,192,540  | 16,192,540  |
| 10 | <b>Rent Deposit</b><br>Sambhaav Media Limited  | Nil  | 96,348  | 8,958   | 96,348  |
| 11 | <b>Re-payment of Advances given</b><br>Shree Matangi Projects LLP<br>Nilsan Realty LLP<br>Nila Projects LLP<br>Mega City Cinemall Pvt. Ltd<br>Fangdi Land Developers LLP | 46,500,000<br>64,883,420<br>10,412<br>694,216<br>Nil | 423,539<br>30,382,330<br>14,743,704<br>58,052,894<br>20,000,000 | 1,727,279<br>Nil<br>Nil<br>Nil<br>Nil             | 45,623,539<br>95,265,750<br>Nil<br>43,129,954<br>20,000,000 |
| 12 | <b>Sale of Land</b><br>Manoj B. Vadodaria  | 100,000,000  | Nil   | Nil   | Nil   |
| 13 | <b>Share Warrant Application</b><br>Manoj B. Vadodaria<br>Kiran B. Vadodaria   | 11,250,000<br>8,437,500                              | 11,250,000<br>8,437,500   | Nil<br>Nil  | Nil<br>Nil  |
| 14 | <b>Inventories Return</b><br>Shree Matangi Projects LLP  | 25,530,000   | 4,847,500   | Nil   | Nil   |
| 15 | <b>Capital Introduce</b><br>Nila Projects LLP  | 149,950,000  | 151,395,116   | Nil   | Nil   |
| 16 | <b>Additional cost of Flats Purchased</b><br>Shree Matangi Projects LLP  | 3,580,000  | Nil   | 5,745,000   | 10,257,500  |

## NOTES TO FINANCIAL STATEMENTS

### 29. Lease: (In terms of Accounting Standard - 19)

The Company has provided lease facilities under usually cancellable / renewable operating lease. The future minimum lease payment receivable in respect of these lease as at March 31, 2015 are:

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| Gross Carrying amount of Premises   | 229,470,801         | 193,666,692         |
| Accumulated Depreciation  | 19,220,195          | 16,302,159          |
| Depreciation for the year   | 4,942,408           | 3,279,570           |
| Future Minimum Lease payments under usually cancellable/renewable operating lease |                     |                     |
| • Not later than 1 year   | 16,592,375          | 15,267,568          |
| • Later than 1 year and not later than 5 years                                    | 37,603,086          | 40,827,621          |
| • Later than 5 years  | 5,052,558           | 7,939,734           |

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

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| Basic Earnings Per Share                                  |                     |                     |
| Profit / (Loss) After Tax                                 | 120,500,037         | 118,506,663         |
| Weighted Average No. Of Equity Shares                     | 313,102,912         | 295,226,200         |
| Nominal Value of Shares                                   | 1                   | 1                   |
| Earnings Per Share (Basic)                                | 0.38                | 0.40                |
| Weighted Average No. Of Equity Shares for diluted working | 318,465,926         | 295,226,200         |
| Earnings per share (Diluted)                              | 0.38                | 0.40                |

### 31. Deferred Tax (Profit and Loss) : (In terms of Accounting Standard - 22):

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Deferred Tax Asset:</b>                             |                     |                     |
| On account of Timing Differences in                    |                     |                     |
| Gratuity   | 220,465             | 114,000             |
| Bonus  | 95,462              | (12,361)            |
| Leave Encashment                                       | 31,433              | 92,254              |
| Amalgamation Expenses                                  | (258,818)           | (339,843)           |
| <b>Total (A)</b>                                       | <b>88,542</b>       | <b>(1,45,950)</b>   |
| <b>Deferred Tax Liability :</b>                        |                     |                     |
| On account of Timing Differences in                    |                     |                     |
| Depreciation   | 2,354,014           | 64,308              |
| <b>Less: Charged against opening retained earnings</b> | <b>(319,001)</b>    | <b>NIL</b>          |
| <b>Total (B)</b>                                       | <b>2,035,013</b>    | <b>64,308</b>       |
| <b>Net Deferred Tax Asset / (Liability) (A + B)</b>    | <b>2,123,555</b>    | <b>(81,642)</b>     |

## NOTES TO FINANCIAL STATEMENTS

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 March 31, 2015 together with interest paid or payable as required under said act, have not been given.
33. The information required as per Companies Act, 2013 regarding quantitative information is as follows.

### Value of Imported & Indigenous Raw Material Consumed

(Amount in ₹)

| Particulars           | 2014-15            | 2013-14            |
|-----------------------|--------------------|--------------------|
| Imported              | Nil                | Nil                |
| Indigenous            | 325,552,545        | 310,966,198        |
| <b>Total</b>          | <b>325,552,545</b> | <b>310,966,198</b> |
| Imported              | Nil                | Nil                |
| Indigenously obtained | 100%               | 100%               |
| <b>Total</b>          | <b>100%</b>        | <b>100%</b>        |

34. Details of loans given, investments made covered u/s 186(4) of the Companies Act, 2013, and disclosures pursuant to clause 32 of the listing agreement
- The details of loan given and investment made are given under the respective heads. The loans given are for the general business purpose of the borrower. Details of the disclosures pursuant to clause no. 32 of the listing agreement are given in Note 28.
35. There is no foreign transaction during the year under consideration.
36. The previous year's figures have been reworked, regrouped and reclassified wherever necessary.

Signatures to Notes 1 to 36 forming part of Accounts:

**For, O. P. Bhandari & Co.**

Chartered Accountants  
Firm Registration Number : 112633W

**O. P. Bhandari**  
Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

**For and on behalf of the Board of Directors of Nila Infrastructures Ltd.**

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## AUDITORS' REPORT

### To the Members of Nila Infrastructures Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Nila Infrastructures Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries, its associates and jointly controlled entities (the Holding Company and subsidiaries collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true

and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements of the subsidiaries, associates and jointly control entities noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matters

- (a) We did not audit the financial statements / financial information of one subsidiary and two jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 101,622,408 as at March 31, 2015, total revenues of ₹ 1,838,925 and net cash flows amounting to ₹ 7,265,034 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 5,330,124 for the year ended March 31, 2015 as considered in the consolidated financial statements, in respect of one associate. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors.
- (b) Financial statements / financial information of one subsidiary which reflect total assets of ₹ 1,521,409 (negative) as at March 31, 2015 total loss of ₹ 1,549,664 and net cash flows of ₹ 17,411 for the year ended on that date, have been audited by us.

Our report is not qualified in respect of other matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the

Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the Directors of the Holding company and its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 24 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

**For O. P. Bhandari & Co.**  
Chartered Accountants  
Firm Registration No. 112633W  
**O. P. Bhandari**  
Partner  
Membership No. 34409

Date: May 25, 2015  
Place: Ahmedabad

## ANNEXURE TO THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Referred to in paragraph 1 under the heading Report on other Legal and Regulatory Requirements

Our reporting on the CARO 2015 includes one associate company incorporated in India, to which CARO 2015 is applicable, which have been audited by the other auditors and our report in respect of these entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements.

- i. In respect of the fixed assets of the Holding Company, subsidiary companies, associates companies and jointly controlled companies incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, these fixed assets have been physically verified by the management of the respective entities, in accordance with a phased program of verification, which in our opinion and the opinion of the other auditors, is reasonable. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii. In respect of the inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
  - (a) As explained to us and the other auditors, the physical verification of inventory has been conducted at reasonable intervals by the management of respective entities.
  - (b) In our opinion and the opinion of the other auditors and according to information and explanations given to us and the other auditors, the procedures for physical verification of inventory followed by the management of the respective entities were reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and the opinion of the other auditors and according to information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- iii. The respective entities have not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iii) of paragraph 3 of the order is not applicable.
- iv. In our opinion and opinion of the other auditors and according to the information and explanations given to us and other auditors, there are adequate internal control procedures commensurate with the size of the respective entities and the nature of their business, for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our and other

## THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

auditor's audit no continuing failure to correct major weaknesses in such internal control system has been observed.

- v. The respective entities have not accepted fixed deposits from the public during the year under section 73 and 76 of the Companies Act, 2013. Consequently, clause v of paragraph 3 of the order is not applicable.
- vi. According to the information and explanations given to us, in our opinion, the Holding Company has, prima facie, made and maintained the prescribed cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, wherever applicable. However, we have not made a detailed examination of the same.

According to the information and explanations given to the other auditors, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the associate company.

- vii. According to the information & explanations given to us and other auditors in respect of statutory and other dues:
- (a) The respective entities are regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us and other auditor, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the other auditor, the dues outstanding of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Cess and other material statutory dues on account of any dispute as at the end of the financial year, are as follows:

| Financial year to which amount relates | Nature of dues | Amount    | Forum where dispute is pending      |
|--|----------------|-----------|-------------------------------------|
| 2010-11                                | Income Tax     | 7,593,770 | Commissioner of Income Tax (Appeal) |

- (c) According to the information and explanations given to us and the other auditor, no amount to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under.
- viii. The Holding Company neither has any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.

One associate Company has accumulated losses amounting to ₹ 43,868,799 at the end of the financial year and it has incurred cash losses amounting to ₹ 9,878,312 in the current financial year (Accumulated Loss: ₹ 31,327,331 and cash loss: ₹ 7,335,875 in the immediately preceding financial year)

- ix. According to the information and explanation given to us and the other auditor, no entity is defaulted in repayment of dues to a financial institution or a bank.
- x. In our opinion and the opinion of the other auditor and according to the information and explanations given to us, no entity has given any guarantee for loans taken by others from bank or financial institutions.
- xi. According to the information and explanations given to us and the other auditor, the term loans have been applied for the purpose for which they were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and no material fraud on the holding company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

Date: May 25, 2015  
Place: Ahmedabad

**For O. P. Bhandari & Co.**  
Chartered Accountants  
Firm Registration No. 112633W  
**O. P. Bhandari**  
Partner  
Membership No. 34409

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

(Amount in ₹)

| Particulars                                 | Note | As at<br>31/03/2015  | As at<br>31/03/2014  |
|---|------|----------------------|----------------------|
| <b>EQUITY AND LIABILITIES</b>               |      |                      |                      |
| <b>Shareholders' Funds</b>                  |      |                      |                      |
| Share Capital                               | 3    | 370,226,200          | 295,226,200          |
| Money Received Against Convertible Warrants | 3    | 28,125,000           | -                    |
| Reserves and Surplus                        | 4    | 1,166,919,886        | 797,394,705          |
| Minority Interest                           |      | 502,253              | 460,459              |
|   |      | <b>1,565,773,339</b> | <b>1,093,081,364</b> |
| <b>Non-Current Liabilities</b>              |      |                      |                      |
| Long-term Borrowings                        | 5    | 1,059,806,896        | 738,123,587          |
| Deferred Tax Liabilities (Net)              | 6    | -                    | 1,445,615            |
| Other Long-term Liabilities                 | 7    | 100,934,799          | 19,462,479           |
| Long-term Provisions                        | 8    | 2,656,951            | 1,824,728            |
|   |      | <b>1,163,398,646</b> | <b>760,856,409</b>   |
| <b>Current Liabilities</b>                  |      |                      |                      |
| Short-term Borrowings                       | 9    | 70,376,983           | 93,772,791           |
| Trade Payables                              | 10   | 124,378,864          | 104,680,637          |
| Other Current Liabilities                   | 10   | 481,077,166          | 143,527,231          |
| Short-term Provisions                       | 8    | 113,532,390          | 8,235,277            |
|   |      | <b>789,365,403</b>   | <b>440,215,936</b>   |
| <b>TOTAL</b>                                |      | <b>3,518,537,388</b> | <b>2,294,153,709</b> |
| <b>ASSETS</b>                               |      |                      |                      |
| <b>Non-Current Assets</b>                   |      |                      |                      |
| Fixed Assets                                |      |                      |                      |
| - Tangible Assets                           | 11   | 330,684,070          | 323,022,689          |
| - Intangible Assets                         | 11   | -                    | 32,553               |
| Non-Current Investments                     | 12   | 69,271,682           | 69,542,513           |
| Deferred Tax Assets (Net)                   | 6    | 996,941              | -                    |
| Long-term Loans and Advances                | 13   | 49,039,883           | 28,219,178           |
| Other Non-Current Assets                    | 14   | 32,172,176           | 13,928,950           |
| Goodwill On Consolidation                   |      | 10,432               | 10,432               |
|   |      | <b>482,175,184</b>   | <b>434,756,315</b>   |
| <b>Current Assets</b>                       |      |                      |                      |
| Inventories                                 | 15   | 1,471,515,335        | 981,315,132          |
| Trade Receivables                           | 16   | 311,291,352          | 285,970,420          |
| Cash and Bank Balances                      | 17   | 54,096,994           | 41,707,915           |
| Short-term Loans and Advances               | 13   | 1,199,458,523        | 550,403,927          |
|   |      | <b>3,036,362,204</b> | <b>1,859,397,394</b> |
| <b>TOTAL</b>                                |      | <b>3,518,537,388</b> | <b>2,294,153,709</b> |
| Significant Accounting Policies             | 2    |                      |                      |

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

**For, O. P. Bhandari & Co.**

Chartered Accountants  
Firm Registration Number : 112633W

**O. P. Bhandari**

Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

**For and on behalf of the Board of Directors of Nila Infrastructures Ltd.**

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars  | Note      | For the year ended<br>31/03/2015 | For the year ended<br>31/03/2014 |
|--|-----------|----------------------------------|----------------------------------|
| <b>INCOME</b>  |           |                                  |                                  |
| Revenue from Operations  | 18        | 1,243,971,821                    | 971,935,717                      |
| Other Income   | 19        | 73,502,808                       | 34,982,366                       |
| <b>Total Income</b>  |           | <b>1,317,474,629</b>             | <b>1,006,918,083</b>             |
| <b>EXPENDITURE</b>   |           |                                  |                                  |
| Project Expenses   | 20        | 953,687,827                      | 686,083,454                      |
| Employee Benefits Expenses   | 21        | 29,582,256                       | 26,466,467                       |
| Interest and Finance Charges   | 22        | 100,617,019                      | 79,306,664                       |
| Depreciation and Amortization Expenses                               | 11        | 13,070,113                       | 9,396,495                        |
| CSR Expenses   | 23.1      | 3,711,558                        |                                  |
| Other Expenses   | 23.2      | 30,768,657                       | 24,196,683                       |
| <b>Total Expenditure</b>   |           | <b>1,131,437,430</b>             | <b>825,449,763</b>               |
| <b>Profit Before Tax</b>   | <b>18</b> | <b>186,037,199</b>               | <b>181,468,320</b>               |
| <b>Tax Expenses</b>  |           |                                  |                                  |
| Current Tax  |           | 68,475,000                       | 63,289,428                       |
| Deferred Tax   | 31        | (2,123,555)                      | 83,004                           |
| <b>Total Tax Expenses</b>  |           | <b>66,351,445</b>                | <b>63,372,432</b>                |
| <b>Profit After Tax</b>  |           | <b>119,685,754</b>               | <b>118,095,888</b>               |
| <b>Earning Per Equity Share (EPS) (Face Value of Share ₹ 1 each)</b> |           |                                  |                                  |
| <b>Basic &amp; Diluted</b>   | <b>30</b> | <b>0.38</b>                      | <b>0.40</b>                      |
| Significant Accounting Policies                                      | 2         |                                  |                                  |

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

**For, O. P. Bhandari & Co.**  
Chartered Accountants  
Firm Registration Number : 112633W

**O. P. Bhandari**  
Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

**For and on behalf of the Board of Directors of Nila Infrastructures Ltd.**

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars   | For the year ended<br>31/03/2015 | For the year ended<br>31/03/2014 |
|---|----------------------------------|----------------------------------|
| <b>(A) Cash flow from operating activities</b>                          |                                  |                                  |
| <b>(a) Profit before tax from continuing operations</b>                 | 186,037,199                      | 181,468,320                      |
| <b>(b) Add / (Less) : Adjustments</b>                                   |                                  |                                  |
| Depreciation and Amortization Expense                                   | 13,070,113                       | 9,396,495                        |
| Deficit / (Surplus) on Sale of Fixed Assets                             | 3,627,477                        | 537,131                          |
| Provision for Gratuity  | 679,502                          | 351,365                          |
| Provision for Leave Benefits  | 294,227                          | 284,342                          |
| Excess Provision Written Back   | (145,441)                        | (95,086)                         |
| Sundry Balance Written Back   | (123,656)                        | (57,053)                         |
| Interest & Finance Charges  | 98,789,531                       | 78,314,500                       |
| Interest Income   | (71,235,401)                     | (34,295,570)                     |
| Bonus Payable   | 487,015                          | 390,134                          |
| Other Income  | -                                | (18,808)                         |
| Sundry Balance Written off  | 516,403                          | -                                |
| Share of (Profit) / Loss From LLP                                       | 270,254                          | (38,543)                         |
| Prior Period Expenses Written off                                       | 4,304                            | 4,304                            |
| <b>Total of Adjustment (b)</b>  | <b>46,234,328</b>                | <b>54,773,211</b>                |
| <b>Operating profit before Working Capital changes (a + b)</b>          | <b>232,271,527</b>               | <b>236,241,531</b>               |
| <b>(c) Movements in working capital :</b>                               |                                  |                                  |
| Increase / (decrease) in Trade Payables                                 | 12,012,098                       | (3,075,376)                      |
| Increase / (decrease) in Long-term Provisions                           | 832,223                          | 529,484                          |
| Increase / (decrease) in Short-term Provisions                          | (674,484)                        | (600,717)                        |
| Increase / (decrease) in Other Current Liabilities                      | 70,813,534                       | (49,823,829)                     |
| Increase / (decrease) in Other Long-term Liabilities                    | 81,518,661                       | (4,874,736)                      |
| Decrease / (increase) in Current Trade Receivables                      | (28,051,236)                     | (92,989,466)                     |
| Decrease / (increase) in Inventories                                    | (490,200,203)                    | 49,555,654                       |
| Decrease / (increase) in Long-term Loans and Advances                   | (125,684,294)                    | 21,511,818                       |
| Decrease / (increase) in Short-term Loans and Advances                  | (431,490,628)                    | (119,775,161)                    |
| <b>Net Movements in Working Capital (c)</b>                             | <b>(910,924,329)</b>             | <b>(199,542,329)</b>             |
| <b>(d) Direct taxes paid (net of refunds)</b>                           | <b>(82,143,029)</b>              | <b>(60,712,037)</b>              |
| <b>Net cash flow from/ (used in) operating activities (A) (a+b+c+d)</b> | <b>(760,795,831)</b>             | <b>(24,012,835)</b>              |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

| Particulars   | For the year ended<br>31/03/2015 | For the year ended<br>31/03/2014 |
|---|----------------------------------|----------------------------------|
| <b>(B) Cash flow from investing activities</b>                          |                                  |                                  |
| Purchase of fixed assets and capital advances                           | (33,142,118)                     | (11,209,123)                     |
| Proceeds from sale of fixed assets                                      | 7,832,491                        | 1,010,385                        |
| Purchase of non-current investments                                     | (156,454,409)                    | (8,500,000)                      |
| Proceeds / (Deposit) of Margin money (net)                              | (17,869,721)                     | (7,144,350)                      |
| Interest received   | 72,411,560                       | 34,523,325                       |
| Other Income  | -                                | 18,808                           |
| <b>Net cash flow from / (used in) investing activities (B)</b>          | <b>(127,222,197)</b>             | <b>8,699,045</b>                 |
| <b>(C) Cash flow from financing activities</b>                          |                                  |                                  |
| Proceeds from Issue of Share Capital                                    | 374,938,720                      | -                                |
| Proceeds From issue of warrant  | 28,125,000                       | -                                |
| Proceeds/(Repayment) of Capital   | 151,445,548                      | (416,277)                        |
| Proceeds from long-term borrowings (Net)                                | 486,443,820                      | 237,111,588                      |
| Repayment of short-term borrowings                                      | -                                | (120,000,000)                    |
| Cash Credit (net)   | (23,395,808)                     | 28,861,178                       |
| Financial Expenses  | (98,789,531)                     | (78,317,376)                     |
| Dividend paid on equity shares  | (29,522,620)                     | (29,522,620)                     |
| Tax on equity dividend paid   | (5,017,978)                      | (5,017,370)                      |
| <b>Net cash flow from/ (used in) in financing activities (C)</b>        | <b>884,227,151</b>               | <b>32,699,123</b>                |
| <b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b> | <b>(3,790,877)</b>               | <b>17,385,334</b>                |
| Cash and cash equivalents at the beginning of the year                  | 27,370,618                       | 9,985,283                        |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>23,579,741</b>                | <b>27,370,617</b>                |

### Notes :

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

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

### For, O. P. Bhandari & Co.

Chartered Accountants  
Firm Registration Number : 112633W

### O. P. Bhandari

Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

### For and on behalf of the Board of Directors of Nila Infrastructures Ltd.

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. Corporate Information:

Nila Infrastructures Ltd is a Company based in Ahmedabad, Gujarat. Nila Infrastructures Ltd together with its subsidiaries (herein collectively referred to as 'the Group') currently engaged in construction as well as development of real estate and infrastructure projects. Nila Infrastructures Ltd is a public company incorporated on February 26, 1990 and listed on Bombay Stock Exchange and National Stock Exchange of India Ltd.

### 2. Significant Accounting Policies:

#### a) Basis of preparation of financial statements:

The accompanying consolidated financial statements include the accounts of Nila Infrastructures Limited and its subsidiaries. All the subsidiaries have been incorporated in India. The details of subsidiaries are as follow.

| Name of Subsidiaries, Joint Ventures and Associates | Percentage of Holding |            |
|---|-----------------------|------------|
|   | 31/03/2015            | 31/03/2014 |
| <b>Name of Subsidiary</b>                           |                       |            |
| Nila Projects LLP                                   | 99.97%                | N.A.       |
| Fangdi Land Developers LLP                          | 51.00%                | 51.00%     |
| <b>Name of Joint Ventures</b>                       |                       |            |
| Nilsan Realty LLP                                   | 50.00%                | 50.00%     |
| Shree Matangi Project LLP                           | 40.00%                | 40.00%     |
| <b>Name of Associates</b>                           |                       |            |
| Mega City Cinemall Pvt. Ltd.                        | 42.50%                | 42.50%     |

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India under historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects, with Accounting Standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The financial statements of the subsidiary are drawn up to the same reporting date as that of the Company i.e. March 31, 2015. The consolidated financial statements of the Group have been prepared based on line-by-line consolidation of the balance sheet, statement of profit and loss and cash flows of the Company and its subsidiaries. Inter-company balances and intra-company transactions

and resulting unrealised profits have been eliminated on consolidation.

#### 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 and the reported income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise

#### c) Fixed Assets:

##### (i) Tangible Assets

Fixed assets are stated at cost of acquisition or construction (net of tax / duty credits availed if any) including any cost attributable to bringing the assets to their working condition for their intended use. Fixed assets are valued at cost less accumulated depreciation there on.

##### (ii) Intangible Assets

All Intangible Assets are initially measured at cost (net of tax / duty credits availed if any) and amortized so as to reflect the pattern in which the assets economic benefits are consumed. Intangible assets are amortized on a straight - line basis (pro-rata from the date of additions) over estimated useful life of four years.

#### d) Depreciation:

##### (i) Useful lives

Depreciation is being provided on a pro-rata basis on the 'Straight Line Method' over the estimated useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013, till the year ended March 31, 2014, depreciation was provided in the manner and rates prescribed under Schedule XIV to the Companies Act, 1956.

The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014. The change in accounting policy did not have any material impact on financial statements of the company for the current year."

##### (ii) Depreciation on assets costing less than ₹ 5,000

Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the company was charging 100% depreciation on assets costing less than ₹ 5,000 in the year of purchase. However, Schedule II to the Companies Act, 2013 applicable from the current year, does not

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the company has changed its accounting policy for depreciations of assets costing less than ₹ 5,000/- . As per the revised policy, the company is depreciating such assets over their useful life as prescribed under Schedule II to the Companies Act, 2013. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014. The change in accounting for depreciation of assets costing less than ₹ 5,000 did not have any material impact on financial statements of the company for the current year.

### e) Impairment of Assets:

At each Balance sheet date, the company considers 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.

### f) Investments:

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

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

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

### g) Taxation:

Provision for Income tax for the current year is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that 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 subsequently 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.

### h) Revenue Recognition:

#### (i) Construction and Development of Infrastructures Projects

Income from Infrastructure project has been recognized on accrual basis. Revenue has been recognized on the basis of work done and as per the terms of the tender / contract. The company records revenue of its infrastructure projects based on running bill raised. Revenue expenditure is accounted on accrual basis.

#### (ii) Construction and Development of Real Estate Projects

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) Trading (Land and Land Rights)

Income from Trading is recognized when the Company enters into agreement for sale with the buyer and all significant risks and rewards have been transferred to the buyer and there is no uncertainty regarding realisability of the sale consideration.

#### (iv) Lease Rental (Income)

Income from leasing of commercial complex is recognized on an accrual basis. The leasing agreements range from 11 months to 10 years generally and are usually cancellable / renewable by mutual consent on agreed terms.

#### (v) Interest income is accounted on an accrual basis at contracted rates.

#### (vi) Dividend income is recognized when the right to receive the same is established.

#### (vii) 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.

**i) Employee Benefits:**

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard - 15 "Employee Benefits" notified under section 211 (3c) of the Companies Act, 2013

- (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 the 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.

**j) Borrowing cost:**

Borrowing cost 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 Cost". A qualifying asset is one that necessarily takes a substantial period of time to get ready for use or sale. Capitalization of borrowing cost 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.

**k) Inventories:**

**(i) Inventory comprises of Completed property for sale, Land, Transferable development rights**

Completed property for sale, Land and transferable property rights are valued at lower of cost or net realizable value. Cost includes cost of land, land development rights, acquisition of tenancy rights, materials, services, borrowing cost and other related overhead as the case may be.

In the case of acquisition of land for development and construction, the rights are acquired from the owners of the land and the conveyance and registration thereof will be executed between the original owners and the ultimate purchasers as per trade practice. As a result, in the immediate period, generally, the land is not registered in the name of the company.

**(ii) Raw materials and stores**

Stock of raw materials and stores are valued at the cost or net realizable value whichever is less. Cost is arrived at on Weighted Average Method (WAM) basis

**(iii) Work-in-progress**

**Construction and Development of Infrastructure Project:**

Cost of work yet to be certified / billed, as it pertains to contract cost that relates to future activity on the contract, are recognized as work-in-progress provided it is probable that they will be recovered. Work-in-

progress is valued at cost or net realizable value whichever is less. Cost includes direct material, labour and proportion of project overhead.

**Construction and Development Real Estate Project:**

Work-in-progress is valued at cost or net realizable value whichever is less. Cost includes cost of land, land development rights, materials, services, borrowing cost, acquisition of tenancy rights and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

**l) Cash Flow Statement :**

Cash flows are reported using indirect method, whereby profit/ (loss) before extra ordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

Cash equivalents for the purpose of Cash Flow statements comprise cash at bank and in hand. Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**m) Earnings Per Share:**

The company reports basic and diluted earnings per share in accordance with Accounting Standard 20. Basic earning per equity share is calculated by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the equity shareholders by weighted average number of the equity shares and dilutive potential equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**n) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

- (i) the company has a present obligation as a result of past event
- (ii) a probable outflow of resources is expected to settle the obligation and;
- (iii) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Contingent liability is disclosed in case of

- (i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- (ii) a present obligation arising from past events, when no reliable estimate is possible
- (iii) a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent assets are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

### **o) Principles of Consolidation**

The consolidated financials statements have been prepared on the following basis:

- i. The financial statements of the company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits or losses on intra-group transactions as per Accounting Standard - 21 "Consolidated Financial Statements" notified under section 211(3c) of the Companies Act, 1956.
- ii. Interest in jointly controlled entities have been consolidated by using the 'Proportionate Consolidation' method as per Accounting Standard - 27 'Financial Reporting of Interest in Joint Ventures' notified under Section 211 (3c) of the Companies Act, 1956.
- iii. In case of associates where the company directly or indirectly through its subsidiaries holds 20% or more of equity, Investment in Associates are accounted under the equity method as per Accounting Standard - 23 'Accounting for Investments in Associates in Consolidated Financial Statements' notified under Section 211 (3c) of the Companies Act, 1956.
- iv. The financial statements of the subsidiaries, the jointly controlled entities and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2015
- v. The excess of the cost to the Company, of its investment in the subsidiaries and the jointly controlled entities over the Company's share of equity is recognised in the financial statements as Goodwill and tested for impairment annually
- vi. The excess of the Company's share of equity of the subsidiaries and the jointly controlled entities on the acquisition date, over the Company's cost of investment is treated as Capital Reserve.
- vii. Minority Interest in the net assets of the consolidated subsidiaries is identified and presented in consolidated

balance sheet separately from current liabilities and equity of the company

- viii. Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to minorities at the date on which investment in subsidiary is made and the minorities share of movements in the equity since the date the parent subsidiary relationship came into existence.
- ix. Intra-group balances and intra-group transactions and resulting unrealised profits / losses has been eliminated.
- x. The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to an extent possible, in the same manner as the Company's separate financial statements.

### **p) General:**

Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

(Amount in ₹)

**3. Share Capital**

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Authorised Share Capital</b><br>500,000,000 (Previous year 350,000,000)<br>Equity shares of ₹ 1 each                                      | 500,000,000         | 350,000,000         |
| <b>Issued, Subscribed and Paid-up Capital</b><br>370,226,200 (Previous Year 295,226,200) <sup>1</sup> Equity shares<br>of ₹1 each fully paid | 370,226,200         | 295,226,200         |
| <b>Total Issued, Subscribed and Paid-up Capital</b>  | <b>370,226,200</b>  | <b>295,226,200</b>  |
| Money received for issue of Convertible Warrant 22,500,000 (Previous Year 0) <sup>2</sup>  | 28,125,000          | -                   |
| <b>Total Money Received against Convertible Warrant</b>  | <b>28,125,000</b>   | -                   |

<sup>1</sup> Out of the paid up capital, 172,000,000 equity share of ₹ 1 each fully paid up allotted pursuant to the Scheme of Amalgamation, for consideration other than cash on July 24, 2010.

<sup>2</sup> The company has received 25% of the total consideration towards allotment of 22,500,000 warrants convertible into equivalent number of equity shares of ₹ 1 each at a premium of ₹ 4 per share to the promoters on January 03, 2015. The remaining 75% amount of total consideration of the said warrants shall be received on conversion within 18 months from its allotment.

**a. Reconciliation of number of Equity Shares**

| Particulars                             | As at<br>31/03/2015 |             | As at<br>31/03/2014 |             |
|---|---------------------|-------------|---------------------|-------------|
|   | Numbers             | Amount in ₹ | Numbers             | Amount in ₹ |
| Balance as at the beginning of the year | 295,226,200         | 295,226,200 | 295,226,200         | 295,226,200 |
| Addition / (Deduction) during the year  | 75,000,000          | 75,000,000  | -                   | -           |
| Balance as at the end of the year       | 370,226,200         | 370,226,200 | 295,226,200         | 295,226,200 |

**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**

| Name of Shareholders                        | As at<br>31/03/2015 |           | As at<br>31/03/2014 |           |
|---|---------------------|-----------|---------------------|-----------|
|   | Number<br>of Shares | % holding | Number<br>of Shares | % holding |
| <b>Equity shares of ₹ 1 each fully paid</b> |                     |           |                     |           |
| Mr. Manoj B. Vadodaria                      | 44,154,712          | 11.93     | 44,154,712          | 14.96     |
| Mrs. Nila M. Vadodaria                      | 43,955,267          | 11.87     | 43,955,267          | 14.89     |
| Mrs. Alpa K. Vadodaria                      | 36,800,000          | 9.94      | 36,800,000          | 12.46     |
| Mr. Kiran B. Vadodaria                      | 31,858,100          | 8.61      | 31,858,100          | 10.79     |
| Mr. Deep S. Vadodaria                       | 25,002,108          | 6.75      | 25,002,108          | 8.47      |
| Mrs. Shobha I. Desai                        | 20,096,436          | 5.43      | -                   | -         |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 4. Reserves and Surplus

(Amount in ₹)

| Particulars  | As at                |                    |
|--|----------------------|--------------------|
|  | 31/03/2015           | 31/03/2014         |
| <b>Security Premium</b>  |                      |                    |
| Balance as at beginning of the year  | 267,833,500          | 267,833,500        |
| Add: Addition during the year  | 300,000,000          | -                  |
| <b>Total Security Premium</b>  | <b>567,833,500</b>   | <b>267,833,500</b> |
| <b>General Reserve</b>   |                      |                    |
| Balance as at the beginning of the year  | 52,476,690           | 42,476,690         |
| Add: Amount Transferred from surplus in the statement of Profit and Loss   | -                    | 10,000,000         |
| <b>Balance as at the end of the year</b>   | <b>52,476,690</b>    | <b>52,476,690</b>  |
| <b>Surplus in the Statement of Profit and Loss</b>   |                      |                    |
| Balance as at the beginning of the year  | 477,084,515          | 407,824,329        |
| Reserve due to Consolidation   | (5,070,757)          | (4,295,712)        |
| <b>Add:</b> Profit transferred from statement of Profit & Loss   | 119,685,754          | 118,095,888        |
| <b>Less:</b> Appropriation   |                      |                    |
| Depreciation Transferred to retained earnings on account of change in useful life of assets (net of deferred tax credit) (Refer Note 11) | (664,211)            | -                  |
| Proposed final Equity Dividend [(Dividend per share ₹ 0.10) (P.Y. ₹ 0.10)]   | (37,022,620)         | (29,522,620)       |
| Tax on proposed Equity Dividend  | (7,402,985)          | (5,017,370)        |
| Transfer to General Reserve  | -                    | (10,000,000)       |
| <b>Net Surplus in the Statement of Profit and Loss</b>   | <b>546,609,696</b>   | <b>477,084,515</b> |
| <b>Total Reserves and Surplus</b>  | <b>1,166,919,886</b> | <b>797,394,705</b> |

### 5. Long-term Borrowings

(Amount in ₹)

| Particulars   | Non-current portion  |                    | Current portion    |                   |
|---|----------------------|--------------------|--------------------|-------------------|
|   | As at 31/03/2015     | As at 31/03/2014   | As at 31/03/2015   | As at 31/03/2014  |
| <b>(a) Secured Loans</b>  |                      |                    |                    |                   |
| Indian rupee loan from  |                      |                    |                    |                   |
| - Banks   | 158,374,387          | 88,042,967         | 7,286,578          | 5,550,536         |
| - Financial Institutions  | 429,942,167          | 312,755,888        | 286,017,279        | -                 |
| Vehicle loans from  |                      |                    |                    |                   |
| - Banks   | 12,404,360           | 4,238,802          | 5,883,720          | 1,945,026         |
| - Financial Institutions  | 1,964,975            | 2,512,867          | 1,996,465          | 3,643,595         |
| <b>(b) Unsecured Loans</b>  |                      |                    |                    |                   |
| Indian Rupee Loan from  |                      |                    |                    |                   |
| - Financial Institutions  | 416,577,649          | 317,332,433        | 48,246,105         | 78,232,516        |
| - Others  | 40,543,358           | 13,240,630         | -                  | -                 |
| <b>Total Long - term Borrowings</b>   | <b>1,059,806,896</b> | <b>738,123,587</b> | <b>349,430,147</b> | <b>89,371,673</b> |
| The above amount includes   |                      |                    |                    |                   |
| Secured Borrowings  | 602,685,889          | 407,550,524        | 301,184,042        | 11,139,157        |
| Unsecured Borrowings  | 457,121,007          | 330,573,063        | 48,246,105         | 78,232,516        |
| Amount disclosed under the head "Other Current Liabilities" (Refer Note 10) |                      |                    | (349,430,147)      | (89,371,673)      |
| <b>Total Long-term Non-current Borrowings</b>                               | <b>1,059,806,896</b> | <b>738,123,587</b> | <b>-</b>           | <b>-</b>          |

The details of security, terms of repayment and interest rate are mentioned here in after.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

| SN | Nature of Security   | Terms of Repayment and Interest Rate   |
|----|--|--|
| 1. | Line of Credit amounting to ₹ 281,585,225 (P.Y. NIL) is secured by way of Equitable Mortgage of Land admeasuring 2377 Sq. Mt. bearing Survey No.761/B mouje Vejalpur District and Sub-district of Ahmedabad-10 (Vejalpur) owned by Nila Infrastructures Ltd. and Personal Guarantee of Mr. Manoj Vadodaria , Mrs.Nilaben Vadodaria, Mr. Kiran Vadodaria, Mrs. Alpaben Vadodaria, Mr. Shailesh Vadodaria & Mrs. Minaben Vadodaria. Escrow of Revenue from Mega Housing Project for EWS, LIG & MIG Catagory at Jodhpur in Rajasthan and at Vadodara.   | Repayable in 60 months from the last day of the month in which the first disbursement is made (i.e. 10/10/2014)<br>Rate of Interest 13.50% (P.Y.Nil) as at year end.                     |
| 2. | Dropped Down Overdraft amounting to ₹ 5,000,757 (P.Y. ₹ 65,680) is secured by way of registered equitable mortgage over properties situated at<br>1. 2nd and 6th Floor inclusive of all wings situated at Sambhaav House, Bodakdev, Ahmedabad-380015<br>2. B/3, Suryavan Appt, Nr. Judges Bunglow, Bodakdev, Ahmedabad<br>3. 42/404, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>4. 42/405, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>5. 58/404, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>6. 58/405, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>7. 30/404, Anandnagar Flat, 100ft Road, Vejalpur, Ahmedabad<br>8. 5/401, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>9. 5/404, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>10. 5/405, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>11. 5/406, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>12. 5/407, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>13. 5/408, Raj Appt, Nr. Anandnagar, 100ft Road, Satellite, Ahmedabad<br>Hypothecation of lease rent income of 2nd and 6th Floor of Sambhaav House, Bodakdev, Ahmedabad-380015.<br>Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria | The limit disbursed will be reduced in 60 equal installments commencing from August 2013. Last Instalment due in October 2016. Rate of Interest 12.75% (P.Y. 12.75%) as at year end.     |
| 3. | Dropped Down Overdraft amounting to ₹ 68,089,752 (P.Y. Nil) is secured by way of registered equitable mortgage over Land admeasuring 102,132.50 Sq. Mtrs. situate lying and being at Bavla, Taluka Bavla, District Ahmedabad and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.  | Repayable in 7 years (yearly reducing by 15%) Rate of interes 14.05% (P.Y. 14.05%) as at year end.   |
| 4. | Term Loan amounting to ₹ 40,864,738 (P.Y. Nil) is secured by way of Equitable Mortgage of Immovable Property being Flat No 101, 102, 103, 104, 201, 202, 203, 204, 301, 302, 303, 304, 401, 402, 403, 404 in the building known as ANURAADHAA together with undivided proportionate share in the land of Final Plot No.273 of TPS 3 [City survey no.1796] admeasuring 835 Sq. Mtrs. situated at Mouje SHAIKHPUR-KHANPUR Taluka, City in the District of Ahmedabad and Registration Sub District Ahmedabad-3 [MEMNAGAR] & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria   | Repayable in 60 Equated Monthly Installments commencing from August-2014. Last Instalment due in January-2019.<br>Rate of Interest 14.95% (P.Y. Nil) as at year end.                     |
| 5. | Line of Credit amounting to ₹ 237,366,736 (P.Y. ₹ 312,755,888) is secured by way of Equitable Mortgage of NA land bearing Final Plot No. 31 of Town Planning Scheme No.84/A City Survey No.16/25 admeasuring 8493 Sq. Ft. and bearing Final Plot No. 14 of Town Planning Scheme No.84/A City Survey No.16/2/1, 16/6, 16/12, 16/15, 16/16, 16/17, 16/19, 16/21, 16/24, 16/29 and 16/30 admeasuring 77824 Sq. Ft. aggregating to 86317 Sq. Ft. situated at Taluka City,  | Repayable in 48 months from the last day of the month following the date of first disbursement of original loan (September 29, 2011) Rate of Interest 16.25% (P.Y.17.1%) as at year end. |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

| SN  | Nature of Security   | Terms of Repayment and Interest Rate   |
|-----|--|--|
|     | Mouje Makarba, District and Sub-District of Ahmedabad-4 (Paldi), Equitable Mortgage of Land admeasuring 2377 Sq. Mt. bearing Survey No.761/B mouje Vejalpur District and Sub-district of Ahmedabad-10 (Vejalpur), Lien of all flats in the project "Atuulyam" and Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria  |  |
| 6.  | Term Loan amounting to ₹ 28,932,137 (P.Y. ₹ 30,754,785) is secured by way of equitable mortgage of property situated at 3rd Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad  | Repayable in 123 Equated Monthly Installments commencing from July - 2013. Last Instalment due in September - 2023. Rate of Interest 12.50% (P.Y. 12.50%) as at year end.  |
| 7.  | Term Loan amounting to ₹ 29,100,716 (P.Y. ₹ 30,903,649) is secured by way of equitable mortgage of property situated at 4th Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad  | Repayable in 123 Equated Monthly Installments commencing from August - 2013. Last Instalment due in October - 2023. Rate of Interest 12.50% (P.Y. 12.50%) as at year end.  |
| 8.  | Term Loan amounting to ₹ 30,010,114 (P.Y. ₹ 31,869,389) is secured by way of equitable mortgage of property situated at 5th Floor, Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad  | Repayable in 123 Equated Monthly Installments commencing from August - 2013. Last Instalment due in October - 2023. Rate of Interest 12.50% (P.Y. 12.50%) as at year end.  |
| 9.  | Term Loan amounting to ₹ 120,000,000 (P.Y. ₹ 150,000,000) is secured by way of Registered Mortgage of Land admeasuring 7499 Sq. Mt. bearing FP No.48/1 (old survey No.47/1) of TPS 84/A, Mauje Makarba, Taluka & Dist. Ahmedabad & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.  | Repayable in 12 equal quarterly installments commencing from May - 2014. Last Installment due in January - 2017. Rate of Interest 13% (P.Y. 13%) as at year end.           |
| 10. | Term Loan amounting to ₹ 80,300,000 (P.Y. ₹ 87,500,000) is secured by way of Legal Mortgage of land Survey No.190 paiki 17, 19, 20, 21, 22, 23 & 24 of Town Planning Scheme No.217, situate lying and being at Village Thaltej, Taluka Ahmedabad City West, in the Registration District Ahmedabad and Sub District Ahmedabad-9 (Bopal) admeasuring 3877 Sq. Mt. & Personal Guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria | Repayable in 60 monthly installments commencing from October - 2014. Last Installment due in September - 2019. Rate of Interest 12.25% (P.Y. 12.25%) as at year end.       |
| 11. | Term Loan amounting to ₹ 3,587,349 (P.Y. Nil) is secured by way of hypothecation of vehicle.   | Repayable in 36 Equated Monthly Installments commencing from May - 2014. Last Instalment due in April - 2017. Rate of Interest 10.75% (P.Y. Nil) as at year end.           |
| 12. | Term Loan amounting to Nil (P.Y. ₹ 5,089,163) is secured by way of hypothecation of vehicle.   | Repayable in 36 Equated Monthly Installments commencing from December - 2012. Last Instalment due in November - 2015. Rate of Interest 9.75% (P.Y. 9.75%) as at year end.  |
| 13. | Term Loan amounting to ₹ 374,091 (P.Y. ₹ 1,067,299) is secured by way of hypothecation of vehicle.   | Repayable in 36 Equated Monthly Installments commencing from October - 2012. Last Instalment due in September - 2015 Rate of Interest 10.25% (P.Y. 10.25%) as at year end. |
| 14. | Term Loan amounting to ₹ 299,821 (P.Y. ₹ 425,954) is secured by way of hypothecation of vehicle.   | Repayable in 60 Equated Monthly Installments commencing from April - 2012. Last Instalment due in March - 2017. rate of Interest 11.25% (P.Y. 11.25%) as at year end.      |
| 15. | Term Loan amounting to ₹ 2,656,231 (P.Y. ₹ 3,871,520) is secured by way of hypothecation of vehicle.   | Repayable in 35 Equated Monthly Installments commencing from April - 2014. Last Instalment due in February - 2017. Rate of Interest 10.25% (P.Y. 10.25%) as at year end.   |
| 16. | Term Loan amounting to ₹ 641,375 (P.Y. ₹ 943,177) is secured by way of hypothecation of vehicle.   | Repayable in 35 Equated Monthly Installments commencing from March - 2014. Last Instalment due in January - 2017. Rate of Interest 10.52% (P.Y. 10.52%) as at year end.    |
| 17. | Term Loan amounting to ₹ 641,375 (P.Y. ₹ 943,177) is secured by way of hypothecation of vehicle.   | Repayable in 35 Equated Monthly Installments commencing from March - 2014. Last Instalment due in January - 2017. Rate of Interest 10.52% (P.Y. 10.52%) as at year end.    |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

| SN  | Nature of Security  | Terms of Repayment and Interest Rate  |
|-----|---|---|
| 18. | Term Loan amounting to ₹ 36,613,386 (P.Y. ₹ 57,066,407) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters | Repayable in 66 Equated Monthly Installments commencing from May - 2011. Last Instalment due in October - 2016.<br>Rate of Interest 13.00% (P.Y. 14.50%) as at year end.            |
| 19  | Term Loan amounting to ₹ 35,280,177 (P.Y. ₹ 38,561,743) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters | Repayable in 109 Equated Monthly Installments commencing from July - 2012. Last Instalment due in July - 2021.<br>Rate of Interest 13% (P.Y. 14.50%) as at year end.                |
| 20  | Term Loan amounting to ₹ 36,069,497 (P.Y. ₹ 44,586,841) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters | Repayable in 59 Equated Monthly Installments commencing from July - 2013. Last Instalment due in May - 2018.<br>Rate of Interest 13% (P.Y. 14.50%) as at year end.                  |
| 21  | Term Loan amounting to ₹ 48,179,703 (P.Y. Nil) is secured by way of Registered Mortgage of Non Agriculture Land admeasuring 44200 Sq.Yds. i.e. 36957 Sq. Mt. out of total land admeasuring 100269 Sq. Mt. of proposed Final Plot No.24 [Land admeasuring 120496 sq. mt. of Survey No.324/1 which is included in Draft Town Planning Scheme No.87 (Vatva-Vinzol) and allotted land admeasuring 100269 Sq. Mt. of Final Plot No.24] of Draft Town Planning Scheme No.87 [Vatva-Vinzol] situate, lying and being at Mouje Vinzol, Taluka Ahmedabad City-East in Registration District of Ahmedabad and Sub District Ahmedabad-11 [Aslali] & Personal Guarantee of Promoters          | Repayable in 120 Equated Monthly Installments commencing from July - 2014. Last Instalment due in June - 2024.<br>Rate of Interest 14% (P.Y. Nil) as at year end.                   |
| 22  | Term Loan received from Financial Institutions are secured by way of Personal Guarantee of Promoters  | Repayable in 59 Equated Monthly Installments commencing from August - 2013. Last Instalment due in June - 2018.<br>Rate of Interest 13% (P.Y. 14.50%) as at year end.               |
| 23  | Term Loan received from Financial Institutions are secured by way of Personal Guarantee of Promoters and DSRA for 3 months Principal & Interest repayment   | Repayable in 57 Equal Monthly Installments alongwith interest commencing from May - 2016. Last Instalment due in January - 2021. Rate of Interest 14.95% (P.Y. Nil) as at year end. |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

| SN | Nature of Security  | Terms of Repayment and Interest Rate  |
|----|---|---|
| 24 | Term Loan amounting to ₹ 2,130,809 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from December - 2014. Last Instalment due in October - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 25 | Term Loan amounting to ₹ 2,130,809 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from December - 2014. Last Instalment due in October - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 26 | Term Loan amounting to ₹ 465,063 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 27 | Term Loan amounting to ₹ 465,063 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 28 | Term Loan amounting to ₹ 2,217,806 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 29 | Term Loan amounting to ₹ 2,217,806 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 30 | Term Loan amounting to ₹ 621,345 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.     | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 31 | Term Loan amounting to ₹ 621,345 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle,     | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 32 | Term Loan amounting to ₹ 1,693,547 (P.Y. Nil) is secured by way of hypothecation of Commercial Vehicle.   | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 33 | Term Loan amounting to ₹ 1,591,252 (P.Y. Nil) is secured by way of hypothecation of Commercial Equipment. | Repayable in 47 Equated Monthly Installments commencing from January - 2015. Last Instalment due in November - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |
| 34 | Term Loan amounting to ₹ 4,421,922 (P.Y. Nil) is secured by way of hypothecation of vehicle.              | Repayable in 36 Equated Monthly Installments commencing from February - 2015. Last Instalment due in January - 2018. Rate of Interest 10.01% (P.Y. Nil) as at year end. |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**6. Deferred Tax Liabilities / (Assets) (Net)**

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| <b>(A) Deferred Tax Liabilities on account of following</b>   |                     |                     |
| Impact of difference between tax depreciation and depreciation charged for the financial reporting                                  | 187,061             | 2,541,075           |
| <b>Gross Deferred Tax Liabilities (A)</b>   | <b>187,061</b>      | <b>2,541,075</b>    |
| <b>(B) Deferred Tax Assets on account of following</b>  |                     |                     |
| Impact of expenditure charged to the statement of profit and loss for the current year but allowed for tax purpose on payment basis | 1,184,002           | 836,642             |
| Amalgamation Expense  | -                   | 258,818             |
| <b>Gross Deferred Tax Assets (B)</b>  | <b>1,184,002</b>    | <b>1,095,460</b>    |
| <b>Net Deferred Tax Liabilities / (Assets) (A - B)</b>  | <b>(996,941)</b>    | <b>1,445,615</b>    |

**7. Other Long-term Liabilities**

(Amount in ₹)

| Particulars                                | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Security Deposits                          | 4,359,633           | 6,535,784           |
| Trade Deposits                             | 24,528,825          | 12,926,695          |
| Advances Received                          | 72,046,341          | -                   |
| <b>Total Other Long - term Liabilities</b> | <b>100,934,799</b>  | <b>19,462,479</b>   |

**8. Provisions**

(Amount in ₹)

| Particulars  | Long-term           |                     | Short-term          |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>Provision for Employee Benefits<br/>(Refer Note 25)</b> |                     |                     |                     |                     |
| Provision for Gratuity                                     | 1,711,608           | 1,100,056           | 190,179             | 122,229             |
| Provision for Leave Benefits                               | 945,343             | 724,672             | 315,114             | 241,558             |
| <b>Total Provision for Employee Benefits</b>               | <b>2,656,951</b>    | <b>1,824,728</b>    | <b>505,293</b>      | <b>363,787</b>      |
| <b>Other Provisions</b>                                    |                     |                     |                     |                     |
| Provision for Income tax                                   | -                   | -                   | 68,475,000          | 63,232,700          |
| Provision for Proposed Equity Dividend                     | -                   | -                   | 37,022,620          | 29,522,620          |
| Provision for tax on proposed Equity Dividend              | -                   | -                   | 7,402,377           | 5,017,370           |
| Provision for Wealth tax                                   | -                   | -                   | 127,100             | 98,800              |
| <b>Total Other Provisions</b>                              | <b>-</b>            | <b>-</b>            | <b>113,027,097</b>  | <b>97,871,490</b>   |
| <b>Total Provisions</b>                                    | <b>2,656,951</b>    | <b>1,824,728</b>    | <b>113,532,390</b>  | <b>98,235,277</b>   |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 9. Short-term Borrowings

(Amount in ₹)

| Particulars                                | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Overdraft facility from Banks <sup>3</sup> | 70,376,983          | 93,772,791          |
| <b>Total Short-term Borrowings</b>         | <b>70,376,983</b>   | <b>93,772,791</b>   |
| The above amount includes                  |                     |                     |
| Secured Borrowings                         | 70,376,983          | 93,772,791          |
| <b>Total Short-term Borrowings</b>         | <b>70,376,983</b>   | <b>93,772,791</b>   |

Nature of security for short term borrowings

<sup>3</sup> Overdraft facility of ₹ 70,376,983 (P.Y. ₹ 93,772,791) is secured by way of equitable mortgage of properties situated at 7<sup>th</sup> to 9<sup>th</sup> floor Sambhaav House, Ahmedabad and personal guarantee of Mr. Manoj Vadodaria & Mr. Kiran Vadodaria.

### 10. Trade Payable and Other Current Liabilities

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| Trade payables (Refer Note 32)                               | 124,378,864         | 104,680,637         |
| <b>Total Trade Payables</b>                                  | <b>124,378,864</b>  | <b>104,680,637</b>  |
| <b>Other Current Liabilities</b>                             |                     |                     |
| Current maturities of Long-term Borrowings of (Refer Note 5) |                     |                     |
| - Term Loans   | 341,549,962         | 83,783,052          |
| - Vehicle Loans  | 7,880,185           | 5,588,621           |
| <b>Total Current maturities of Long-term Borrowings</b>      | <b>349,430,147</b>  | <b>89,371,673</b>   |
| Interest accrued but not due on Borrowings                   | 6,911,561           | 4,538,364           |
| Advances from Customers                                      | 77,899,234          | 28,690,849          |
| Advances From Contractors                                    | 8,886,403           | -                   |
| Statutory Obligations  | 9,716,961           | 3,134,756           |
| Employee Obligations   | 560,227             | 396,113             |
| Unclaimed Dividend <sup>4</sup>                              | 4,884,397           | 3,934,391           |
| Others   | 22,788,236          | 13,461,085          |
| <b>Total Other Current Liabilities</b>                       | <b>481,077,166</b>  | <b>143,527,231</b>  |

<sup>4</sup> There is no amount due and outstanding to be credited to the Investor Education and Protection fund as at March 31, 2015

11. Fixed Assets

(Amount in ₹)

| SN       | Particulars                  | GROSS BLOCK        |                   |                   | DEPRECIATION           |                   |                   | NET BLOCK             |                   |                    |                    |
|----------|------------------------------|--------------------|-------------------|-------------------|------------------------|-------------------|-------------------|-----------------------|-------------------|--------------------|--------------------|
|          |                              | As at 01/04/2014   | Additions         | Sale / Transfer   | Total as at 31/03/2015 | As at 01/04/2014  | For the year      | Adjustment/ Deduction | Upto 31/03/2015   | As at 31/03/2015   | As at 31/03/2014   |
| <b>A</b> | <b>Tangible Assets</b>       |                    |                   |                   |                        |                   |                   |                       |                   |                    |                    |
| 1        | Land                         | 1,073,100          | 0                 | 0                 | 1,073,100              | 0                 | 0                 | 0                     | 0                 | 1,073,100          | 1,073,100          |
| 2        | Building/<br>Office Premises | 306,347,788        | 0                 | 951,949           | 305,395,839            | 25,058,280        | 5,620,603         | 45,533                | 30,633,350        | 274,762,489        | 281,289,508        |
| 3        | Furniture and Fixtures       | 8,833,415          | 0                 | 62,850            | 8,770,565              | 2,122,537         | 998,577           | (14,299)              | 3,135,413         | 5,635,152          | 6,710,878          |
| 4        | Electrifications             | 1,019,827          | 0                 | 3,227             | 1,016,600              | 202,999           | 121,256           | (239)                 | 324,494           | 692,106            | 816,828            |
| 5        | Vehicles                     | 33,802,383         | 13,671,406        | 13,152,998        | 34,320,791             | 6,185,936         | 3,916,276         | 2,814,342             | 7,287,870         | 27,032,921         | 27,616,447         |
| 6        | Commercial Vehicles          | 272,740            | 10,326,204        | 272,740           | 10,326,204             | 209,675           | 501,424           | 237,543               | 473,556           | 9,852,648          | 63,065             |
| 7        | Computer Equipments          | 3,381,920          | 359,025           | 486,130           | 3,254,815              | 2,106,494         | 426,136           | 84,171                | 2,448,459         | 806,356            | 1,275,426          |
| 8        | Office Equipments            | 3,289,200          | 281,717           | 152,423           | 3,418,494              | 623,389           | 1,063,160         | (526,770)             | 2,213,319         | 1,205,175          | 2,665,811          |
| 9        | Plant & Machinery            | 1,585,635          | 8,503,766         | 0                 | 10,089,401             | 74,009            | 391,269           | 0                     | 465,278           | 9,624,123          | 1,511,626          |
|          | <b>Total (A)</b>             | <b>359,606,008</b> | <b>33,142,118</b> | <b>15,082,317</b> | <b>377,665,809</b>     | <b>36,563,319</b> | <b>13,038,701</b> | <b>2,640,281</b>      | <b>46,981,739</b> | <b>330,684,070</b> | <b>323,022,689</b> |
| <b>B</b> | <b>Intangible Assets</b>     |                    |                   |                   |                        |                   |                   |                       |                   |                    |                    |
| 1        | Software                     | 1,400,016          | 0                 | 1,400,016         | 0                      | 1,367,463         | 31,412            | 1,398,875             | 0                 | 0                  | 32,553             |
|          | <b>Total (B)</b>             | <b>1,400,016</b>   | <b>0</b>          | <b>1,400,016</b>  | <b>0</b>               | <b>1,367,463</b>  | <b>31,412</b>     | <b>1,398,875</b>      | <b>0</b>          | <b>0</b>           | <b>32,553</b>      |
|          | <b>Total (A+B)</b>           | <b>361,006,024</b> | <b>33,142,118</b> | <b>16,482,333</b> | <b>377,665,809</b>     | <b>37,950,782</b> | <b>13,070,113</b> | <b>4,039,156</b>      | <b>46,981,739</b> | <b>330,684,070</b> | <b>323,055,242</b> |
|          | Previous Year                | 352,949,899        | 11,207,123        | 3,150,998         | 361,006,024            | 30,160,646        | 9,396,495         | 1,606,359             | 37,950,782        | 323,055,242        |                    |

During the year the company has changed the useful life of its assets in line with the requirement of schedule II of Companies Act, 2013 on account of such a change the company has charged depreciation of ₹664,211 (net of deferred tax of ₹319,002), the said amount is included in adjustment/deduction column.

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after April 1, 2014, the Company has re-worked depreciation with reference to useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at April 1, 2014 has been adjusted to profit and loss reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is higher by ₹30.77 lacs for the year ended on March 31, 2015

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**
**12. Non-Current Investments**

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| <b>Investments are valued at Cost Unless Stated Otherwise</b>   |                     |                     |
| <b>Non Trade Investment</b>   |                     |                     |
| <b>Investment in Equity Instruments (Quoted)</b>  |                     |                     |
| 22,760 (P. Y. 22,760) Equity shares of<br>Morepen Laboratories Ltd. of ₹ 2 each fully paid.                                   | 102,875             | 102,875             |
| 50,000 (P. Y. 50,000) Equity shares of<br>Visu International Ltd. of ₹ 10 each fully paid.                                    | 174,500             | 174,500             |
|   | <b>277,375</b>      | <b>277,375</b>      |
| <b>Investment in Equity Instruments (Unquoted)</b>  |                     |                     |
| 101 (P. Y. 101) Equity shares of<br>Saraspur Nagrik Co-Op Bank Ltd of ₹ 100 each fully paid                                   | 10,100              | 10,100              |
| 100 (P. Y. 100) Equity shares of United Co-Op. Bank Ltd. ₹ 50 each fully paid   | 5,000               | 5,000               |
| <b>Trade Investment (Unquoted)</b>  |                     |                     |
| N. S. C. [Pledged with VAT Department, Rajasthan]<br>[From 25/11/14 to 24/11/19 Investment ₹ 10,000 & Market Value ₹ 15,162 ] | 10,293              | -                   |
|   | <b>25,393</b>       | <b>15,100</b>       |
| <b>Investment in Joint Venture</b>  |                     |                     |
| Nilsan Realty LLP   | 7,500               | 7,500               |
|   | <b>7,500</b>        | <b>7,500</b>        |
| <b>Investment in Subsidiary</b>   |                     |                     |
| Fangdi Land Developers LLP  | 56,381,000          | 51,332,000          |
|   | <b>56,381,000</b>   | <b>51,332,000</b>   |
| <b>Investment in Associate</b>  |                     |                     |
| 233,750 (P. Y. 233,750) Equity shares of<br>Mega City Cinemall Pvt. Ltd. of ₹ 10 each fully paid up <sup>5</sup>              | 12,580,414          | 17,910,538          |
|   | <b>12,580,414</b>   | <b>17,910,538</b>   |
| <b>Total of Non-Current Investments</b>   | <b>69,271,682</b>   | <b>69,542,513</b>   |

| Particulars                                 | Book Value          |                     |
|---|---------------------|---------------------|
|   | As at<br>31/03/2015 | As at<br>31/03/2014 |
| Aggregate value of quoted investment        | 277,375             | 277,375             |
| Aggregate value of unquoted investment      | 68,994,307          | 69,265,138          |
| <b>Total of Non-Current Investments</b>     | <b>69,271,682</b>   | <b>69,542,513</b>   |
| Aggregate market value of quoted investment | 298,202             | 112,943             |

<sup>5</sup> On acquisition of shares in Mega City Cinemall Pvt. Ltd. A goodwill of ₹ 19,535,647 was identified as per Accounting Standard - 23

NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS

13. Loans and Advances

(Amount in ₹)

| Particulars  | Non-current portion |                     | Current portion      |                     |
|--|---------------------|---------------------|----------------------|---------------------|
|  | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015  | As at<br>31/03/2014 |
| <b>(A) Unsecured, Considered Good</b>  |                     |                     |                      |                     |
| Security Deposit   | 47,359,184          | 13,503,723          | 49,726,474           | 38,096,502          |
| Loans and Advances to Related Parties  | -                   | 13,798,786          | 58,052,894           | 29,355,198          |
| Advances recoverable in cash or kind - unsecured   | -                   | -                   | 787,579,250          | 104,754,780         |
| <b>Sub Total (A)</b>   | <b>47,359,184</b>   | <b>27,302,509</b>   | <b>895,358,618</b>   | <b>172,206,480</b>  |
| <b>(B) Other Loans and Advances</b>  |                     |                     |                      |                     |
| Advance tax  | -                   | -                   | 57,552,953           | 38,642,624          |
| Prepaid Expenses   | -                   | -                   | 1,092,514            | 875,031             |
| Other Advances   | 1,680,699           | 916,669             | 236,415,079          | 332,424,785         |
| Loans to Employees   | -                   | -                   | 504,921              | 479,199             |
| MAT credit entitlement   | -                   | -                   | 93,960               | 93,960              |
| Balance with government authorities  | -                   | -                   | 8,440,478            | 5,681,848           |
| <b>Sub Total (B)</b>   | <b>1,680,699</b>    | <b>916,669</b>      | <b>304,099,905</b>   | <b>378,197,447</b>  |
| <b>Total Loans and Advances (A + B)</b>  | <b>49,039,883</b>   | <b>28,219,178</b>   | <b>1,199,458,523</b> | <b>550,403,927</b>  |
| 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 28) | -                   | 13,798,786          | 58,052,894           | 29,355,198          |
| <b>Total Loans and Advances to Related Parties</b>   | <b>-</b>            | <b>13,798,786</b>   | <b>58,052,894</b>    | <b>29,355,198</b>   |

14. Other Non-Current Assets

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| <b>Unsecured, Considered good unless stated otherwise</b> |                     |                     |
| Margin money deposits with banks (Refer Note 17)          | 31,339,371          | 13,469,650          |
| Interest accrued on Fixed Deposits                        | 832,805             | 459,300             |
| <b>Total Other Non-Current Assets</b>                     | <b>32,172,176</b>   | <b>13,928,950</b>   |

15. Inventories

(Amount in ₹)

| Particulars                      | As at<br>31/03/2014  | As at<br>31/03/2013 |
|----------------------------------|----------------------|---------------------|
| Construction Material on hand    | 19,204,807           | 10,151,795          |
| Work-In-Progress                 | 352,876,683          | 253,980,496         |
| Flat                             | 316,221,857          | 298,875,150         |
| Land and Land Development Rights | 783,211,988          | 418,307,691         |
| <b>Total Inventories</b>         | <b>1,471,515,335</b> | <b>981,315,132</b>  |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 16. Trade Receivables

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Unsecured, considered good unless stated otherwise</b>  |                     |                     |
| Outstanding for a period exceeding six months from the date they are due for the payment                         | 76,351,965          | 86,275,844          |
| Other Receivables  | 234,939,387         | 199,694,576         |
| <b>Total Trade Receivables</b>   | <b>311,291,352</b>  | <b>285,970,420</b>  |
| <b>Trade Receivable include</b>  |                     |                     |
| Dues from the Limited Liability Partnerships in which the Company is having more than 20% share of Profit / Loss | -                   | -                   |
| <b>Total Trade Receivables from Related Parties</b>  | <b>-</b>            | <b>-</b>            |

### 17. Cash and Bank Balances

(Amount in ₹)

| Particulars  | Non-current portion |                     | Current portion     |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>Cash and Cash Equivalents</b>                             |                     |                     |                     |                     |
| Cash on hand   | -                   | -                   | 145,147             | 374,234             |
| <b>Balance with Banks</b>                                    |                     |                     |                     |                     |
| In Current Accounts  | -                   | -                   | 23,434,594          | 26,996,383          |
| <b>Total of Cash and Cash Equivalents</b>                    | <b>-</b>            | <b>-</b>            | <b>23,579,741</b>   | <b>27,370,617</b>   |
| <b>Other Bank Balances</b>                                   |                     |                     |                     |                     |
| Margin Money Deposits  | 31,339,371          | 13,469,650          | 25,627,476          | 10,397,527          |
| Unpaid Dividend Account                                      | -                   | -                   | 4,889,777           | 3,939,771           |
|  | <b>31,339,371</b>   | <b>13,469,650</b>   | <b>30,517,253</b>   | <b>14,337,298</b>   |
| Amount disclosed under Non-Current Assets<br>(Refer Note 14) | (31,339,371)        | (13,469,650)        | -                   | -                   |
| <b>Total Cash and Bank Balances</b>                          | <b>-</b>            | <b>-</b>            | <b>54,096,994</b>   | <b>41,707,915</b>   |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**18. Revenue from Operations**

(Amount in ₹)

| Particulars   | For the Year ended   |                    |
|---|----------------------|--------------------|
|   | 31/03/2015           | 31/03/2014         |
| Construction and Development of Infrastructure Projects | 806,842,943          | 268,212,020        |
| Construction and Development of Real Estate Projects    | 116,936,850          | 513,468,270        |
| Trading (Land and Land Rights)                          | 301,945,000          | 168,630,000        |
| Lease Rental  | 18,247,028           | 21,625,427         |
| <b>Total Revenue from Operations</b>                    | <b>1,243,971,821</b> | <b>971,935,717</b> |

**19. Other Income**

(Amount in ₹)

| Particulars  | For the Year ended |                   |
|--|--------------------|-------------------|
|  | 31/03/2015         | 31/03/2014        |
| Interest Income  |                    |                   |
| - on Bank Deposits                                       | 3,277,357          | 1,013,250         |
| - from Others  | 69,040,525         | 33,282,320        |
| Liabilities no longer required to pay written back       | 1,022,697          | 152,139           |
| Share of Profit / (Loss) from LLP (Refer Note 27 and 28) | (270,254)          | 38,543            |
| Miscellaneous Income                                     | 432,483            | 496,114           |
| <b>Total Other Income</b>                                | <b>73,502,808</b>  | <b>34,982,366</b> |

**20. Project Expenses**

(Amount in ₹)

| Particulars                                      | For the Year ended |                    |
|--|--------------------|--------------------|
|  | 31/03/2015         | 31/03/2014         |
| Advertisement Expenses                           | 512,240            | 5,649,750          |
| Auda Charges                                     | -                  | 1,543,599          |
| Civil, Electrical, Contracting, Labour work etc. | 524,967,413        | 242,473,205        |
| Consumption of Raw Materials                     | 325,644,910        | 333,536,174        |
| Discount Brokerage and Commission Charges        | 2,517,649          | 2,237,944          |
| Electricity Expenses                             | 2,936,394          | 4,622,496          |
| Freight and Cartage Expenses                     | 20,489,801         | 10,555,846         |
| Fuel-Expenses                                    | 113,087            | -                  |
| Insurance Expenses                               | 1,090,372          | 795,835            |
| Legal and Professional Charges                   | 1,133,236          | 6,192,682          |
| Other Direct Expenses                            | 3,896,636          | 6,452,283          |
| Project Interest & Finance Expenses              | 59,168,031         | 67,038,463         |
| Repair and Maintenance Expenses                  | 159,319            |                    |
| Security Charges                                 | 1,985,296          | 436,394            |
| Service Tax                                      | 138,818            | 13,741             |
| Traveling Expenses                               | 719,670            | 420,178            |
| Value Added Tax                                  | 2,769,181          | 3,547,677          |
| Welfare cess                                     | 5,445,774          | 567,187            |
| <b>Total Project Expenses</b>                    | <b>953,687,827</b> | <b>686,083,454</b> |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**21. Employee Benefits Expenses (Amount in ₹)**

| Particulars                               | For the Year ended |                   |
|---|--------------------|-------------------|
|   | 31/03/2015         | 31/03/2014        |
| Contribution to Provident and Other Fund  | 371,865            | 366,293           |
| Gratuity Expenses                         | 679,502            | 351,365           |
| Leave Encashment Expenses                 | 294,227            | 284,342           |
| Remuneration and Perquisites to Directors | 3,600,000          | 3,600,000         |
| Salaries, Allowances and Bonus            | 24,043,607         | 21,554,499        |
| Staff Welfare Expenses                    | 593,055            | 309,968           |
| <b>Total Employee Benefits Expenses</b>   | <b>29,582,256</b>  | <b>26,466,467</b> |

**22. Interest and Finance Charges (Amount in ₹)**

| Particulars   | For the Year ended |                   |
|---|--------------------|-------------------|
|   | 31/03/2015         | 31/03/2014        |
| Interest on - Banks and Financial Institutions <sup>6</sup> | 80,569,674         | 44,327,667        |
| - Paid to Others  | 11,326,667         | 29,173,114        |
| Other Borrowing Cost - Bank charges                         | 1,826,449          | 989,287           |
| - Processing fees   | 6,894,229          | 4,816,596         |
| <b>Total Finance Cost</b>                                   | <b>100,617,019</b> | <b>79,306,664</b> |

<sup>6</sup>Total Interest Inventorised ₹91,461,074 (P.Y. ₹72,904,225)

**23.1 CSR Expenses (Amount in ₹)**

| Particulars                    | For the Year ended |            |
|--------------------------------|--------------------|------------|
|                                | 31/03/2015         | 31/03/2014 |
| Street Utility Expenses        | 2,332,815          | -          |
| Awareness Campaigning Expenses | 1,056,180          | -          |
| Administrative Expenses        | 322,563            | -          |
|                                | <b>3,711,558</b>   | <b>-</b>   |

**23.2 Other Expenses (Amount in ₹)**

| Particulars                     | For the Year ended |                   |
|---------------------------------|--------------------|-------------------|
|                                 | 31/03/2015         | 31/03/2014        |
| Advertisement Expenses          | 208,769            | 170,049           |
| Business Promotion Expenses     | 1,000,000          | -                 |
| Deficit on Sale of Fixed Assets | 3,627,477          | 534,254           |
| Directors' Sitting fees         | 32,000             | 7,000             |
| Donation Expenses               | 466,000            | 10,000            |
| Insurance Expenses              | 383,733            | 447,210           |
| Legal & Professional Fee        | 13,626,776         | 5,523,167         |
| Miscellaneous Expenses          | 3,116,716          | 504,004           |
| Office Rent                     | 471,072            | 498,492           |
| Payment to Auditors (Audit Fee) | 140,450            | 120,787           |
| Postage & Courier Charges       | 160,241            | 158,128           |
| Power & Fuel Expenses           | 3,522,863          | 3,242,676         |
| Printing & Stationary Expenses  | 726,055            | 601,502           |
| Rates and Taxes                 | 829,963            | 427,701           |
| Repairs & Maintenance Expenses  | 1,849,692          | 1,856,292         |
| Sundry Balances Written Off     | 179                | 8,206,741         |
| Telephone Expenses              | 576,829            | 558,749           |
| Traveling Expenses              | 29,842             | 536,793           |
| <b>Total Other Expenses</b>     | <b>30,768,657</b>  | <b>24,196,683</b> |

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**24. Contingent Liabilities not provided for is as under:**

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| Income Tax Demands for A.Y. 2011- 12 matter before CIT(Appeal), Ahmedabad | 7,593,770           | 10,824,480          |

**25. Employee Benefits**

a) Defined Contribution Plan

Amount of ₹ 679,502 (P.Y. ₹ 351,365) is recognized as an expense and included in Employee Benefits Expense in Note 21 to statement of profit and loss.

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

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method,

which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Leave Encashment is recognized in the same manner as Gratuity.

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

The details of Gratuity (unfunded) are given below

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Reconciliation of Benefit Obligation</b>                                      |                     |                     |
| Obligation at the beginning of the year  | 1,222,285           | 870,920             |
| Current Service Cost   | 489,016             | 301,868             |
| Interest Cost  | 97,783              | 69,674              |
| Actuarial (Gain) / Loss  | 92,703              | (20,177)            |
| Benefits Paid  | NIL                 | NIL                 |
| <b>Present value of obligations at the year end</b>                              | <b>1,901,787</b>    | <b>1,222,285</b>    |
| <b>Change in Fair value of Plan Assets</b>                                       |                     |                     |
| Fair value of the Plan at period beginning                                       | NIL                 | NIL                 |
| Actual return on Plan Assets   | NIL                 | NIL                 |
| Employer's Contribution  | NIL                 | NIL                 |
| Benefits Paid  | NIL                 | NIL                 |
| <b>Plan Assets as at year end</b>  | <b>NIL</b>          | <b>NIL</b>          |
| <b>Liability recognized in Balance Sheet</b>                                     |                     |                     |
| Present value of the obligation at year end                                      | 1,901,787           | 1,222,285           |
| Fair Value of Plan Assets  | NIL                 | NIL                 |
| Un-funded Liability  | 1,901,787           | 1,222,285           |
| Unrecognised actuarial gains/losses  | NIL                 | NIL                 |
| <b>Unfunded liability recognized in Balance Sheet</b>                            | <b>1,901,787</b>    | <b>1,222,285</b>    |
| <b>Net Cost recognized in the Statement of Profit &amp; Loss</b>                 |                     |                     |
| Interest Cost  | 97,783              | 69,674              |
| Service Cost   | 489,016             | 301,868             |
| Expected / Actual return on Plan Assets  | NIL                 | NIL                 |
| Gain/Loss recognized   | 92,703              | (20,177)            |
| <b>Net (Gain) / Cost provided as Expense in the Statement of Profit and Loss</b> | <b>679,502</b>      | <b>351,365</b>      |
| <b>Assumptions used to determine the benefit obligations</b>                     |                     |                     |
| 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  |                     |                     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 26. Segment Reporting

Since the company has only one primary reportable segment i.e. Construction and Development of Infrastructure and Real Estate Projects, there is no separate reportable segment as required in Accounting Standard- 17 issued by the Institute of Chartered Accountants of India. Also there being no business outside India, the entire business has been considered as single geographic segment.

### 27. Form AOC-1 Pursuant to Section 129(3) of the Companies Act, 2013.

#### a) Statement containing salient features of the financial statements of subsidiaries

(Amount in ₹)

| SN | Particulars                    | Nila Projects LLP        | Fangdi Land Developers LLP |
|----|--------------------------------|--------------------------|----------------------------|
| 1  | Reporting Period               | 01/04/2014 to 31/03/2015 | 01/04/2014 to 31/03/2015   |
| 2  | Reporting currency             | INR                      | INR                        |
| 3  | Share Capital/Partners Capital | 151,445,548              | 1,000,000                  |
| 4  | Reserves and Surplus           | (32,589)                 | (77,897)                   |
| 5  | Total Assets                   | 166,167,075              | 268,000                    |
| 6  | Total Liabilities              | 14,754,116               | 55,726,897                 |
| 7  | Investments                    | NIL                      | 56,381,000                 |
| 8  | Turnover                       | NIL                      | NIL                        |
| 9  | Profit before Taxation         | (32,589)                 | (17,609)                   |
| 10 | Provision for Taxation         | NIL                      | NIL                        |
| 11 | Profit after Taxation          | (32,589)                 | (17,609)                   |
| 12 | Proposed Dividend              | NIL                      | NIL                        |
| 13 | % of Shareholding / Capital    | 99.97%                   | 51%                        |

#### b) Statement containing salient features of the financial statements of Associate Companies and Joint Ventures

(Amount in ₹)

| SN | Particulars  | Nilsan Realty LLP -<br>Joint Venture | Shree Matangi Projects<br>LLP - Joint Venture | Mega City Cinemall<br>Pvt. Ltd. - Associate |
|----|--|--------------------------------------|---|---|
| 1. | Latest audited Balance Sheet Date  | 31/03/2015                           | 31/03/2015                                    | 31/03/2015                                  |
| 2. | Shares of associates and Joint Ventures held<br>by company on the year end   |                                      |   |   |
|    | Number of Shares   | NIL                                  | NIL   | 233,750                                     |
|    | Amount of Investment   | 807,069                              | 7,565,085                                     | 22,206,250                                  |
|    | Extend of Holding %  | 50%                                  | 40%   | 42.5%                                       |
| 3. | Description of how there is significant influence                            | By contractual agreement             | By contractual agreement                      | By holding more than 20%<br>of voting power |
| 4. | Reason for non consolidated  | N.A                                  | N.A   | N.A   |
| 5. | Networth attributable to shareholding as per<br>latest audited balance sheet | (1,300,451)                          | 7,565,085                                     | (3,769,240)                                 |
| 6. | Profit/Loss for the year   | 2,072,617                            | (675,636)                                     | (12,541,469) <sup>7</sup>                   |
|    | i Considered in consolidation  | 1,036,309                            | (270,254)                                     | N.A <sup>7</sup>                            |
|    | ii Not considered in consolidation   | 1,036,308                            | (405,382)                                     | N.A <sup>7</sup>                            |

<sup>7</sup> Profit and Loss of Mega City Cinemall Pvt. Ltd. , associate is not required to be consolidated and hence not considered.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

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

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

|   |          |  |
|---|----------|--|
| <b>Relationship</b>   | <b>:</b> | <b>Name of Related Parties</b>   |
| Subsidiary  | :        | Nila Projects LLP<br>Fangdi Land Developers LLP                                |
| Associates & Joint Ventures   | :        | Nilsan Realty LLP<br>Shree Matangi Projects LLP<br>Mega City Cinemall Pvt. Ltd |
| Key Managerial Personnel  | :        | Manoj B. Vadodaria<br>Kiran B. Vadodaria                                       |
| Enterprise in which Key Managerial Personnel have significant influence | :        | Sambhaav Media Limited   |

b) Transactions during the year with Related Parties:

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

(Amount in ₹)

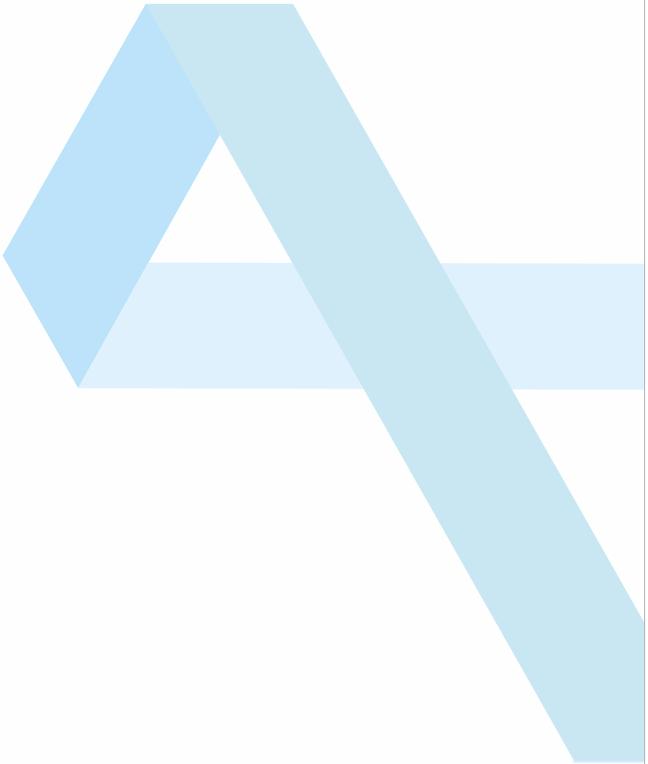
| SN  | Nature of Transactions                     | Associates & Joint Ventures |               | Key Managerial Personnel & their Relatives |               | Enterprise in which Key Managerial Personnel have significant Influence |               |
|-----|--|-----------------------------|---------------|--|---------------|---|---------------|
|     |  | Current Year                | Previous Year | Current Year                               | Previous Year | Current Year  | Previous Year |
| 1.  | Rent Paid                                  | 0                           | 0             | 0  | 0             | 498,492   | 498,492       |
| 2.  | Sale of Land                               | 0                           | 0             | 100,000,000                                | 0             | 0   | 0             |
| 3.  | Sales Return                               | 0                           | 890,090       | 0  | 0             | 0   | 0             |
| 4.  | Repayment of Advance given                 | 0                           | 1,727,279     | 0  | 0             | 0   | 0             |
| 5.  | Advances Given                             | 0                           | 13,508,117    | 0  | 0             | 0   | 0             |
| 6.  | Advertisement Expenditure                  | 0                           | 0             | 0  | 0             | 50,000  | 5,642,750     |
| 7.  | Interest Received                          | 8,041,389                   | 4,854,493     | 0  | 0             | 0   | 0             |
| 8.  | Remuneration and Perquisites to Directors  | 0                           | 0             | 3,600,000                                  | 3,600,000     | 0   | 0             |
| 9.  | Rent Deposit                               | 0                           | 0             | 0  | 0             | 0   | 8,958         |
| 10. | Share of Profit / (Loss)                   | (270,254)                   | 38,543        | 0  | 0             | 0   | 0             |
| 11. | Inventory Return                           | 25,530,000                  | 0             | 0  | 0             | 0   | 0             |
| 12. | Purchase of Land / Land Development Rights | 0                           | 0             | 0  | 16,192,540    | 0   | 0             |
| 13. | Additional cost of Flats Purchased         | 3,580,000                   | 5,745,000     | 0  | 0             | 0   | 0             |
| 14. | Capital Introduce                          | 149,950,000                 | 0             | 0  | 0             | 0   | 0             |
| 15. | Asset Purchase                             | 0                           | 0             | 0  | 0             | 0   | 180,000       |
| 16. | Loans Given                                | 24,624,999                  | 0             | 0  | 0             | 0   | 0             |
| 17. | Loans Received Back                        | 112,088,048                 | 0             | 0  | 0             | 0   | 0             |
| 18. | Contract Revenue                           | 0                           | 0             | 0  | 0             | 826,434   | 0             |
| 19. | Money Received against Convertible Warrant | 0                           | 0             | 19,687,500                                 | 0             | 0   | 0             |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c) The above Related Party transactions contain following transactions (As per Accounting Standard - 18):

(Amount in ₹)

| SN | Particulars  | 2014-15<br>Transactions                              | Closing<br>Balance  | 2013-14<br>Transactions                           | Closing<br>Balance  |
|----|--|--|---|---|---|
| 1  | <b>Rent Paid</b><br>Sambhaav Media Limited   | 498,492  | Nil   | 498,492   | 37,378  |
| 2  | <b>Sales Infrastructure Project</b><br>Sambhaav Media Limited  | 826,434  | Nil   | Nil   | Nil   |
| 3  | <b>Sales Return</b><br>Nilsan Realty LLP   | Nil  | Nil   | 890,090   | Nil   |
| 4  | <b>Advances/Loans Given</b><br>Shree Matangi Projects LLP<br>Nilsan Realty LLP<br>Mega City Cinemall Pvt. Ltd<br>Nila Projects LLP<br>Fangdi Land Developers LLP         | 1,300,000<br>Nil<br>8,674,999<br>14,650,000<br>Nil   | 423,539<br>30,382,330<br>58,052,894<br>14,743,704<br>20,000,000 | 1,027,668<br>3,000,000<br>9,480,449<br>Nil<br>Nil | 45,623,539<br>95,265,750<br>43,129,954<br>Nil<br>20,000,000 |
| 5  | <b>Advertisement Given</b><br>Sambhaav Media Limited   | 50,000   | Nil   | 5,642,750   | Nil   |
| 6  | <b>Interest Received</b><br>Mega City Cinemall Pvt. Ltd<br>Nila Projects LLP (Capital)<br>Nila Projects LLP (Loan)   | 6,492,157<br>1,455,116<br>104,116                    | 58,052,894<br>151,395,116<br>14,743,704                         | 4,854,493<br>Nil<br>Nil                           | 43,129,954<br>Nil<br>Nil                                    |
| 7  | <b>Remuneration and Perquisites to Directors</b><br>Manoj B. Vadodaria<br>Kiran B. Vadodaria   | 2,400,000<br>1,200,000                               | Nil<br>Nil  | 2,400,000<br>1,200,000                            | Nil<br>Nil  |
| 8  | <b>Share of Profit / (Loss)</b><br>Nila Projects LLP<br>Fangdi Land Developers LLP<br>Shree Matangi Projects LLP<br>Nilsan Realty LLP                                    | NIL<br>NIL<br>(270,254)<br>NIL                       | 151,395,116<br>510,000<br>7,565,085<br>807,069                  | NIL<br>NIL<br>38,543<br>NIL                       | NIL<br>510,000<br>7,835,339<br>807,069                      |
| 9  | <b>Purchase of Immovable Property</b><br>Kiran B. Vadodaria  | Nil  | 16,192,540  | 16,192,540  | 16,192,540  |
| 10 | <b>Rent Deposit</b><br>Sambhaav Media Limited  | Nil  | 96,348  | 8,958   | 96,348  |
| 11 | <b>Re-payment of Advances given</b><br>Shree Matangi Projects LLP<br>Nilsan Realty LLP<br>Nila Projects LLP<br>Mega City Cinemall Pvt. Ltd<br>Fangdi Land Developers LLP | 46,500,000<br>64,883,420<br>10,412<br>694,216<br>Nil | 423,539<br>30,382,330<br>14,743,704<br>58,052,894<br>20,000,000 | 1,727,279<br>Nil<br>Nil<br>Nil<br>Nil             | 45,623,539<br>95,265,750<br>Nil<br>43,129,954<br>20,000,000 |
| 12 | <b>Sale of Land</b><br>Manoj B. Vadodaria  | 100,000,000  | Nil   | Nil   | Nil   |
| 13 | <b>Share Warrant Application</b><br>Manoj B. Vadodaria<br>Kiran B. Vadodaria   | 11,250,000<br>8,437,500                              | 11,250,000<br>8,437,500   | Nil<br>Nil  | Nil<br>Nil  |
| 14 | <b>Inventories Return</b><br>Shree Matangi Projects LLP  | 25,530,000   | 4,847,500   | Nil   | Nil   |
| 15 | <b>Capital Introduce</b><br>Nila Projects LLP  | 149,950,000  | 151,395,116   | Nil   | Nil   |
| 16 | <b>Additional cost of Flats Purchased</b><br>Shree Matangi Projects LLP  | 3,580,000  | Nil   | 5,745,000   | 10,257,500  |



**NILA  
INFRASTRUCTURES  
LIMITED**

CIN: L45201GJ1990PLC013417  
1st Floor, Sambhaav House, Opp. Chief Justice's Bungalow,  
Bodakdev, Ahmedabad 380015  
Tel: +91 79 4003 6817 / 2687 0258 | [www.nilainfra.com](http://www.nilainfra.com)

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**29. Lease: (In terms of Accounting Standard - 19)**

The Company has provided lease facilities under usually cancellable / renewable operating lease. The future minimum lease payment receivable in respect of these lease as at March 31, 2015 are:

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| Gross Carrying amount of Premises   | 229,470,801         | 193,666,692         |
| Accumulated Depreciation  | 19,220,195          | 16,302,159          |
| Depreciation for the year   | 4,942,408           | 3,279,570           |
| Future Minimum Lease payments under usually cancellable / renewable operating lease |                     |                     |
| • Not later than 1 year   | 16,592,375          | 15,267,568          |
| • Later than 1 year and not later than 5 years                                      | 37,603,086          | 40,827,621          |
| • Later than 5 years  | 5,052,558           | 7,939,734           |

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

(Amount in ₹)

| Particulars   | As at<br>31/03/2015 | As at<br>31/03/2014 |
|---|---------------------|---------------------|
| Basic Earnings Per Share                                  |                     |                     |
| Profit / (Loss) After Tax                                 | 119,685,754         | 118,095,888         |
| Weighted Average No. Of Equity Shares                     | 313,102,912         | 295,226,200         |
| Nominal Value of Shares                                   | 1                   | 1                   |
| Earnings Per Share (Basic)                                | 0.38                | 0.40                |
| Weighted Average No. of Equity Shares for diluted working | 318,465,926         | 295,226,200         |
| Earnings per share (Diluted)                              | 0.38                | 0.40                |

**31. Deferred Tax (Profit and Loss) : (In terms of Accounting Standard - 22):**

(Amount in ₹)

| Particulars  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
| <b>Deferred Tax Asset:</b>                             |                     |                     |
| On account of Timing Differences in                    |                     |                     |
| Gratuity   | 220,465             | 114,000             |
| Bonus  | 95,462              | (12,361)            |
| Leave Encashment                                       | 31,433              | 92,254              |
| Amalgamation Expenses                                  | (258,818)           | (339,843)           |
| <b>Total (A)</b>                                       | <b>88,542</b>       | <b>(1,45,950)</b>   |
| <b>Deferred Tax Liability :</b>                        |                     |                     |
| On account of Timing Differences in                    |                     |                     |
| Depreciation   | 2,354,014           | 64,308              |
| <b>Less: Charged against opening retained earnings</b> | <b>(319,001)</b>    | <b>NIL</b>          |
| <b>Total (B)</b>                                       | <b>2,035,013</b>    | <b>64,308</b>       |
| <b>Net Deferred Tax Asset / (Liability) (A + B)</b>    | <b>2,123,555</b>    | <b>(81,642)</b>     |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2015 together with interest paid or payable as required under said act, have not been given.
33. The information required as per Companies Act, 2013, regarding quantitative information is as follows.

**Value of Imported & Indigenous Raw Material Consumed** (Amount in ₹)

| Particular            | 2014-15            | 2013-14            |
|-----------------------|--------------------|--------------------|
| Imported              | NIL                | NIL                |
| Indigenous            | 325,644,910        | 315,655,672        |
| <b>Total</b>          | <b>325,644,910</b> | <b>315,655,672</b> |
| Imported              | NIL                | NIL                |
| Indigenously obtained | 100%               | 100%               |
| <b>Total</b>          | <b>100%</b>        | <b>100%</b>        |

34. **Additional information as required under Schedule III to the Act, of enterprises consolidated as subsidiary / associates / joint ventures** (Amount in ₹)

| Name of the entity                        | Net Assets                      |                |                      |                      | Share in profit or loss             |                |                    |                    |
|---|---------------------------------|----------------|----------------------|----------------------|-------------------------------------|----------------|--------------------|--------------------|
|   | As % of consolidated net assets |                | Amount               |                      | As % of consolidated profit or loss |                | Amount             |                    |
|   | 31/03/15                        | 31/03/14       | 31/03/15             | 31/03/14             | 31/03/15                            | 31/03/14       | 31/03/15           | 31/03/14           |
| <b>Parent</b>                             |                                 |                |                      |                      |                                     |                |                    |                    |
| Nila Infrastructures Ltd.                 | 100.54                          | 100.64         | 1,574,269,847        | 1,100,080,760        | 100.69%                             | 100.43%        | 120,508,674        | 118,607,183        |
| <b>Subsidiaries, JVs &amp; Associates</b> |                                 |                |                      |                      |                                     |                |                    |                    |
| Shree Matangi Projects LLP                | 0.00%                           | 0.00%          | -                    | -                    | (0.21%)                             | (0.03%)        | (250,729)          | 38,542             |
| Nilsan Realty LLP                         | (0.13%)                         | (0.29%)        | (2,107,520)          | (3,143,828)          | 0.09%                               | (0.42%)        | 1,036,309          | (490,484)          |
| Nila Projects LLP                         | (0.09%)                         | -              | (1,531,821)          | -                    | (1.32%)                             | -              | (1,582,253)        | -                  |
| Fangdi Land Developers LLP                | (0.00%)                         | (0.00%)        | (29,296)             | (20,315)             | (0.01%)                             | (0.03%)        | (17,609)           | (39,834)           |
| Mega City Cinemall Pvt. Ltd.              | (0.39%)                         | (0.34%)        | (5,330,124)          | (4,295,712)          | 0.00%                               | 0.00%          | -                  | -                  |
| Minority Interest in all subsidiaries     | 0.03%                           | 0.04%          | 502,253              | 460,459              | (0.00%)                             | (0.02%)        | (8,638)            | (19,519)           |
| <b>Total</b>                              | <b>100.00%</b>                  | <b>100.00%</b> | <b>1,565,773,339</b> | <b>1,093,081,364</b> | <b>100.00%</b>                      | <b>100.00%</b> | <b>119,685,754</b> | <b>118,095,888</b> |

35. Details of loans given, investments made covered u/s 186(4) of the Companies Act, 2013, and disclosures pursuant to clause 32 of the listing agreement

The details of loan given and investment made are given under the respective heads. The loans given are for the general business purpose of the borrower. Details of the disclosures pursuant to clause no. 32 of the listing agreement are given in Note 28.

36. There is no foreign transaction during the year under consideration.

37. The previous year's figures have been reworked, regrouped and reclassified wherever necessary.

Signatures to Notes 1 to 37 forming part of Accounts:

**For, O. P. Bhandari & Co.**

Chartered Accountants  
Firm Registration Number : 112633W

**O. P. Bhandari**  
Partner  
Membership No. : 34409

Place : Ahmedabad  
Date : May 25, 2015

**For and on behalf of the Board of Directors of Nila Infrastructures Ltd.**

**Manoj B. Vadodaria**  
Managing Director  
DIN : 00092053

**Prashant H. Sarkhedi**  
Chief Finance Officer

**Kiran B. Vadodaria**  
Joint Managing Director  
DIN : 00092067

**Dipen Y. Parikh**  
Company Secretary

## COMPANY DETAILS

### Board Of Directors

Mr. Manoj B. Vadodaria  
Mr. Kiran B. Vadodaria  
Mr. Hiren G. Pandit  
Mr. Dilip D. Patel  
Mr. Shyamal S. Joshi  
Mr. Ashok R. Bhandari  
Mr. Harcharansingh P. Jamdar  
Ms. Foram B. Mehta

Chairman & Managing Director  
Joint Managing Director  
Director  
Director  
Director  
Director  
Director  
Director

### Chief Finance Officer

Mr. Prashant H. Sarkhedi

### Company Secretary

Mr. Dipen Y. Parikh

### Bankers

Axis Bank Limited  
Central Bank of India  
DCB Bank Limited  
Dena Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
State Bank of India  
YES Bank Ltd.

### Financial Institutions

Fedbank Financial Services Ltd.  
Gruh Finance Ltd.  
IFCI Ltd.  
Religare Finvest Ltd.  
SIDBI  
Tata Capital Financial Services Ltd.

### Auditors

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

### Secretarial Auditor

R.S. Sharma & Associates  
Practicing Company Secretary, Ahmedabad

### Registered Office

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

### Corporate Identification Number

L45201GJ1990PLC013417

### Registrar & Share Transfer Agent

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



**NILA INFRASTRUCTURES LTD.**

(CIN: L45201GJ1990PLC013417)

**Registered Office :** First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad-380015. Tel. : +91 79 40036817 / 18, Fax : +91 79 3012 6371

E-mail : secretarial@nilainfra.com | www.nilainfra.com

PROXY

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Form No MGT – 11

|                     |                           |
|---------------------|---------------------------|
| Name of Member:     |                           |
| Registered Address: |                           |
| Email Id:           | Folio No/DP ID/Client ID: |

I/We, being the member(s) of the Company, hereby appoint

1. Name: \_\_\_\_\_ Email Id \_\_\_\_\_  
 Address: \_\_\_\_\_ Signature: \_\_\_\_\_ **or failing him**
2. Name: \_\_\_\_\_ Email Id \_\_\_\_\_  
 Address: \_\_\_\_\_ Signature: \_\_\_\_\_ **or failing him**
3. Name: \_\_\_\_\_ Email Id \_\_\_\_\_  
 Address: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> AGM of the Company, to be held on Friday, August 28, 2015 at 10:00 am at 1st Floor, Sambhaav House, Opp. Chief Justices' Bungalow, Bodakdev, Ahmedabad - 380015 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No:

**Ordinary Business:**

**(1)** Adoption of Annual Accounts as on March 31, 2015 (Ordinary Resolution). **(2)** Reappointment of Mr. Dilip D. Patel who retires by rotation (Ordinary Resolution). **(3)** To declare dividend on equity shares (Ordinary Resolution). **(4)** Appointment of M/s O P Bhandari & Co., Chartered Accountants, Ahmedabad as auditors of the Company and fixing their remuneration (Ordinary Resolution).

**Special Business:**

**(5)** Appointment of Ms. Foram B. Mehta as an Independent Director (Ordinary Resolution) **(6)** Ratification of remuneration of the cost auditor (Special Resolution)

Signed this..... day of.....2015

Signature of Shareholder.....

Signature of first Proxy holder.....

Affix a Revenue Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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

**ATTENDANCE SLIP**



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I hereby record of my presence at the **25<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on **Friday August 28, 2015 at 10:00 a.m.** at the Registered office of the Company at 1<sup>st</sup> Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380015.

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.