FASTER

FITTER

LIGHTER

NILA INFRASTRUCTURES LIMITED

28TH ANNUAL REPORT 2017 - 2018

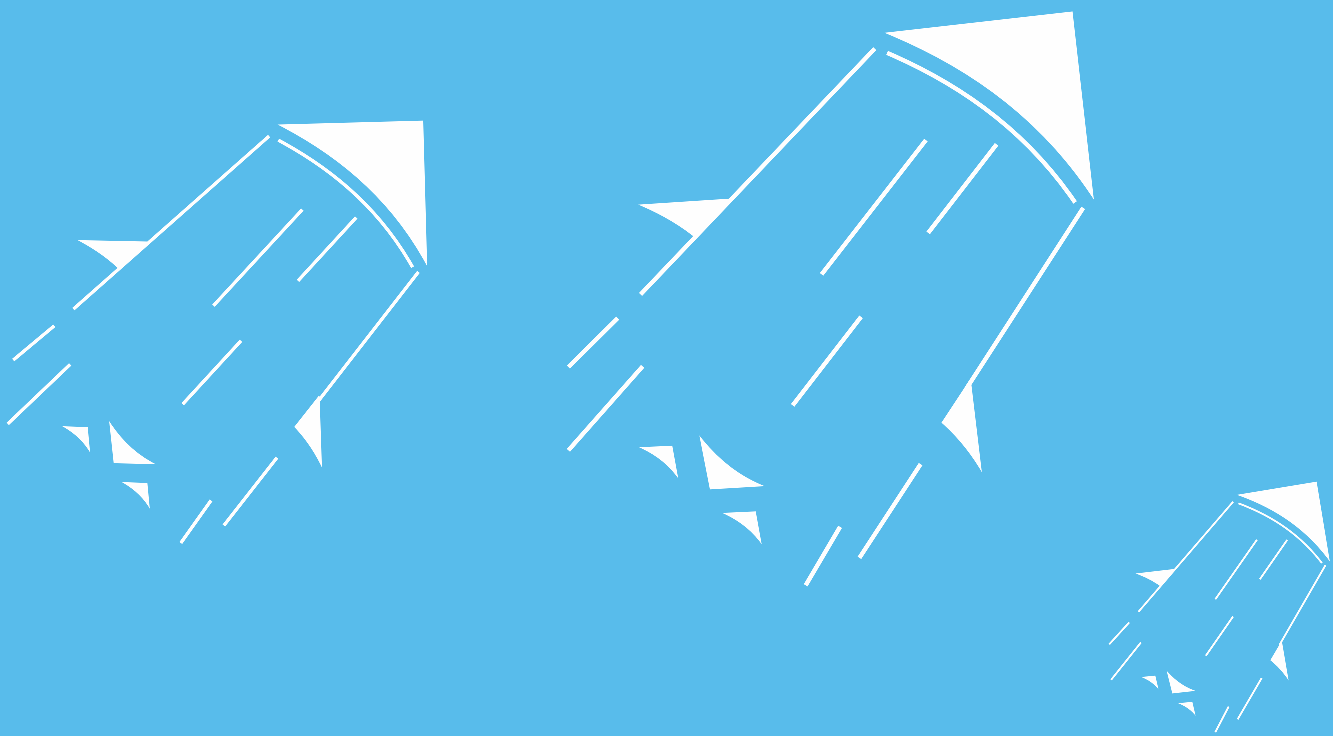
SOMETIMES THE BEST WAY TO GO IS TO LET GO

Sometimes being good isn't good enough;
especially when there is a shot at being great.
The inside pages feature a story of how we took that chance by hiving off our realty business into a separate company – NILA Spaces Limited, while the infrastructure business continued to be with NILA Infrastructures Limited.

Why? So that our stakeholders get a better deal – a company that can

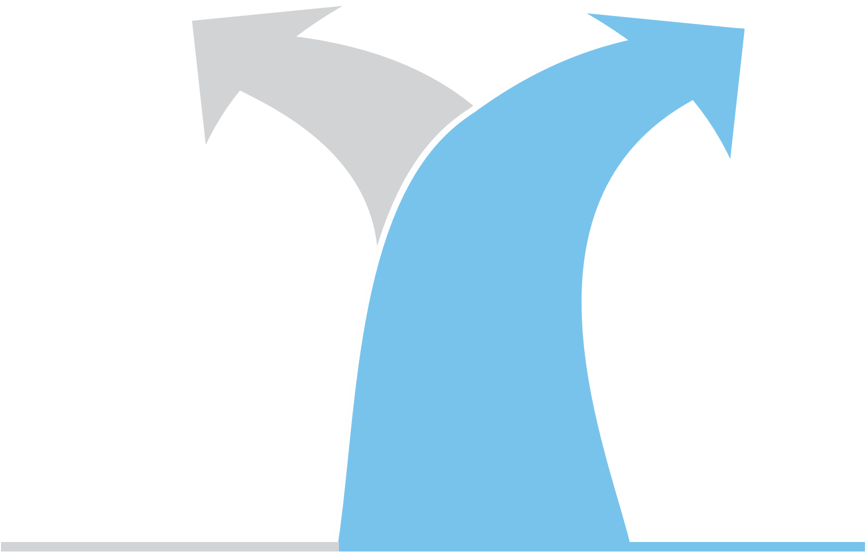
GO **LIGHTER** › GET **FITTER** › GROW **FASTER**

So that together we can zoom higher.
Leaf through to see how sometimes the best way to go is to let go.



THE BIG STORY THIS YEAR

Earlier NILA Infrastructures Limited followed a mixed business model of cultivating both infrastructure and real estate businesses. In a depressed real estate scenario, infrastructure made more business sense because it promised stable and sure returns. For instance, in the financial year 2016-17 (F.Y. 2017), it constituted an overwhelming 86% of NILA Infra's total revenue. But, the status quo was about to be altered. Recent government policy interventions, directed at both the infrastructure and real estate sectors, are heralding far-reaching changes and strong growth in both. This means a flood of new opportunities for a company that already has in-depth exposure to the two business segments. How to capitalize on both without losing focus on either? The only way forward was to adopt a specialist stance for each sector. For NILA Infra, demerger of its real estate business was the logical choice. That way, NILA Infra could focus, specialize and grab emerging opportunities in infrastructure, while the resultant company, NILA Spaces Limited, could devote its full attention and take advantage of the new trends in real estate.



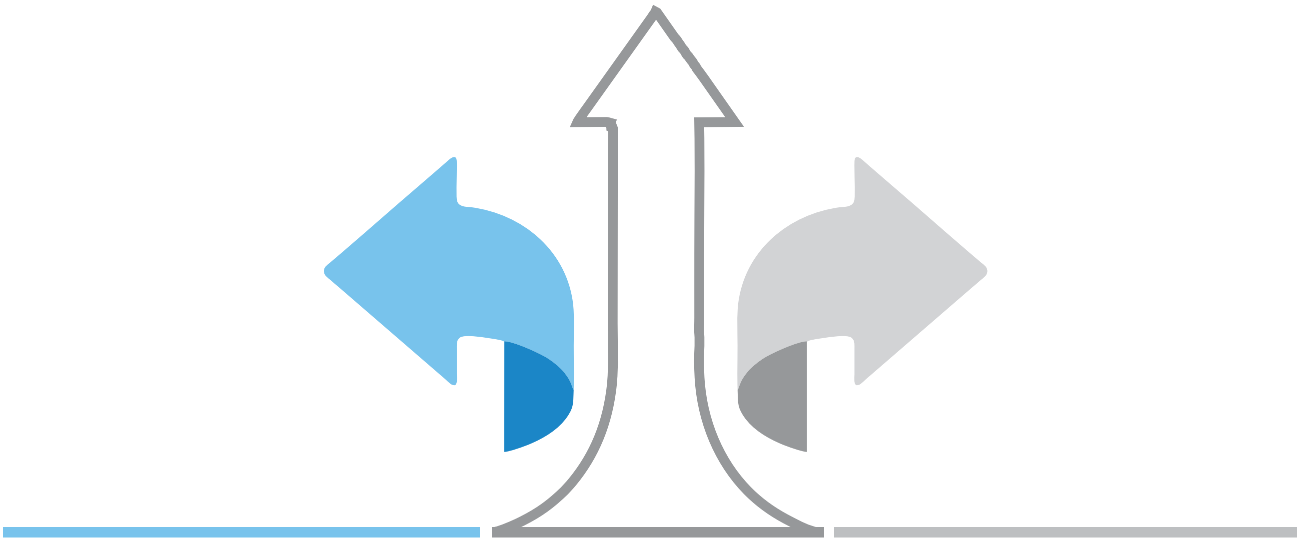
BREATHING SPACE FOR BOTH BUSINESSES

INFRASTRUCTURE

- PMAY (Pradhan Mantri Awas Yojana), an ambitious government scheme aims to fulfil its 'Housing for all by 2022' goal by building 5 crore low-cost housing units by 2022 through public-private partnership
- Granting of infrastructure status for Affordable Housing, lower cost credit for longer tenures for developers, lower GST for low-cost housing, larger budgetary allocation for PMAY are among a host of multi-pronged measures undertaken by the government since the year 2016
- An Urban Development strategy for the next 20 years seeks to develop rural and urban areas, housing for all urban poor in the country, among other objectives
- Goal to transform existing areas (retrofit and redevelop), including slums, into better planned human settlements, thereby, improving livability of whole cities
- 500 AMRUT CITIES and 99 SMART CITIES identified to pursue five year comprehensive action plans for infrastructure development as against ad hoc approval of projects in the past

REAL ESTATE

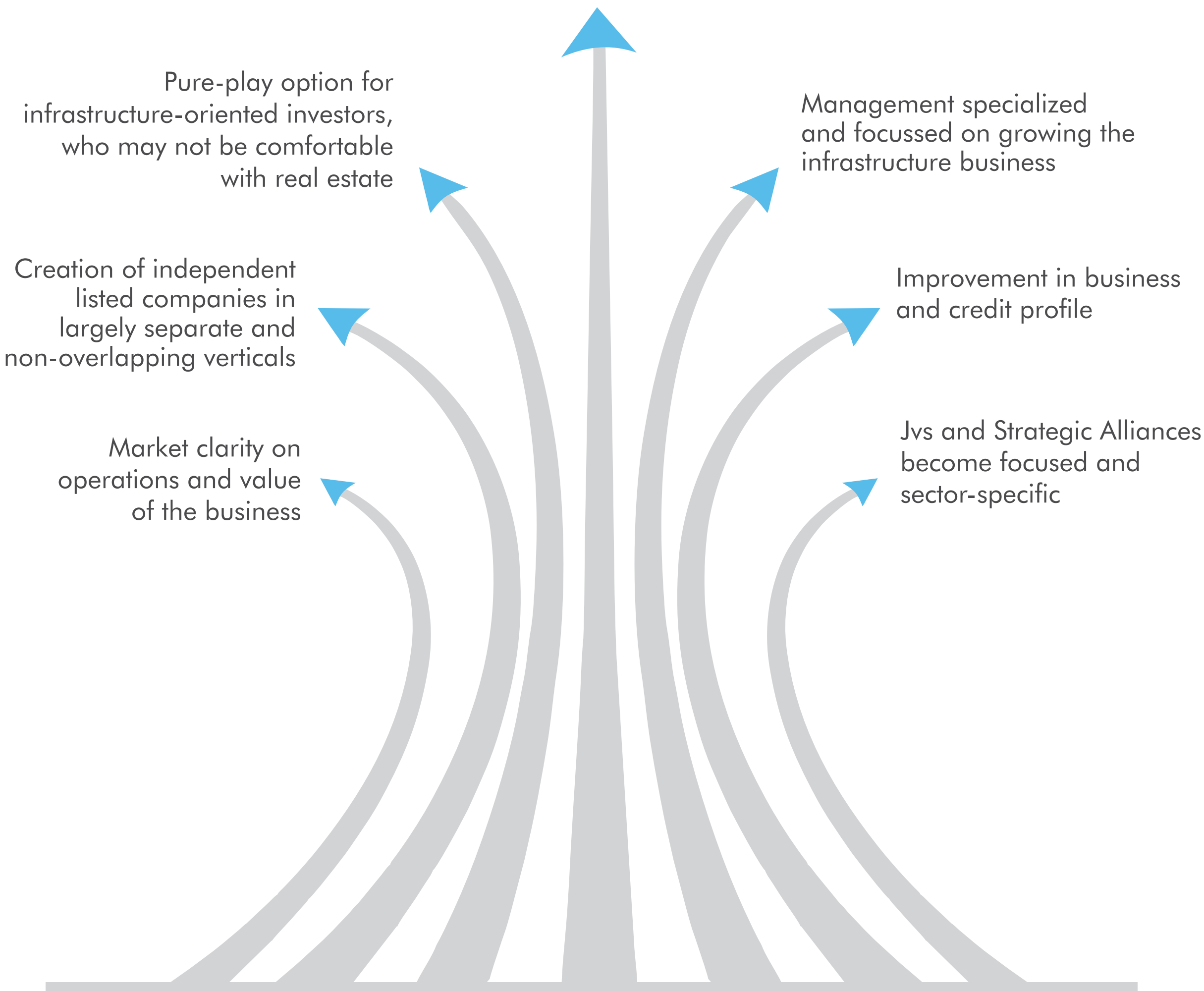
- The PMAY scheme is currently able to meet housing demand of only 30 lakh out of a total of 1 crore per annum; potential of 70 lakh per annum housing opportunity for the private sector
- Real Estate (Regulation & Development) Act, enacted to serve the objectives of transparency, accountability and efficiency, is good for organized players as well as the home buyers
- REIT (Real Estate Investment Trust) seeks to provide avenues for fund raising and alternate investments in the sector
- GST (Goods & Services Tax) aims to streamline the indirect tax structure; net tax rate on real estate post – GST has been rationalized to 8% now
- Other government measures like Direct Subsidy for social housing, extension of Interest Subsidy to mid-income groups, Tax Incentives for building affordable housing, faster issue of Construction Permits, etc., are spurring the supply side
- On the demand side are positive factors like stable property prices for more than 4 years, annual increase in per capita income of about 9%, around 15% lower mortgage payments due to declining interest rates, etc.



HIGH-RISE GROWTH IN BOTH SECTORS

Entities and business Post-demerger	Demerged Company	Resultant Company
Name of the Company	Nila Infrastructures Limited	Nila Spaces Limited
Business	Infrastructure construction and development	Development of buildings for sale

DEMERGER: THE FRUITS



Mark our presence as a leading infrastructure player across various geographies.

Perform with a high level of integrity and harness credibility.

Contribute to the economic prosperity and growth through participation in projects of national importance.

Raise our own benchmarks with every successive endeavor.

Passion for ideas and innovations

Reliability of processes and practices

Dedication to goals and targets

Strive relentlessly to provide world-class infrastructure development and contribute towards economic growth by delivering international standards of lifestyle.

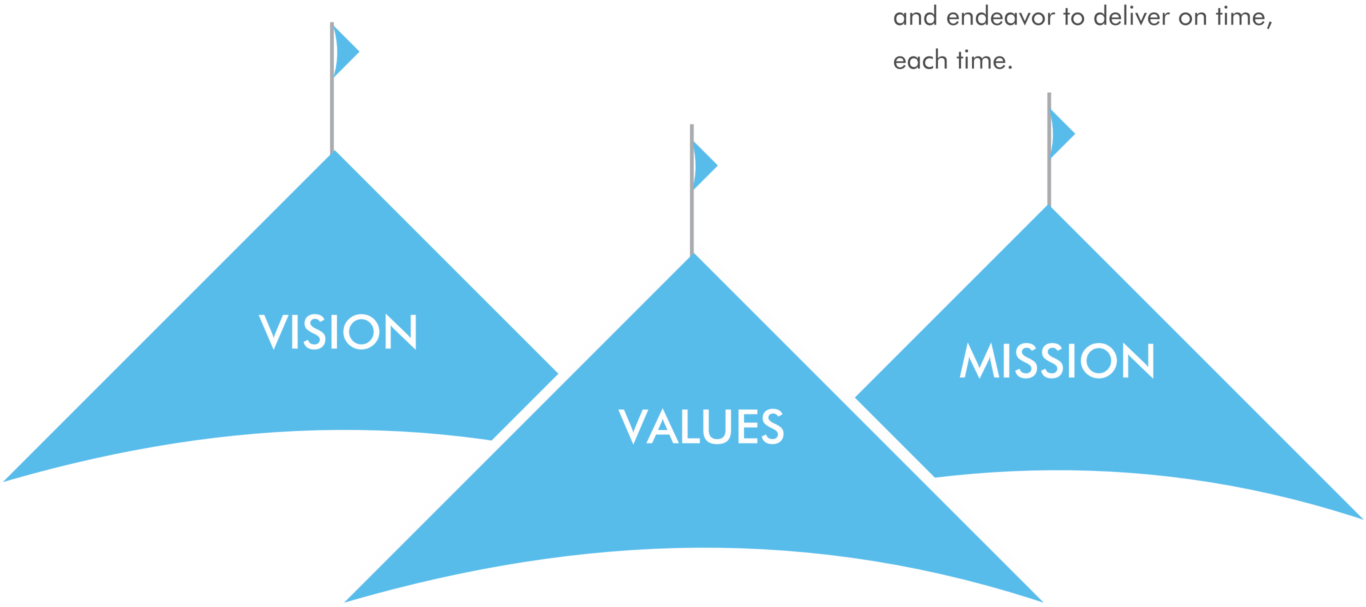
Provide 'housing-for-all' by participating in affordable housing projects thus contributing to national and social causes.

Execute urban development and infrastructure projects beneficial to the society at large.

Innovate and provide intelligent infrastructure solutions in a manner which is sustainable.

Engage in challenging projects, adhere to required standards and see them through completion with high levels of integrity and dedication.

Achieve transparency in every deal and endeavor to deliver on time, each time.



READY TO TAKE OFF

Since the demerger of its real estate business, NILA Infrastructures Limited has become a pure-play infrastructure company with a strong base, business diversity, category leadership and market credibility.

Now, it is ready to take off to greater heights.

STRONG BASE

- 28+ years as one of Gujarat's most respected business groups
- Approved Contractor in "Special Category – I Buildings Class" and "AA Class" with Government of Gujarat, Roads and Building Department

BUSINESS DIVERSITY

- Affordable Housing & Slum Redevelopment
- Civic Urban Infrastructure – BRTS Stations, Multilevel Parking, Medical College, Bus Port, Office Complex, Community Hall, among others
- Leasing
- Industrial Infrastructure
- White Label development

CATEGORY LEADERSHIP

- Deployment of Integrated ERP platform
- Deployment of HR Framework that catalyzes and rewards high-performance

MARKET CREDIBILITY

- BBB+ / A2 (Credit watch with developing implications): CARE Ratings
- BBB+ Stable Outlook / A2: Brickwork Ratings
- Debt Equity Ratio: less than 1
- Promoter Share Pledge: Nil
- 8 years of Uninterrupted Dividend Payment + 9th year proposed
- Responsible Corporate Governance

41%
PAT GROWTH

8%
REVENUE GROWTH

WE ARE ONLY AS GOOD AS THE RISKS WE TAKE

Dear Reader,

As usual, I would like to start off with an anecdote. Much before his company became a $100 Billion e-commerce giant, this business leader (whom I will name later) had a highly lucrative job as Senior Vice President in a hedge fund company. One day, he went to his boss to discuss a new start-up idea. The mentor-boss thought it was a highly risky proposition, more so because his junior had a brilliant finance career to look forward to. Of course, it made sense. So, at first, this person struggled between letting go off a stable job and venturing into the unknown. What made his decision easy? He calls it his 'regret minimization framework.' He imagined himself as an 80-year old man looking back on his life choices. In his own words, "I knew that when I was 80, I was not going to regret having tried this…I knew that if I failed I wouldn't regret that. I knew the one thing I might regret is not ever having tried. And I knew that would haunt me every day." Could you guess who this business legend was? Well, it was Jeff Bezos of Amazon, the world's largest online retailer in terms of revenue and market capitalization.

When we were deciding on whether to go ahead with the demerger of the real estate business from NILA Infrastructures, 'regret minimization' was the dominant sentiment. The other aspect of this decision comes from numerous studies carried out to understand the entrepreneur mind-set. Such studies attempted to find out if entrepreneurs displayed a greater risk-taking tendency. The conclusion was striking – entrepreneurs exhibited risk-taking behaviour no different from the general population. However, there was a critical distinction. Entrepreneurs were much more confident than others about their own ability to tackle the risks. They also had a brighter outlook on their business.

Besides not having to regret doing things, we also had confidence in ourselves, our people, stakeholders and associates. That brings me to an important question. If he had not taken that leap of faith and confidence, would he have been called the 'great' Jeff Bezos? Isn't all the praise, appreciation and adulation coming his way now a result of the risks he took? So, aren't we all as good as the risks we take?

While risk-taking is part and parcel of being an entrepreneur looking at bigger opportunities to grow, it can never be a gamble, an unplanned risk. We did not go into the demerger with our eyes closed. We knew it had benefits like clearer demarcation of business boundaries, becoming a pure-play infrastructure company, management and investors specialised in infrastructure, removal of market confusion about our business model, better credit profile and ultimately why we did it – unlocking greater value for our stakeholders and investors.

We are quite sure this move will bear fruits down the line, both for the demerged company, NILA Infrastructures Ltd. and the resultant company, NILA Spaces Ltd. Results in the year F.Y. 2018 are already encouraging. Although turnover growth has slowed down a bit, profit has shown a good jump. Our order book size has seen substantial expansion of one and a half times every year for the last five years, indicating a turnover upswing and its sustainability in the future. We are quite optimistic about the future; we see ourselves riding the economic tailwinds of proactive government measures like 'Housing for all by 2022' and 'Smart Cities.'

All this talk about risk and demerger would have been just thin air were it not for the support and belief of our stakeholders, investors, people, associates and well-wishers. We thank all of you from the bottom of our hearts for standing solidly behind us at this turning point in our history.

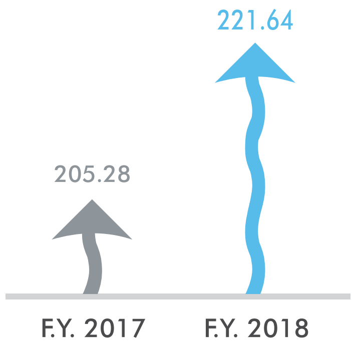
Today, we assure you one thing. We will give our everything to justify your faith in us and our decision. We will rise to the occasion and deliver. So that you can look back at this moment in time some years from now and say we were as good as our word; we were as good as the risk we took.

MANOJ VADODARIA

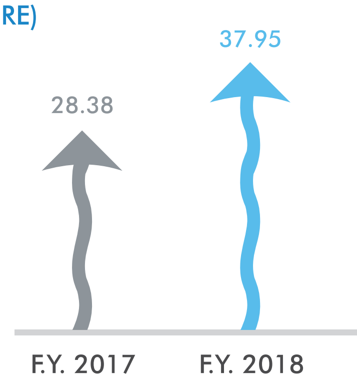
CMD – NILA Infrastructures Limited

FINANCIAL SPOTLIGHT

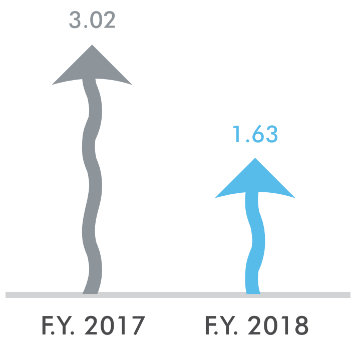
TURNOVER (₹ CRORE)



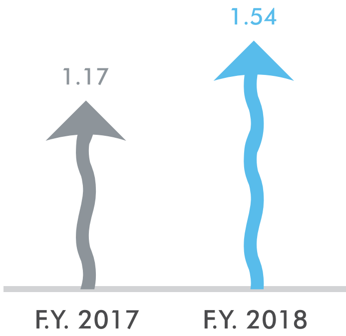
EBITDA (₹ CRORE)



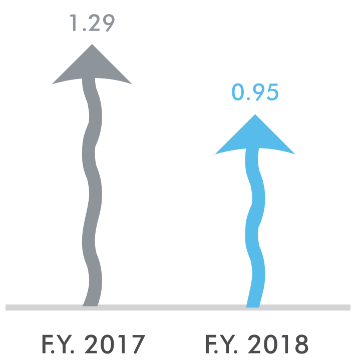
TOL / NET WORTH RATIO



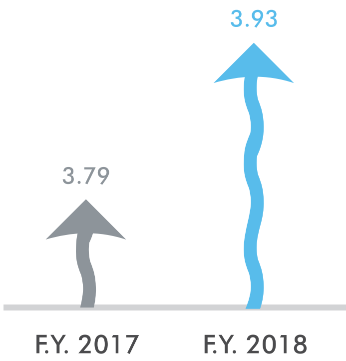
CURRENT RATO



DEBT EQUITY RATIO

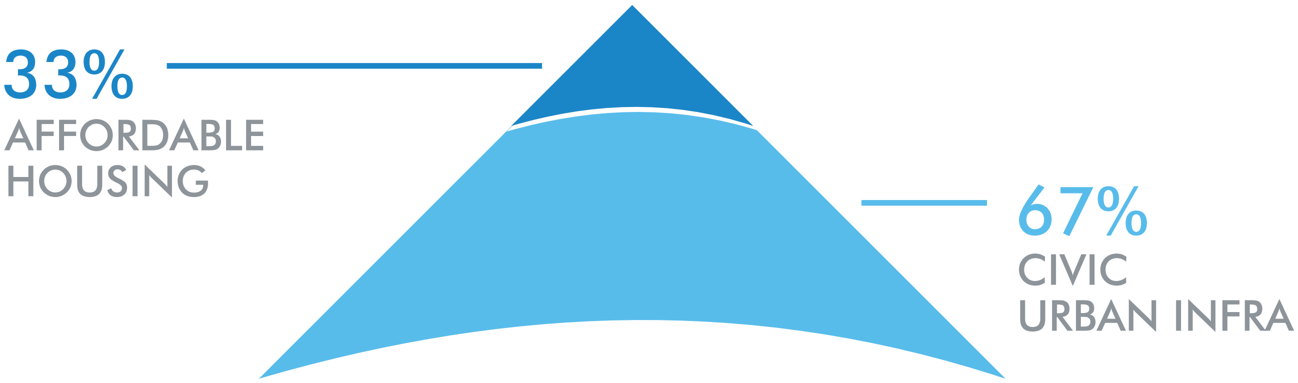


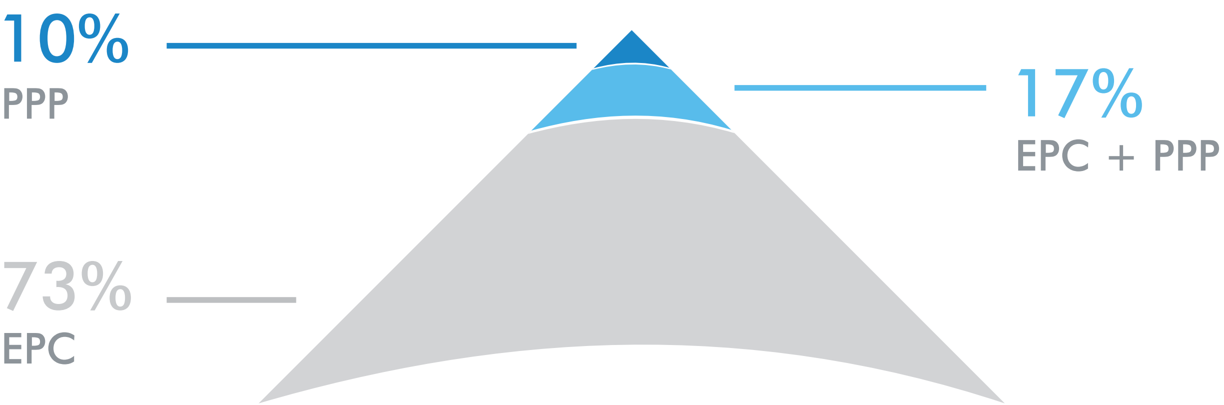
INTEREST COVERAGE RATIO



REVENUE BREAK-UP

F.Y. 2018





OUR AFFORDABLE HOUSING BUSINESS

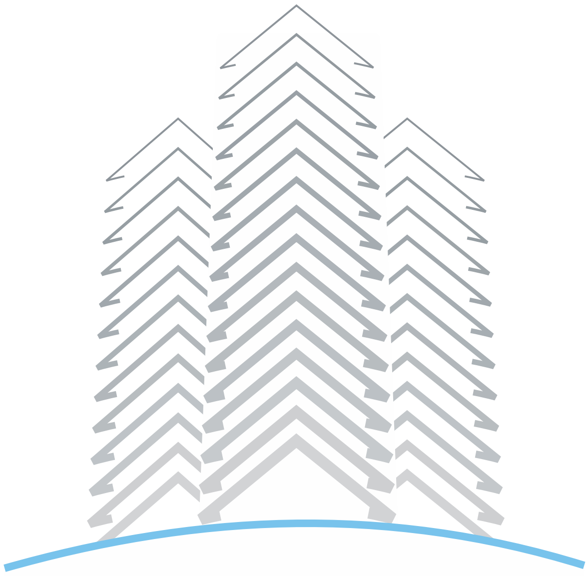
OPPORTUNITY WITHOUT CEILING

HOUSING SHORTFALL	OPPORTUNITY
180 LAKH TODAY	₹ 4,50,000 CRORE TODAY
250 LAKH BY 2022	₹ 6,25,000 CRORE BY 2022

AVERAGE HOME PRICE
₹ 25 LAKH

₹ 15,000 CRORE → ₹ 23,000 CRORE
PRADHAN MANTRI AWAS YOJANA (PMAY) BUDGET ALLOCATION RAISED

12% → 8%
GST LOWERED FOR AFFORDABLE AND LOW-COST HOUSING



BUILDING GROWTH

4,823 UNITS | **21** LAKH SQ FT | CONSTRUCTION COMPLETED

8,800 UNITS | **37** LAKH SQ FT | UNDER CONSTRUCTION

6,268 UNITS | **26** LAKH SQ FT
RAJASTHAN

2,532 UNITS | **11** LAKH SQ FT
GUJARAT

2,532 UNITS | SLUM REDEVELOPMENT FOR BENEFICIARIES IN AHMEDABAD

BUILDING SUSTAINABILITY

ORDER BOOK

₹ 517.8 CRORE

AT 31 MARCH, 2018

52% CAGR

GROWTH IN THE LAST 5 YEARS

ORDER BOOK BREAK-UP (AT 31 MARCH, 2018)

71% AFFORDABLE HOUSING

29% URBAN INFRA

59% GUJARAT

41% RAJASTHAN

49% GOVERNMENT

51% WHITE LABEL

BUILDING AFFORDABILITY

630 UNITS	SLUM REDEVELOPMENT PROJECT FOR AHMEDABAD MUNICIPAL CORPORATION (AMC) AT GIRDHARNAGAR, SHAHIBAUG COMPLETED
196 UNITS	SLUM REDEVELOPMENT PROJECT FOR AHMEDABAD MUNICIPAL CORPORATION (AMC) AT KAILASHNAGAR, SABARMATI COMMENCED
360 UNITS	SLUM REDEVELOPMENT PROJECT FOR AHMEDABAD MUNICIPAL CORPORATION (AMC) AT CHHANAJI NA CHAPPRA AND KHODIYARNAGAR, ASARVA SLUM COMMENCED
1,540 UNITS	SLUM REDEVELOPMENT TURNKEY PROJECT FOR VIVYAN INFRA PROJECTS LLP COMMENCING SOON
552 UNITS	SLUM REDEVELOPMENT TURNKEY PROJECT FOR VYAPTI INFRABUILD PVT LTD COMMENCING SOON
1,056 UNITS	EWS (ECONOMICALLY WEAKER SECTION) PROJECT FOR AHMEDABAD MUNICIPAL CORPORATION (AMC) AT VASTRAL COMPLETED
840 UNITS	EWS (ECONOMICALLY WEAKER SECTION) PROJECT FOR AHMEDABAD MUNICIPAL CORPORATION (AMC) AT FOUR LOCATIONS IN AHMEDABAD COMPLETED
1,072 UNITS	EWS (ECONOMICALLY WEAKER SECTION), LIG (LOW INCOME GROUP) & MIG (MIDDLE INCOME GROUP) PROJECT FOR RUDSICO – JODHPUR ON SCHEDULE TO BE COMPLETED
1,152 UNITS	EWS (ECONOMICALLY WEAKER SECTION) & LIG (LOW INCOME GROUP) PROJECT FOR URBAN IMPROVEMENT TRUST (UIT) - UDAIPUR ON SCHEDULE TO BE COMPLETED
892 UNITS	EWS (ECONOMICALLY WEAKER SECTION) & LIG (LOW INCOME GROUP) PROJECT FOR URBAN IMPROVEMENT TRUST (UIT) - BHILWARA ON SCHEDULE TO BE COMPLETED
3,152 UNITS	EWS (ECONOMICALLY WEAKER SECTION) & LIG (LOW INCOME GROUP) PROJECT FOR JODHPUR DEVELOPMENT AUTHORITY - JODHPUR COMMENCING SOON

OUR URBAN INFRASTRUCTURE BUSINESS

DEVELOPMENT COMPLETED

MULTILEVEL PARKING

390 FOUR WHEELERS
719 TWO WHEELERS
3,28,000 SQ FT

FOR AHMEDABAD MUNICIPAL CORPORATION

BRTS BUS STATIONS

104 OUT OF TOTAL 144

72%

₹ 63 CRORE

WORK ORDER FROM AHMEDABAD MUNICIPAL CORPORATION

DECORATIVE BUS SHELTERS

820

FOR AHMEDABAD MUNICIPAL CORPORATION AND RAJKOT MUNICIPAL CORPORATION

COMMERCIAL BUILDING

FOR BHARAT BENZ
(A MERCEDES BENZ GROUP COMPANY)

TEXTILE PARK

56 ACRES
120 INDUSTRIAL SHEDS

FOR RJD TEXTILE PARK, SURAT

UNDER DEVELOPMENT

BUS PORT

5,00,000 SQ FT

BUS TERMINAL + COMMERCIAL FACILITIES
AT AMRELI AND MODASA

MEDICAL COLLEGE CAMPUS & RESIDENCES

3,00,000 SQ. FT. BUILT-UP
19.38 ACRES LAND
100 MBBS SEATS PER ANNUM

FOR EPIL AT
BARMER, RAJASTHAN

PMC OFFICE BUILDING

GF+13 FLOORS + 2 BASEMENTS
3,00,000 SQ. FT.

FOR ADANI PORT & SEZ

BUSINESS PARK

9 TOWERS
4,00,000 SQ FT

FOR ADANI GROUP'S SHANTIGRAM ESTATE
MANAGEMENT PVT. LTD.

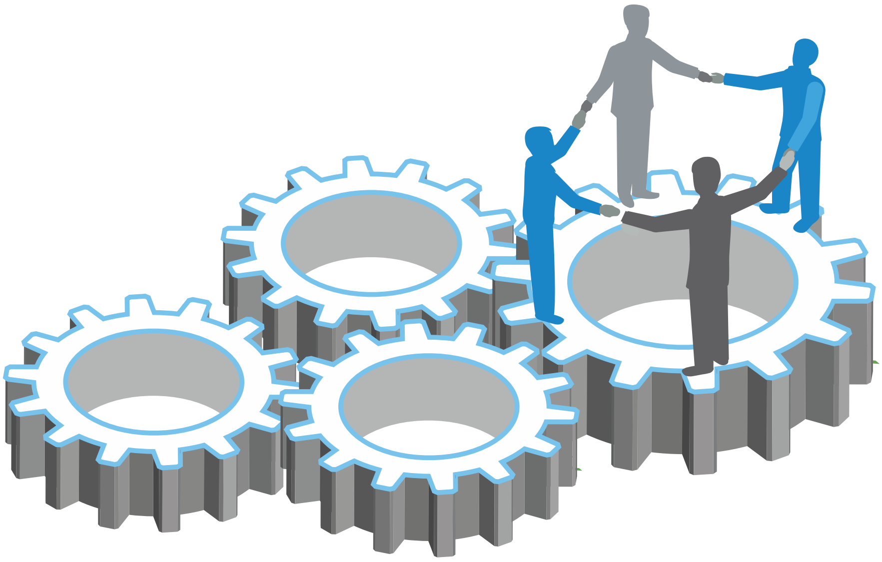
COMMUNITY HALL

6,000 SQ FT

FOR AHMEDABAD MUNICIPAL CORPORATION
AT NARANPURA

OUR INDUSTRIAL INFRASTRUCTURE BUSINESS

GEARED FOR GROWTH



OUR INDUSTRIAL PARKS ARE STRATEGICALLY LOCATED AT GUJARAT

- One of India's most prosperous states with robust pro-industry infrastructure like major all-weather ports (Kandla & Mundra) providing global market access
- Well-established auto clusters at Halol, Sanand and Rajkot
- Upcoming clusters at Becharaji, Mandal, Dholera, Halol-Savli SIR and Anjar
- Becharaji in Gujarat, where our industrial parks are situated, is slated to become one of India's major auto hubs
- Proximity to the plants of MNC auto majors like Suzuki and Honda Motorcycles, which are spurring the setting up of production facilities by auto-components / OEM / ancillary manufacturers supplying to their principals

As part of our joint venture with the Kataria Group of Ahmedabad, we have already delivered a dormitory and a couple of logistics warehouses. We are truly geared for growth with an anticipated spurt happening in the development of new industrial units and the subsequent need for support facilities like worker residences, warehouses, commercial buildings, etc.

	Romanovia Industrial Park Pvt Ltd	Kent Residential and Industrial Park LLP
Connectivity	• Around 60 - 65 kms. from the WDFC • Within the DMIC influence region • About 60-65 kms. from GIFT city, Gandhinagar	

		Romanovia Industrial Park Pvt Ltd		Kent Residential and Industrial Park LLP	
Proximity to Anchor industries	Suzuki four - wheeler plant	2.5 kms.		2.1 kms.	
	Honda two - wheeler plant	20.0 kms.		14.0 kms.	
Infrastructure provided		Internal roads, water distribution network, sewerage network, drainage treatment, effluent treatment, power distribution network, communication network, etc.			
Acquisition progress (land in acres)	Sale Deed executed	146	87.4%	12	5.0%
	Agreement for Sale	21	12.6%	160	66.7%
	Confirmation by Advance	0	0.0%	68	28.3%
	Total	**167**	**100%**	**240**	**100%**
Clients / Projects					
Completed projects: Built-to-suit on long-term lease basis		• TVS Logistics Services Ltd - 60,350 sq ft bua warehouse • Nittsu Logistics (India) Pvt Ltd - 53,800 sq ft bua warehouse		• Suzuki Motors Gujarat Pvt Ltd - 30,364 sq ft bua dormitory for 540 employees	
Outright sale		• Vansh Auto Logistic LLP - 113,329 sq mtrs • Kamal CED Solutions LLP - 12,753 sq mtrs			
Ongoing projects: Built-to-suit on long-term lease basis		• Warehouses for reputed corporates including MNCs up to 2,38,000 sq ft		• Three separate dormitories for a total of ~1,600 employees of a reputed anchor industry • Commercial center	

GROWING TOGETHER IS NOT AN OPTION

THE CSR IMPERATIVE

Former Executive Director of United Nations Environment Programme (UNEP), Dr. Klaus Topfer says, 'Sustainable Development is the peace policy of the future.' This is a very pragmatic view of the actual state of affairs in the world today. Irreversible damages caused to the environment and communities over centuries of exploitation by man has left the planet's inhabitants at a tipping point. Social, economic and political stress is building up to a breaking point in all interest groups that feel they have been denied the fruits of development. Therefore, sustainable development is no more a choice; it is an imperative and a responsibility that none of us, individuals, organisations and governments around the world, can ignore anymore.

Sustainable Development Goals (SDGs) as given by the United Nations Development Programme (UNDP) are a universal call to action to end poverty, protect the planet, ensure good health, nutrition and education for all, so that everyone gets to enjoy peace and prosperity. NILA Infra's Corporate Social Responsibility (CSR) policies are in absolute sync with SDGs. Our belief is that sustainable growth, equality and empowerment can be achieved by working at grass-roots level and sensitizing key stakeholders, who share the same passion for sustainable development. Towards this end, we are determined to leverage the 'Power of Collaboration.'

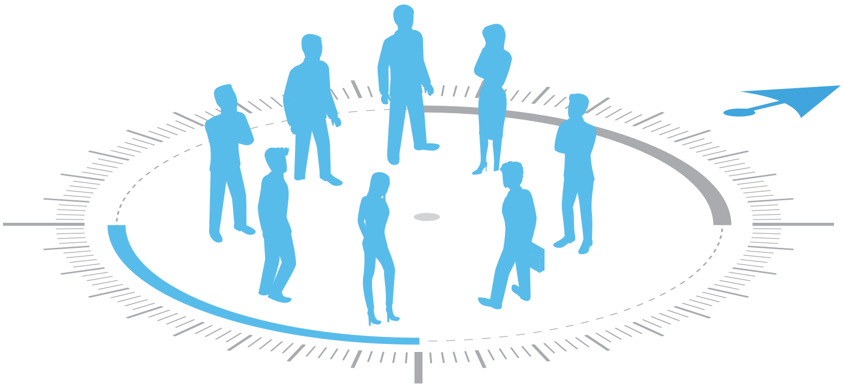
FOCUS AREAS

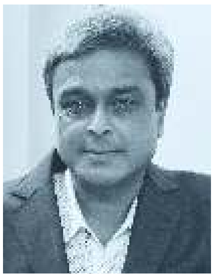
1. Cleanliness, Sanitation and Environment Protection
2. Education and Empowerment
3. Food and Zero Hunger
4. Preventive Healthcare

MAJOR ACTIVITIES

1. Awareness about Cleanliness & Sanitation - Ward wise Mayor's Swachchhta Round in collaboration with Ahmedabad Municipal Corporation
2. Environment Protection - Earth Day celebration by Cleanliness and Plantation drive in collaboration with Rotary Clubs and Novotel Hotel Group
3. Creating Awareness about Health and Sanitation, Sustainable Development in cities, and Upliftment of the poor -
   a. National CSR Conference and Award at Bangalore
   b. Awareness about Cleanliness at CII – My Waste My Responsibility
   c. Awareness about SDGs at Annual Sustainability Conclave
   d. Awareness campaigns at various Academic Institutes - St. Kabir School, HB Kapadia School, Divyapath School, Adani Institute of Infrastructures Management
4. Supporting the Girl Child – Education and nutritional food Programme for the girl child in collaboration with Ambica Trust
5. Supporting alternate therapies of medication at Men-Tsee-Khang
6. Development of Anganwadi for slum children

THE BOARD





Mr. Manoj Vadodaria is son of the well-known journalist, editor and founder of the Sambhaav Group, Shri Bhupatbhai Vadodaria. Mr. Manoj Vadodaria is a self-made businessman with an immense entrepreneurial passion. In his entrepreneurial journey of about four decades, he has always found a way amidst the paucity of resources and market challenges. He has pinnacle knowledge, in-depth insight and thorough understanding of the dynamics of the industry. He is a visionary of future trends, and a creator of opportunities. He has efficiently transformed Nila from a city-based realtor to a meaningful civic urban infrastructure player. He is a firm believer in the best management practice, transparent governance, and long-term value investments.

Manoj B. Vadodaria
Chairman & Managing Director

Mr. Kiran B Vadodaria is CMD of Sambhaav Media Limited (SML), a BSE/NSE Listed corporate entity. SML has a track record of value based, objective, balanced journalism acting as a reference post in Gujarati print and electronic media. He has steered through SML journey of more than 30 years. He was elected as President of Indian Newspaper Society (INS), the reputed, prominent and influential media association for 2014-15. Currently, he is INS Executive Committee Member. He has also held post of President of Gujarat Daily Newspaper Association (GDNA). He was a Member of National Integration Council of Government of India and has served on the Board of the United Bank of India as an Independent director during 2011-2014. He has demonstrated his experience and insight based judgment at several issues and matters of national and societal interest. He possesses powerful entrepreneurial abilities reflected in his decisions of expansion, acquisition, diversification of media activities.

Mr. Kiran Vadodaria is well respected in societal circles and recognized as a balanced personality in media, political and social spheres. He earned his BE (Mech) from the reputed LD College of Engineering, Ahmedabad and has served as President of the College Alumni Association. He has widely travelled in India and overseas.

Kiran B. Vadodaria
Joint Managing Director

Mr. Patel possesses a wealth of management teaching and consulting experience spread over more than 30 years. He is a founding faculty member at the prestigious SP Jain Institute of Management & Research, Mumbai which is considered as one of the top 10 management institutes in India. With rich experience in consulting, mentoring and training at companies in India and overseas, Mr. Patel has specially engaged with family managed businesses. Mr. Patel is widely travelled in India and abroad for work and pleasure.

Dilip D. Patel
Director

Mr. Joshi possesses more than 43 years of senior level financial management experience in manufacturing and trading corporations with US$ 7 billion in revenues having worldwide operations. Further, he has an expansive experience in financial planning, funding, taxation and accounting and has served numerous renowned companies. He is recognized for his expertise in Corporate Funding, Restructuring, Merger, Acquisition, Local and International Financing, Private Equity and others. Mr. Joshi is a fellow member of the Institution of Chartered Accountant.

Shyamal S. Joshi
Director

Mr H P Jamdar is a renowned Highway Engineer and Administrator. He headed the Roads & Building Department of Gujarat as Principal Secretary to Govt. He was also the Chairman of various Govt. Boards and Corporations, including the Gujarat Maritime Board, and played a leading role in modernization of the Roads and Ports Sectors. He is the Past President of the Indian Roads Congress (IRC) and was instrumental in introducing Private Sector Participation in the Highways Sector in India. The first two State Highway Projects with Private Sector participation in India, viz. Ahmedabad-Mehsana Toll Roads Ltd. as well as Vadodara-Halol Toll Roads Ltd. were pioneered in his stewardship. Mr Jamdar is also the Past President of The Institute of Engineers, India (IEI), which is the apex body of the Engineering Profession in the Country. He was also the Vice President of The Federation of Engineering Institutions of South and Central Asia (FIESCA). Mr Jamdar brings with him a rich experience in the fields of Engineering and Administration. He is currently an Independent Director at IL & FS Transportation Networks Ltd. and holds a Bechelor's Degree in Civil Engineering.

Harcharansingh P. Jamdar
Director

Ms. Mehta possesses wide knowledge in the field of brand conceptualization and marketing management. She also has solid experience in the field of marketing, advertising, corporate branding, television management and modeling. She is a qualified anchor, drama artist from All India Radio, and has participated and hosted numerous events and won several awards. Currently she manages affairs of her own firm 'GOD BROTHERS' and is engaged in activities of creative branding, marketing, communication and also associated with JP Group. In the past, she has worked with Hindustan Unilever Ltd., Tata Teleservices Ltd., Atharva Telefilms Pvt. Ltd. and the Tashee Group. Ms. Mehta holds an MDP degree from IIM, Ahmedabad and a BE Chemical degree from the Nirma University, Ahmedabad.

Ms. Foram Mehta
Director

Mr. Ashok Bhandari has more than 35 years of experience in the field of accountancy, auditing, investment banking and finance commodities &indexies (Global). He possesses outstanding exposure as a practicing Chartered Accountant with various prominent groups of varied industries in India and abroad.

Ashok Bhandari
Director

MANAGEMENT

Deep Vadodaria
Chief Operating Officer

Mr. Deep Vadodaria is an original thinker with an immense reasoning power. With a problem-solving attitude, he addresses complex issues in his own distinctive manner. With his excellent operational and project execution skills; he is driving the Company to new horizons. His idiosyncratic leadership style is structured on a well-define moral code and provides for an excellent teamwork. He has embedded a culture of review, responsibility and shared accountability to achieve high standards for all.

Anand Patel
President (Projects)

Mr. Patel had been the Additional City Engineer with the Ahmedabad Municipal Corporation. With over 35 years of hands on experience, he has put in massive efforts in looking after the construction of houses for the urban poor by engaging in Slum Relocation and in-situ Redevelopment; also the EWS/LIG houses under different schemes/programs by GoG, GOI. He has worked assiduously in zonal administrative and engineering projects related to public services. His positive steadfastness has proved to be a remarkable credential in his work area and has earned him elevated endorsements / accolades in the fields of planning, preparation of tenders, execution of capital works in water supply, drainage, SWD, public building works, bridges, roads.

Ravinder Kumar
President – (Civil)

Mr. Ravinder Kumar carries a rich professional experience of more than 30 years in controlling and delivering large civil engineering projects from conceptualisation to commissioning stage. His specialities include Project and Construction Management services for Mega Civil Engineering projects in diversified fields including Infrastructure, Thermal Power Plants, Roads, Oil Depots, Institutional Complexes, Industrial estates, Residential Townships, etc. He has held various senior/topmanagement positions in prominent organisations and has been dealing with number of renowned national and international consultants. He has worked with reputed top-rung/leading corporate houses like Reliance, Adani, Bajaj, etc. in private sector & premier government institutions/organisations like CPWD, NIDC, BHEL, NTPC, and a couple of SEBs.

Rajendra Sharma
President -
Business Development
(Rajasthan)

Mr. Rajendra Sharma, a law graduate, is a visionary and has developed a forward-looking attitude, with his rich experience of 30+ years, in a wide variety of professional areas e.g. business development, liaisoning, land and capital market related matters, finance & accounts, law, banking, etc. A keen intellect gets to the depth of the matter - to make it work. He is a specialist at predicting the trends of customer behavior. He has a knack for taking apart the pieces of a problem and then configuring them to present an out-of-the-box solution, rather than a conventional one. A fundamentally non-conformist professional, enjoys developmental activities.

Jignesh Patel
President
(Project Management
and Strategies))

Mr. Patel is a civil engineer with a vast experience of more than 25+ years in the field of construction, project execution and project management. He is a creative individual and has made significant contributions to the company with his innovative and analytical abilities as well as his problem-solving skills.

Ritesh Parikh
Industrial Projects
Head

Mr. Ritesh Parikh is a dedicated civil engineer with more than 20 years of experience in the field of industrial construction as well as project execution and management (Roads, Ports, etc.). His logical inputs, tenacious nature and organizational capabilities continue to benefit the Company.

Prashant H. Sarkhedi
Chief Finance Officer

Mr. Sarkhedi is a passionate professional with more than 25+ years of experience in finance, accounting, fund raising and general management. He is a disciplinarian, has in-depth knowledge and insight on diverse subject matters and possesses excellent organizational and motivational skills.

Dipen Y. Parikh
Company Secretary

Mr. Dipen Parikh is a dedicated professional with more than 9 years of experience of secretarial practice, corporate laws and general legal affairs. His exceptional enthusiasm towards his duties, wise inputs and dedication towards his responsibilities make him an asset to the Company.

Himanshu Bavishi
President (Finance)

Mr. Bavishi is a wise strategist and growth catalyst with more than 20+ years of professional experience in retail and corporate finance, investment banking, debt syndication, M&A, Investor Relations, etc. He not only has deep insight in managing huge masses of finances, but also has immense decision making abilities, is stimulated by challenges and works as a Change Agent.

Directors' Report

Dear Members,

The Directors of your Company are pleased to present the Twenty Eighth Annual Report to the Members with the Audited Financial Statements for the Financial Year ended on 31 March 2018.

STATE OF AFFAIRS OF THE COMPANY:

Financial Results:

The performance of the Company for the Financial Year 2017-18 is as under:

(₹ in lakhs, except per equity share data)

Particulars	Standalone for the year ended		Consolidated for the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Revenue from operations	21,429.73	19,828.78	20,224.96	19,464.77
Add: Other income	734.40	698.84	549.52	588.10
Total income	**22,164.13**	**20,527.62**	**20,774.48**	**20,052.87**
Less: Revenue expenditure	17,634.65	16,990.92	16,648.51	16,699.34
Depreciation	172.15	161.64	172.15	161.64
Finance costs	1,109.81	890.18	1,109.81	890.18
Profit before tax	**3,247.52**	**2,484.88**	**2,844.01**	**2,301.71**
Less: Current tax	1,225.00	784.43	1,225.00	784.44
Adjustments of tax for earlier years	1.60	-	1.60	-
Deferred tax	(232.55)	107.40	(323.68)	45.84
Net profit after tax	**2,253.47**	**1,593.05**	**1,941.09**	**1,471.43**
Share of profit of joint ventures and associate (net of tax)	**-**	**-**	**58.46**	**15.67**
Profit for the year	**2,253.47**	**1,593.05**	**1,999.55**	**1,487.10**
Add: Balance brought forward from previous Financial year	1,513.84	(488.65)	1,317.14	(579.43)
Add: Changes on account of scheme of arrangement	2,908.09	938.51	2,908.09	938.51
Add: Changes on account of discontinuation of employee's stock option plan	141.50	-	141.50	-
Profit available for appropriation	**6,816.90**	**2,042.91**	**6,366.28**	**1,846.19**
Less: Reserve due to consolidation	-	-	-	-
Less: Paid/Proposed dividend	433.28	432.27	433.28	432.27
Less: Dividend distribution tax	88.21	88.01	88.21	88.01
Less: Re-measurement gains/(losses) on defined employee benefit plan (net of tax)	11.01	8.78	11.01	8.78
Add: Employees stock option outstanding reserve	-	184.38	-	184.38
Surplus carried to balance sheet	6,284.40	1,698.23	5,833.78	1,501.51
Add: Security premium	33.71	-	33.71	-
Add: General reserve	524.77	524.77	524.77	524.77
Add: Deferred employees stock option compensation reserves	-	(85.50)	-	(85.50)
Reserves	**6,842.88**	**2,137.50**	**6,392.26**	**1,940.78**
Share capital	**3,938.89**	**3,933.93**	**3,938.89**	**3,933.93**
Earnings per share (EPS) before exceptional item(1)(2)				
Basic	0.57	0.40	0.51	0.38
Diluted	0.57	0.40	0.51	0.38
EPS after exceptional item(1)(2)				
Basic	0.57	0.40	0.51	0.38
Diluted	0.57	0.40	0.51	0.38

Notes:

(1) The above figures are extracted from the standalone and consolidated financial statements as per Indian Accounting Standard.

(2) Equity shares are at par value of ₹ 1 per share.

(3) The Company has made allotment of 496500 equity shares on 15 September 2017 upon exercise of stock options under the ESOP scheme of the Company. EPS has therefore been adjusted and calculated in accordance with IND AS-33 Earnings per Share.

(4) During the year scheme of arrangement of demerger of Real Estate Undertaking of the Company was presented to and sanctioned by the Hon'ble NCLT – Ahmedabad bench with appointed date of 01 April 2017 and therefore the financial statements have been prepared accordingly.

REVIEW OF OPERATIONS:

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

Revenues - Standalone:

Company's Revenue from Operations on a standalone basis increased to ₹ 21,429.73 lakh from ₹ 19,828.78 lakh in the previous year, at a growth rate of 8.07%. Out of the total revenue, 98.51% came from Civic Urban Infrastructure i.e. ₹ 21,110.86 lakh and remaining from the real estate, leasing and land sale on account of any real estate project not being fructified. The increase in revenue is primarily due to expanded scale of its operations of the Company in civic urban infrastructure activities.

Revenues - Consolidated:

Company's Revenue from Operations on a consolidated basis increased to ₹ 20,224.96 lakh from ₹19,464.77 lakh in the previous year, at a growth rate of 3.91 %.

Profits – Standalone:

Your Company's EBITDA on a standalone basis amounted to ₹ 3,795.08 lakh (17.71% of revenue from operations), as against ₹ 2,837.87 lakh (14.31% of revenue from operations) in the previous year. Project and Operations costs were 79.07 % of revenue from operations for the year ended 31 March 2018 as compared to 82.97% for the year ended 31 March 2017. The profit before tax was ₹ 3,247.52 lakh (14.65% of Total Income), as against ₹ 2,484.88 lakh (12.10% of Total Income) in the previous year. Net profit was ₹ 2,253.47 lakh (10.17% of Total Income), as against ₹ 593.05 lakh (7.76% of Total Income) in the previous year.

Profits - Consolidated:

Your Company's EBIDTA on a consolidated basis amounted to ₹ 3,576.46 lakh (17.68 % of revenue from operations), as against ₹ 2,765.43 lakh (14.21% of revenue from operations) in the previous year. Project and Operations costs were 79.08% of revenue from operations for the year ended 31 March 2018 as compared to 83.02% for the year ended 31 March 2017. The profit before tax was ₹ 2,844.01 lakh (13.69% of Total Income), as against ₹ 2,301.72 lakh (11.48% of Total Income) in the previous year. Net profit was ₹ 1,999.55 lakh (9.63 % of Total Income), as against ₹ 1,487.11 lakh (7.42 % of Total Income) in the previous year.

Liquidity:

Your Company continues to maintain sufficient cash to meet its operations as well as strategic objectives. The Board of Directors believes that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. Liquidity enables your Company to make a rapid shift in direction, if there is a market demand. The Directors believe that the working capital is sufficient to meet the current requirements. As on 31 March 2018, on a standalone basis, the Company had liquid assets of ₹ 9,491.20 lakh, as against ₹ 6,727.20 lakh at the previous year-end. On a consolidated basis, your Company had liquid as sets of ₹ 9,499.40 lakh at the current year-end, as against ₹ 6,727.20 lakh at the previous year-end. These funds comprise deposits with banks and government. The details are disclosed under the 'non-current and current assets' section in the financial statements in this Annual Report. The information of projects and activities are more specifically detailed in the Management Discussion and Analysis Report annexed to this Board Report.

TRANSFER TO RESERVE

During the year there is no amount of profit transferred to reserve

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

Your Company is undertaking various projects through subsidiaries, associates and joint ventures. As per Section 129 (3) of the Companies Act, 2013, your Directors have pleasure in attaching the consolidated financial statements prepared in accordance with the applicable accounting standards with this report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements are available at the Company's website at www.nilainfra.com. The audited financial statements of each of the subsidiary, associate and joint venture are available for inspection at the Company's registered office at Ahmedabad, India and also at registered offices of the respective companies. Copies of the annual accounts of the subsidiary, associate and joint venture will also be made available to the investors of Nila Infrastructures Limited upon request.

Subsidiary, associates and joint ventures which were part of the real estate undertaking under the scheme of demerger have been transferred to and vested into the resultant company M/s Nila Spaces Ltd. and therefore they are now no more subsidiary, associate and joint ventures of your company. In terms of proviso to Section 129(3) and Rule 8(1) of the Companies (Accounts) Rules, 2014, statement containing the salient features; of the subsidiaries, associates and joint ventures which continue to be such after the scheme of arrangement; in the prescribed Form AOC 1 is annexed to this report as "Annexure C".

DIVIDEND:

The Directors have recommended payment of dividend of ₹ 0.11 per equity share of ₹ 1 each i.e. 11% of paid up capital. The dividend payout shall absorb an amount of ₹ 433 lakh towards dividend and ₹ 88 lakh towards dividend distribution tax. The dividend will be paid to the members, whose name appears in the register of members as on 21 September 2018.

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 provisions 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.

Necessary resolutions for the reappointment of the aforesaid Director have been included in the Notice convening the ensuing Annual General Meeting and details of the proposal for reappointment is mentioned in the explanatory statement of the Notice.

All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013. The Company has also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been noted by the Board.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013, 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 and Audit Committee Meetings:

During the year under review 6 (Six) Board Meetings and 5 (Five) 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, with respect to Director's Responsibility Statement, it is hereby confirmed that:

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

b) 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.

c) 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.

d) The Directors have prepared the annual accounts on a going concern basis.

e) Proper internal financial controls are in place and that the financial controls are adequate and were operating effectively; and

f) 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.

ALTERATION OF MEMORANDUM AND ARTICLE OF ASSOCIATION:

During the year under review no change have been made in the clauses of Memorandum and Articles of Association of your Company.

SHARE CAPITAL:

During the year under review an allotment of 496500 equity shares on September 15, 2017 was made to the employees of the Company upon exercise of stock options at an exercise price of ₹ 6.64/- per share. Presently, post exercise of these stock options, the paid up capital of the Company is ₹39,38,89,200 comprising of 393889200 equity shares of ₹ 1/- each.

UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

The Company takes various initiatives to reduce the quantum of unclaimed dividend and has been periodically intimating the concerned shareholders, requesting them to encash their dividend before it becomes due for transfer to the Investor Education and Protection Fund (IEPF). Unclaimed dividend amounting to ₹ 9,21,033/- for F.Y. 2009-10 was transferred to the IEPF on 24 November 2017. In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company has transferred the corresponding shares to IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholder.

Further, the unclaimed dividend in respect of F.Y. 2010-11 must be claimed by shareholders on or before 16 November 2018, failing which the Company will be transferring the unclaimed dividend and the corresponding shares to the IEPF within a period of 30 days from the said date. The concerned shareholders, however, may claim the dividend and shares from IEPF after complying with the prescribed procedure.

In terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, your Company has made the relevant disclosures to the Ministry of Corporate Affairs (MCA) regarding unclaimed dividends and unclaimed shares along with interest accrued thereon. Your Company has also uploaded the prescribed information on www.iepf.gov.in and www.nilainfra.com.

INDIAN ACCOUNTING STANDARDS:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated 16 February 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, your Company, its Subsidiary Companies, Associate Companies and Joint Venture Companies have adopted "IND AS" with effect from 1 April 2017 and the financial statements have been prepared in accordance therewith.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Company has implemented the procedure and adopted practices in conformity with the code of Corporate Governance as enumerated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. The management discussion & analysis and corporate governance report are made part of this report. A certificate from the Practicing Company Secretary 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 AND AUDITORS' REPORT:

The report of the statutory auditor is given in this annual report. There is no qualification, reservation or any adverse remark or disclaimer in the audit report of M/sB S R & Associates LLP. T.

COST AUDIT:

M/s Dalwadi & Associates, Cost Accountant, Ahmedabad (FRN: 000338) has conducted the audit of the cost record of the Company for the Financial Year 2017-18.

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 Board of Directors have appointed M/s Umesh Ved & Associates, Practicing Company Secretary, Ahmedabad as the secretarial auditor of the Company to conduct secretarial audit for the year 2017-18. The report of the Secretarial Auditor is annexed herewith as "Annexure E". The report of the secretarial auditor is self explanatory and confirming compliance by the Company of all the provisions of applicable corporate laws.

The observations made in the Secretarial Audit Report are more of procedural delays due to administrative and operational reasons.

AUDIT COMMITTEE:

The Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, reviewed the financial results and financial statements, audit process, internal control system, scope of internal audit and compliance of related regulations as prescribed. The Composition and terms of reference of the audit committee is more specifically given in the Corporate Governance Report as a part of the Boards' Report.

VIGIL MECHANISAM (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 Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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 detail of the Whistle Blower Mechanism is explained in the Corporate Governance Report and the policy adopted is available on the Company's website at www.nilainfra.com under investor segment.

DISCLOSURE IN TERMS OF SEXUAL HARASSMENT 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.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

In terms of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conductprohibiting, regulating and monitoring the dealings in the securities of the Company by Directors, Designated Employees and Connected Persons while in possession of unpublished price sensitive information in relation to the securities of the Company. The code of conduct is available at the Company's website at www.nilainfra.com under investor segment.

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

There is no foreign exchange earnings and outgo during 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.

DISCLOSURES UNDER RULE 8(5) OF COMPANIES (ACCOUNTS) RULES, 2014:

During the year your company has acquired entire share capital of M/s Nila Spaces Ltd. (Formerly known as Parmananday Superstructure Ltd.) and thereby made its wholly owned subsidiary company. A scheme of arrangement of demerger of Real Estate Undertaking of the Company was thereafter presented to and sanctioned by the Hon'ble NCLT – Ahmedabad bench with appointed date of 01 April 2017 and accordingly the subsidiaries, associates and joint ventures forming part of the real estate undertaking have been transferred to and vested into the resultant company M/s Nila Spaces Ltd. and therefore ceases to be so. In terms of the scheme; M/s Mega City Cinemall Pvt. Ltd; M/s Nila Projects LLP; M/s Nilsan Realty LLP; and M/s Fungdi Land Developers LLP have been transferred to and vested into the resultant company. In terms of the scheme of demerger the shareholding of the Company in Nila Spaces Ltd. have been cancelled and therefore it ceases to be wholly owned subsidiary of your Company.

Information of subsidiaries, associates and joint ventures which continue to be such after the scheme of arrangement; is given in "Annexure C" to this report.

COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with all the provisions of Secretarial Standards on Board Meetings and General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government.

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

As regards investments by the Company, the details of the same are provided under Note No. 7 forming part of the financial statements of the Company for the financial year 2017-18. Details of loans given to other persons covered under Section 186 of the Companies Act, 2013 are given in the Note No. 33 relating to related parties to the financial statements.

RELATED PARTY TRANSACTIONS:

In terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 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 transaction made by the Company with its Directors, Promoters, Key Managerial Personnel or their relative. All Related Party Transactions are placed before the audit committee / Board, as applicable, for their approval. Omnibus approval are taken for the transactions which are repetitive in nature. The Related Party Transactions that were entered into by the Company were to facilitate smooth functioning of the ordinary course of business and are in the interest of the Company. Accordingly the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The policy on related party transactions as approved by the Board is available on the website of the company www.nilainfra.com under investor segment.

INTERNAL FINANCIAL CONTROL:

The Board of Directors has in terms of the requirements of Section 134(5)(e) of the Companies Act, 2013 laid down the internal financial controls. The Company has in place a well defined organizational structure and adequate internal controls for efficient operations which is cognizant of applicable laws and regulations, particularly those related to protection of properties, resources and assets, and the accurate reporting of financial transactions in the financial statements. The company continuously upgrades these systems. The internal control system is supplemented by extensive internal audits, conducted by independent firm of chartered accountants.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of the provisions of Section 135 of the Companies Act, 2013, your Company has constituted CSR Committee comprising of Shri Shyamal S. Joshi – Chairman, Shri Kiran B. Vadodaria and Shri Manoj B. Vadodaria as the other members. As a part of CSR, the Company has spent funds for the projects involving promotion of sanitation and preventive healthcare, education, and medical. As a part of Clean India Campaign, your Company is undertaking a project namely "My Own Street" to spread awareness of environmental protection and cleanliness by encouraging people to participate and make habit to keep the society clean.

The Annual Report on CSR activities for the Financial Year 2017-18 is annexed herewith as "Annexure A". The policy on CSR is available at the website of the company at www.nilainfra.com under the investor segment.

NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Nomination and Remuneration Committee and adopted policy on appointment and remuneration of Directors and Key Managerial Personnel. The composition, terms of reference of the Committee and policy on appointment and remuneration of Directors and KMPs are given in the Corporate Governance Report as a part to the Boards' Report.

MATERIAL CHANGES:

No material change have taken place after 31 March 2018; except the Hon'ble NCLT Ahmedabad bench has vide its order dated 09 May 2018 approved the scheme of demerger of real estate undertaking of the company into Nila Spaces Ltd. The scheme became effective upon filing of the order with the office of the Registrar of Companies on 17 May 2018. Consequently the financial statements of the company have been prepared in accordance with the applicable accounting standards and laws considering appointed date of 01 April 2017.

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:

During the year the ESOP scheme of the Company "Nila Infrastructures Ltd ESOP 2014"have been terminated and therefore the report thereon is not attached.

CREDIT RATING:

During the year under review, Brickwork Ratings India Pvt. Ltd. has reaffirmed the bank loan rating of the Company at "BBB+" (Stable) and "A2", while CARE Ratings Ltd. has initiated the bank loan rating of the Company at "BBB+" and "A2" (Credit watch with developing implication).

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

The information as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the "Annexure D" to this report.

EXTRACT OF THE ANNUAL RETURN:

The extract of annual return in the prescribed form MGT-9 for the Financial Year 31 March 2018 is attached with the Directors' Report as "Annexure B".

APPRECIATIONS AND ACKNOWLEDGMENTS:

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to become a meaningful player in the infrastructure industry. Your Directors would also like to places on record its appreciation for the support and cooperation your Company has been receiving from its Stakeholders, Corporations, Government Authorities, Joint Venture partners and others associated with the Company. The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Financial Institutions, Government and Regulatory Authorities and Stock Exchanges, for their continued support. Your Directors also wish to record their appreciation for the continued co-operation and support received from the Consultants and Advisors. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. It will be the Company's endeavour to build and nurture strong links with the business based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

For and on behalf of the
Board of Directors

Manoj B. Vadodaria
Chairman & Managing Director
DIN: 00092053

Date: 30 May 2018
Place: Ahmedabad

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. During the year the Company has altered the CSR Policy thereby making it more beneficial in the interest of the society. A brief outline of the Company's present 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 26 May 2017)

   The object of the CSR policy is to frame 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, sanitation and hygiene, including, but not limited to:

   a) Promoting, establishing and/or undertaking management of infrastructure ensuring cleanliness, waste removal, and sanitation.
   b) Promoting, establishing and/or running medical healthcare units and allied infrastructure.
   c) Providing financial and/or other assistances to the agencies involved exclusive in waste management, sanitation, medical healthcare, therapeutic clinics, research, public health, nursing, medical treatments including alternative medical treatments,
   d) Activities concerning or promoting and facilitating:
      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 food and potable water supply, etc.

   Promotion and providing of education, training, and employment enhancing vocational skills:

   (a) Promoting and providing education, training, employment enhancing vocational skill for children, women, deprived people, and disabled persons etc.
   (b) To run or contribute to schools, aanganwadis, NGOs, Trusts, Associations for educational, training, research and empowerment activities.

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

   (a) Creating Public awareness for cleanliness, education, medical healthcare, and to undertake and contribute to campaign thereof;
   (b) Protection and up gradation of environment including ensuring ecological balance and related activities and undertaking public campaign thereof.

Web Link: The CSR Policy may be referred at the website of the Company at www.nilainfra.com under Investor Segment

2. Composition of the CSR Committee:

Name of the Members	Category	Designation
Mr. Shyamal S. Joshi	Non Executive Independent Director	Chairman
Mr. Kiran B. Vadodaria	Non Executive Director	Member
Mr. Manoj B. Vadodaria	Executive Director	Member

3. Average Net Profit of the Company for last three financial years: ₹267,835,435/-
4. Prescribed CSR Expenditure(2% of the amount as mentioned herein above in Sr. No.3):₹5,356,709
5. Details of CSR spent during the financial year:
   (a) Total Amount spent during the financial year: ₹5,364,815
   (b) Amount unspent, if any: NA

Manner in which the amount spent during the financial year is detailed below: **(₹ in lakhs)**

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 (budget) project or programs wise	Amount spent on the projects or programs Sub-heads:(1)Direct expenditure on projects or programs (2)Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Promotion of Sanitation & Medical, Preventive Healthcare	Promoting preventive healthcare and sanitation	Ahmedabad, Gujarat	₹ 26.00	₹ 26.14	₹ 26.14	Direct by the Company
2	Promotion and providing Education, Food and Empowerment	Promotion of Education, Eradication, Hunger, Child & Women empowerment	Ahmedabad, Gujarat	₹ 27.00	₹ 27.51	₹ 27.51	Direct by the Company
	Total			**₹ 53.00**	**₹ 53.65**	**₹ 53.65**	

6. Details of the implementing agency: Not Applicable
7. Reasons for not spending the prescribed amount during the year: Not Applicable
8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

   The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

Manoj B. Vadodaria
Managing Director

Shyamal S. Joshi
Chairman of the CSR Committee

ANNEXURE B

FORM NO MGT 9: EXTRACT OF ANNUAL RETURN (As on financial year ended on 31 March 2018)

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

I. REGISTRATION & OTHER DETAILS:

Particulars	Details
CIN	L45201GJ1990PLC013417
Registration Date	26 February 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, Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380015 Tel. +91 79 4003 6817/18 Fax: +91 79 3012 6371; Email: secretarial@nilainfra.com Website: www.nilainfra.com
Whether listed company	Yes
Name, Address & Contact M/s MCS Share Transfer Agent Ltd. details of the Registrar & Transfer Agent, if any.	201, Second Floor, Shatdal Complex, Opp: Bata Show Room Ashram Road, Ahmedabad-380009 Tel no. (079) 26582878; Fax no. (079) 26581296 Email: mcsstaahmd@gmail.com.

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)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Construction of Buildings Carried out on own account basis or on a fee or contract basis	41001	96.69%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section
1	Nila Terminals (Amreli) Pvt. Ltd Address: First Floor, Sambhaav House, Opp: Chief Justice's Bungalow, Bodakdev, Ahmedabad - 380015	U45309GJ2017PTC096801	Wholly-owned subsidiary	100%	Section 2(87) of the Companies Act, 2013
2	Vyapnila Terminals (Modasa) Private Limited Address: 301, Third Floor, Vandemataram Arcade Vandemataram Road, Gota Ahmedabad - 382481	U45309GJ2017PTC097154	Associate Company	34%	Section 2(6) of the Companies Act, 2013
3	Romanovia Industrial Park Pvt. Ltd. Address: First Floor, Sambhaav House, Opp Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380015	U45200GJ2013PTC077822	Associate Company	50%	Section 2(6) of the Companies Act, 2013

Note: Statement containing silent features of the Financial Statement of the Subsidiary Companies, Associate companies and Joint Venture in the prescribed Form AOC 1 is annexed to this report as **"Annexure C"**.

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
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
A.	**Promoters Shareholding**									
(1)	**Indian**									
a)	Individual/ HUF	243825187	0.00	243825187	61.98	243825187	0.00	243825187	61.90	(0.08)
b)	Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Banks / FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub – Total (A.1)	**243825187**	**0.00**	**243825187**	**61.98**	**243825187**	**0.00**	**243825187**	**61.90**	**(0.08)**
(2)	**Foreign**									
a)	Individual (NRI/Foreign Individuals)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	Government	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	Institutions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Foreign Portfolio Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total (A.2)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Total (A) = (A.1) + (A.2)	**243825187**	**0.00**	**243825187**	**61.98**	**243825187**	**0.00**	**243825187**	**61.90**	**(0.08)**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	1316	00	1316	0.00	8399185	00	8399185	2.13	2.13
b)	Banks / FI	1879971	00	1879971	0.48	1758525	00	1758525	0.45	(0.03)
c)	Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Foreign Portfolio Investor	0.00	0.00	0.00	0.00	22371012	0.00	22371012	5.68	5.68
h)	Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
i)	Others (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-total (B.1):-	**1881287**	**00**	**1881287**	**0.48**	**32528722**	**0.00**	**32528722**	**8.26**	**7.78**
2.	**Non-Institutions**									
a)	Bodies Corp.									
i)	Indian	39139012	561000	39700012	10.09	18880252	248000	19128252	4.86	(5.23)
ii)	Overseas	00	00	00	00	00	00	00	00	00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	31464937	11357702	42822639	10.88	50672034	7026602	57698636	14.65	3.77

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	
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	37933815	966000	38899815	9.88	21554946	963000	22517946	5.71	(4.16)
c)	Others Hindu Undivided Families	5560068	00	5560068	1.41	6036508	00	6036508	1.53	0.12
d)	Non Resident Indians	20515692	188000	20703692	5.26	8154349	24000	8178349	2.08	(3.18)
e)	Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Clearing Members	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
h)	Trusts	0.00	0.00	0.00	0.00	7500	0.00	7500	0.00	0.00
i)	Foreign Bodies - D R	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J)	IEPF	0.00	0.00	0.00	0.00	3968100	0.00	3968100	1.01	1.01
	Sub-total (B.2)	**134613524**	**13072702**	**147686226**	**37.53**	**109273689**	**8261602**	**117535291**	**29.84**	**(7.69)**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**136494811**	**13072702**	**149567513**	**38.02**	**141802411**	**8261602**	**150064013**	**38.10**	**(2.20)**
C.	Shares held by Custodian for GDRs & AD Rs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total (A+B+C)	**380319998**	**13072702**	**393392700**	**100.00**	**385627598**	**8261602**	**393889200**	**100.00**	**0.00**

B) Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year 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	53154712	13.51	0.00	53154712	13.49	0.00	(0.02)
2	Nila M. Vadodaria	43955267	11.17	0.00	43955267	11.16	0.00	(0.01)
3	Alpa K. Vadodaria	36800000	9.36	0.00	36800000	9.34	0.00	(0.01)
4	Kiran B. Vadodaria	38608100	9.82	0.00	38608100	9.80	0.00	(0.02)
5	Deep S. Vadodaria	31752108	8.07	0.00	31752108	8.07	0.00	(0.01)
6	Shailesh B. Vadodaria	12960000	3.30	0.00	12960000	3.29	0.00	(0.01)
7	Mina S. Vadodaria	8695000	2.21	0.00	8695000	2.21	0.00	0.00
8	Rajesh B. Vadodaria	5000000	1.27	0.00	5000000	1.27	0.00	0.00
9	ChhayabenR. Vadodaria	4300000	1.09	0.00	4300000	1.09	0.00	0.00
10	Siddharth R. Vadodaria	4300000	1.09	0.00	4300000	1.09	0.00	0.00
11	Karan R. Vadodaria	4300000	1.09	0.00	4300000	1.09	0.00	0.00
	Total	**243825187**	**61.98**	**0.00**	**243825187**	**61.90**	**0.00**	**(0.08)**

C) Change in Promoters Shareholding

SN	Shareholding for each Promoter and person belonging to Promoter Group	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year				
1	Manoj B. Vadodaria				
	01 April 2017	53154712	13.51		
	31 March 2018	53154712	13.49	53154712	13.49
2	Kiran B Vadodaria				
	01 April 2017	38608100	9.82		
	31 March 2017	38608100	9.80	38608100	9.80
3	Deep S. Vadodaria				
	01 April 2017	31752108	8.07		
	31 March 2018	31752108	8.07	31752108	8.07
4	Nila M.Vadodaria				
	01 April 2017	43955267	11.17		
	31 March 2018	43955267	11.16	43955267	11.16
5	Alpa K. Vadodaria				
	01 April 2017	36800000	9.36		
	31 March 2018	36800000	9.36	36800000	9.34
6	Shailesh B. Vadodaria				
	01 April 2017	12960000	3.30		
	31 March 2018	12960000	3.29	12960000	3.29
7	Mina S. Vadodaria				
	01 April 2017	8695000	2.21		
	31 March 2018	8695000	2.21	8695000	2.21
8	Rajesh B. Vadodaria				
	01 April 2017	5000000	1.27		
	31 March 2018	5000000	1.27	5000000	1.27
9	Chhayaben R. Vadodaria				
	01 April 2017	4300000	1.09		
	31 March 2018	4300000	1.09	4300000	1.09
10	Siddharth R. Vadodaria				
	01 April 2017	4300000	1.09		
	31 March 2018	4300000	1.09	4300000	1.09
11	Karan R. Vadodaria				
	01 April 2017	4300000	1.09		
	31 March 2018	4300000	1.09	4300000	1.09

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Share holding for Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01 April 2017)		Cumulative Shareholding at the end of the year (31 March 2018)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shobha Imtiyaz Desai*	19096436	4.85	6243657	1.58
2	Monarch Networth Capital Limited@	18165375	4.61	-	-
3	Rajanibhai Jivrajbhai Desai@	10000000	2.54	71118	-
4	Rajeshbhai Jivrajbhai Desai@	5000000	1.27	-	-
5	Rameshbhai Jivrajbhai Desai@	5000000	1.27	-	-
6	Edelweiss Broking Limited@	3807225	0.96	-	-
7	Edelweiss Broking Limited@	3100000	0.78	-	-
8	Globe Capital Market Ltd@	2134638	0.54	-	-
9	Jigna Sagarbhai Mehta@	2000000	0.50	-	-
10	Axis Bank Limited@	1796792	0.45	2249126	0.57
11	Elara India Opportunities Fund Limited #	-	-	12315000	3.13
12	HDFC Housing Opportunity Fund #	-	-	7194173	1.82
13	Antara India Evergreen Fund Limited #	-	-	5660000	1.43
14	Jitendra Vallabh Sanghvi#	-	-	3072500	0.78
15	Elara Capital Mauritius Ltd #	-	-	2500000	0.63
16	Tushar R Mehta #	-	-	2462824	0.62
17	Nisha Jignesh Mehta #	-	-	1990000	0.51
18	Plutus Terra India Fund #	-	-	1840000	0.47
19	Tushar R Mehta HUF#	-	-	1761107	0.44

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence, the date wise increase/decrease in shareholding is not indicated.
2. * Common top 10 shareholders as on 01 April 2017 and 31 March 2018.

@ Top 10 shareholders as on 01 April 2017.

Top 10 shareholders as on 31 March 2018.

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
	At the beginning of the year				
1	Manoj B. Vadodaria				
	01 April 2017	53154712	13.51		
	31 March 2018	53154712	13.49	53154712	13.49
2	Kiran B Vadodaria				
	01 April 2017	38608100	9.82		
	31 March 2018	38608100	9.80	38608100	9.80
3	Dilip D. Patel	-	-	-	-
4	Shyamal S. Joshi	-	-	-	-
5	Hiren G. Pandit	-	-	-	-
6	Ashok R. Bhandari	-	-	-	-

SN	Share holding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7	H P Jamdar	-	-	-	-
8	Foram Mehta	-	-	-	-
9	Dipen Y Parikh				
	01 April 2017	122500	0.03	-	0.03
	27 November 2017 - Sale	35000	0.01	87500	0.01
	31 March 2018	87500	0.02	87500	0.02
10	Prashant Sarkhedi				
	01 April 2017	125000	0.03	-	-
	15 September 2017 - Allotment ESOP	50000	0.01	50000	0.01
	31 March 2018	175000	0.04	175000	0.04

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

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
At the beginning of the year				
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,981.76	3,593.39	-	14,575.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.17	27.73	-	36.91
Total (i+ii+iii)	**10,990.93**	**3,621.13**		**14,612.06**
Change in Indebtedness during the financial year				
* Addition	651.70	1,500.00	-	2,151.70
* Reduction	4510.37	1,897.96	-	6,408.33
Net Change	**(3,858.67)**	**(397.96)**	**-**	**(4,256.63)**
Indebtedness at the end of the financial year				
i) Principal Amount	4,999.25	5,319.27	-	10,318.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.22	24.09	-	34.31
Total (i+ii+iii)	**5,009.48**	**5,343.35**	**-**	**10,352.83**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ in lakhs)

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Manoj B. Vadodaria	Kiran B. Vadodaria	
1	Gross salary (per annum)	34.00	12.00	46.00
	(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			
	other	Nil	Nil	Nil
5	Others	Nil	Nil	Nil
	Total (A)	34.00	12.00	46.00
	Ceiling as per the Act as per the Schedule V of the Companies Act, 2013	120.00	240.00	360.00

*MD= Managing Director; ** WTD= Whole Time Director

B. REMUNERATION TO OTHER DIRECTORS

(₹ in lakhs)

SN	Particulars of Remuneration	Name of Directors						Total
		Other NED*	Independent Directors					
		Dilip D. Patel	Hiren Pandit	Shyamal Joshi	Ashok Bhandari	H P Jamdar	Foram Mehta	
1	Fee for attending board, committee meetings	-	-	0.35	-	0.10	0.20	0.65
2	Commission	-	-	-	-	-	-	-
3	Others – For attending meeting of Independent Directors	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	0.35	Nil	0.10	0.20	0.65
	Overall Ceiling as per the Act	₹ 1 Lakh per meeting per Director as per Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel		
		*CS	**CFO	Total
1	Gross salary per annum	6.82	18.04	24.86
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option – Value of Perquisites	-	4.84	4.84
3	Sweat Equity	-	-	-
4	Commission as % of Profit/ Others	-	-	-
5	Others	-	-	-
	Total	**6.82**	**22.88**	**29.70**

*CS= Company Secretary ** CFO = Chief Finance Officer

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(₹ in lakhs)

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)
A.	COMPANY					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
B.	DIRECTORS					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	-	-	-	-	-
	Punishment	-	-	-	-	-
	Compounding	-	-	-	-	-

ANNEXURE C

Form AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE

Pursuant to Section 129(3) of the Companies Act, 2013

A) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY COMPANY

(₹ in lakhs)

SN	Name of Subsidiary Companies	Nila Terminals (Amreli) Pvt Ltd
	Latest audited Balance Sheet Date	**31 March 2018**
1.	Shares of subsidiary held by company on the year end	
	i. Number of Shares	10000
	ii. Amount of Investment	1.00
	iii. Extend of Holding %	100%
2.	Description of how there is significant influence	By holding more than 20% of voting power
3.	Reason why the associate / joint venture is not consolidated	Not Applicable
4.	Net worth attributable to shareholding as per latest audited balance sheet	0.16
5.	Profit / (Loss) for the year	(0.84)
	i. Considered in consolidation	(0.84)
	ii. Not considered in consolidation	Not Applicable

B) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF ASSOCIATE COMPANIES AND JOINT VENTURES

(₹ in lakhs)

SN	Name of Associate Companies	Vyapnila Terminals (Modasa) Pvt Ltd	Romanovia Industrial Park Pvt Ltd (Refer Note-4)
	Latest audited Balance Sheet Date	**31 March 2018**	**31 March 2018**
1.	Shares of associates and Joint Ventures held by company on the year end		
	i. Number of Shares	3400	5000
	ii. Amount of Investment	0.34	1250.50
	iii. Extend of Holding %	34%	50%
2.	Description of how there is significant influence	By holding more than 20% of voting power	By holding more than 20% of voting power
3.	Reason why the associate / joint venture is not consolidated	Not Applicable	Not Applicable
4.	Net worth attributable to shareholding as per latest audited balance sheet	(0.34)	1325.99
5.	Profit / (Loss) for the year	(1.34)	117.69
	i. Considered in consolidation	(0.34)	58.85
	ii. Not considered in consolidation	Not Applicable	58.85

(₹ in lakhs)

SN	Name of Joint Ventures	Kent Residential and Industrial Park LLP
	Latest audited Balance Sheet Date	**31 March 2018**
1.	Shares of associates and Joint Ventures held by company on the year end	50%
	i. Number of Shares	N.A
	ii. Amount of Investment	34.81
	iii. Extend of Holding %	50.00%
2.	Description of how there is significant influence	By contractual agreement
3.	Reason why the associate / joint venture is not consolidated	Not Applicable
4.	Net Worth attributable to shareholding as per latest audited balance sheet	34.81
5.	Profit/Loss for the year	38.06
	i Considered in consolidation	19.03
	ii Not considered in consolidation	19.03

Notes:

1 Profit/Loss of the LLP is consider in accordance with the Profit Sharing Ratio of the partners

2 M/s Mega City Cinemall Pvt Ltd, M/s Nilsan Realty LLP and M/s Nila Projects LLP ceases to be associate and joint venture in terms of their transfer to M/s Nila Spaces Limited pursuant to the scheme of demerger.

3. M/s Sarathi Industrial Park Pvt Ltd. ceases to be associate company due to sale.

4. Amount of investment in M/s. Romanovia Industrial Park Pvt. Ltd. has been measured at fair value in accordance with applicable IND AS

For and on behalf of the Board of Directors

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran B. Vadodaria
Director
DIN : 00092067

Prashant H. Sarkhedi
Chief Finance Officer

Dipen Y. Parikh
Company Secretary

Place : Ahmedabad
Date : 30 May 2018

ANNEXURE D

1. **The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

   The median remuneration of the employees of the Company as on 31 March 2018 is ₹ 3.09 lakh per annum and the ratio of remuneration of each Director to this median remuneration is as under.

Name of the Director	Ratio of each Director to the median remuneration of the employee
Mr. Manoj B. Vadodaria	11.01:1
Mr. Kiran B. Vadodaria	3.88:1
Mr. Dilip D. Patel	NA
Mr. Shyamal S. Joshi	NA
Mr. Hiren G Pandit	NA
Mr. H P Jamdar	NA
Mr. Ashok R. Bhandari	NA
Ms. Foram B. Mehta	NA

2. **The percentage increase in remuneration of each Director, Chief Finance Officer and Company Secretary in the financial year 2017-18:**

   The percentage increase in remuneration of Directors, Chief Finance Officer and Company Secretary in the Financial Year 2017-18 as compared to the previous financial year 2016-17, calculated with reference to the basic remuneration, actual receipt during the year other than any arear of previous years, is as under:-

Name of the Directors, Chief Finance Officer and Company Secretary	Designation	% increase in remuneration
Mr. Manoj B. Vadodaria	Director	41.66
Mr. Kiran B. Vadodaria	Director	Nil
Mr. Dilip D. Patel	Director	Nil
Mr. Shyamal S. Joshi	Director	Nil
Mr. Hiren G Pandit	Director	Nil
Mr. H P Jamdar	Director	Nil
Mr. Ashok R. Bhandari	Director	Nil
Ms. Foram B. Mehta	Director	Nil
Mr. Prashant H Sarkhedi*	Chief Finance Officer	3
Mr. Dipen Y Parikh	Company Secretory	13

* The above remuneration is on actual receipt basis and excluding value of stock options during the year

3. **The percentage increase in the median remuneration of employees in the financial year:**

   The median remuneration of employees was ₹ 2.75 lakh and ₹ 3.09 lakh as on 31 March 2017 and 31 March 2018 respectively. There is increase of 12.34 % in the median remuneration of employees during the year.

4. **The number of permanent employees on the roll of Company: 83 as on 31 March 2018.**

5. **The explanation on the relationship between average increase in remuneration and Company performance:**

   The average increase in remuneration is closely linked to and driven by achievement of annual corporate goals and overall business, financial and operational performance of the Company. The below are key financial parameters which reflects the Company's performance.

(₹ in lakhs)

Parameters	31 March 2018	31 March 2017	Growth %
Profit Before Tax	3,247.52	2,484.88	30.70%
Profit After Tax	2,253.47	1,593.05	41.43%
EPS	0.57	0.40	42.50%
Market Capitalization at BSE Ltd.	768	651	18%
Return of Equity %	57.21%	40.49%	41.28%

6. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

   The total remuneration paid to the Key Managerial Personnel was ₹ 67.87 lakh and ₹ 58.86 lakh during the year 2016-17 and 2017-18 respectively. During the year 2016-17 and 2017-18 the Company registered Total Income of ₹ 205.28 lakh and ₹ 221.64 lakh respectively. The remuneration paid to Key Managerial Personnel amounts to 0.25 % and 0.28% of total income for the year 2016-17 and 2017-18 respectively.

7. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31 March 2018	31 March 2017	% Change
Share Price (BSE) in ₹	19.50	16.55	17.82%
Market Capitalization - BSE) (₹In lakhs)	768.08	651.01	17.98%
Share Price (NSE) in Rs.	19.50	16.45	18.54%
Market Capitalization – NSE(₹ In lakhs)	768.08	647.13	18.69%
Price Earnings Ratio (BSE)	34	28	-
Price Earnings Ratio (NSE)	34	28	-

8. **Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

   The Company came out with the Initial Public Offer of in the year 1995 at an issue price of ₹15/- per share having face value of ₹10/- per share. Thereafter no public offer has been made by the Company. The market price of the share as on 31 March 2017 was ₹16.55 (closing price) on BSE Limited and ₹16.45 (closing price) on the National Stock Exchange of India Limited. The share capital of the Company has been subdivided into ₹ 1/- per share in the year 2005. The increase in share price since the Company came out with public offer is approximately 1100%. The percentage increase is calculated factoring the subdivision of the share capital.

9. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

(₹ in lakhs)

Year	Remuneration paid to Managerial Personnel	Salaries paid to employees other than Managerial Personnel	Average Salary paid to employees other than Managerial Personnel	Percentage increase in average salary paid to employees other than Managerial Personnel
2015-16	₹ 36.00	₹ 3.29	₹ 4.11	16.64%
2016-17	₹ 36.00	₹ 3.77	₹ 4.96	20.67%
2017-18	₹ 46.00	₹ 4.99	₹ 6.16	24.06%

10. **The key parameters for any variable component of remuneration availed by the Directors:**

    There is no variable component of remuneration availed by the Directors except fixed pay of monthly salary and sitting fees as applicable.

11. **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:**

    Mr. Manoj B. Vadodaria – Managing Director is the highest paid Director who received remuneration of ₹34 Lakh during the year 2017-18. Mr Anand Patel – President Projects and Mr. Ravinder Kumar – President (Civil) of the Company received ₹ 36 Lakh respectively who are not Directors. The ratio of remuneration of Mr. Manoj B. Vadodaria to that of the above employee is 0.76:1.

12. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

    It is confirmed that the remuneration paid to the Directors and Key Managerial Personnel are as per the Remuneration Policy of the Company.

ANNEXURE E:

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Nila Infrastructures Limited
Ist Floor, Sambhaav House,
Opp.Chief Justice's Bungalow,
Bodakdev,
Ahmedabad - 380015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nila Infrastructure Limited (hereinafter called the Company).Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent , in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) 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/The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)

  (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; (Not Applicable to the Company during the Audit Period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

(vi) Transfer of Property Act, 1882;

(vii) Registration Act, 1882;

(vii) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;

(viii) The Land Acquisition Act, 1894;

(ix) Real Estate Regulation Act, 2017

(x) We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

Two Forms as required to be filed under provisions of Companies Act, 2013 were filed after due date with the additional fees.

There are certain instances of lapses (delay) in compliances of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no 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.

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.

All decisions in the Board is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period the company had made allotment of 496500 equity shares on 15 September 2017 upon exercise of stock options by several employees pursuant to the Stock Option Scheme of the Company.

We further report that during the year under report, the shareholders and creditors approved the Scheme of Arrangement among Nila Infrastructure Limited and Nila Spaces Limited under section 230-232 read with other relevant provisions of the Companies Act, 2013.

Umesh Ved
Umesh Ved & Associates

Company Secretaries
FCS No.: 4411
C.P. No.: 2924

Date: 30 May 2018
Place: Ahmedabad

To,
The Members,
Nila Infrastructures Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Umesh Ved
Umesh Ved & Associates

Company Secretaries
FCS No.: 4411
C.P. No.: 2924

Date: 30 May 2018
Place: Ahmedabad

Management Discussion and Analysis

(MDA) Report

1. ECONOMIC SCENARIO:

Over the past sometime, what has become increasingly evident is the divergence between Indian and global growth. This decoupling largely happened as India's growth was hit on account of mega policy announcements. The F.Y. 2018 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the beginning of FY, seems to have bottomed. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports having shown some uptick. India's economic outlook remains promising for F.Y. 2019.

During 2016, India's real interest rates followed a downward global trend. However after this the rates started shifting upwards which affected investment activity, led to currency appreciation and resulted in subdued export activity. In contrast to the economic situation in India, global economic conditions have gained momentum and have possibly created a ripple effect across regions. IMF has estimated global growth to have grown faster at 3.7% in 2017 against what was earlier projected, with revival largely apparent across Europe and Asia. With broad based recovery on the cards, global growth forecast has been moved up to 3.9% for 2018 and 2019. Growth outlook for the US has been estimated to be positive due to improvement in domestic demand as well as the anticipated boost to the economy by way of U.S. tax policy changes. Across other developed economies, the Euro area saw further expansion on the back of falling unemployment rates, investment optimism, and lower interest rates which have stimulated consumption further, while the effects of strong external demand were visible in Japan where manufacturing activity moved to the upside. Looking ahead, for F.Y. 2019, it is widely expected that such decoupling will not continue. As per IMF and World Bank, world economy is expected to grow at 3.7% and 3.1%,respectively in 2018 and F.Y. 2019; while the Indian economy is expected to grow at 7.4% and 7.3%.

The recent data on GDP growth has again revived expectations that the deceleration in the economic activity, because of GST and demonetization, may have bottomed out. Some of this good news is also mirrored in the data on corporate earnings as well. Even with the slowdown in F.Y. 2018, recent data suggests that the GDP has grown. The services sector continued to show a stable rate of growth. The agriculture sector suffered from a price crash following over-production during the kharif season, while erratic monsoon during the latter part of the year led to some crop destruction resulted in falling farm incomes. Looking ahead, the agriculture segment is expected to grow higher than the estimated 2.1% in the current fiscal possibly following positive prospects on rabi harvest. Moreover, some improvements on the industry sector emanated from a steady rise in utilities and a revival in manufacturing activity. Industry growth recorded a further upswing. On a positive side, manufacturing growth showed a reversal rising, while utilities remained steady. The recent data on overall industrial production (IIP) showed signs of recovery reflecting a possible strengthening of domestic demand and a further build-up in global trade activity. The turnaround in production levels is possibly a reflection of turning consumption demand as also suggested by an upswing in vehicle sales, cement and diesel production. Significant gains in capital goods production is an encouraging sign while positive prints on consumer durables is likely to boost economic growth. The overall PMI number's also showed an expansion in business conditions driven largely by manufacturing PMI even as services PMI showed relative weakness. The upturn in manufacturing PMI likely came on the back of increasing output and new orders while the rising price pressures is contracting the services. Given the overall optimism in consumption behaviour and trade activity, PMI numbers are expected to gain strength in the period ahead.

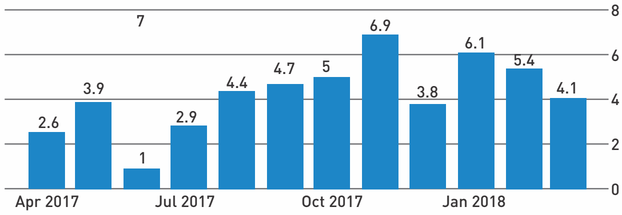
A detailed look at the expenditure side suggests that the demand behaviour has seen some improvement. However, there remains some discrepancy in private consumption and consumer durables data. While private consumption grew, consumer durables have contracted through most part of the year. Importantly, it has largely been the increases in private consumption and government spending that has stimulated growth. However, the recently released data has revived hopes that private investment sentiment may also turn positive.

The external sector has remained rather muted despite the global economy performing well. Indian exports grew only by 11.2%. The highest growth has been seen in sectors such as gems and jewellery, mineral fuels, machinery, pharmaceuticals, organic chemicals, electrical machinery textiles among others. Further, economies including US, United Arab Emirates, ASEAN, Hong Kong, and China continued to be our largest export destination, followed by UK, Germany and Sri Lanka. In contrast, total imports showed considerable strength over the better part of the year, growing at a double digit pace. While, the uptick in imports in part suggests resilience of domestic demand as they largely started seeing an upswing around the time of demonetization. Importantly, non-oil, non-gold (NONG) imports, proxy for domestic demand, have seen a healthy growth with an average of 20%. Of the major categories, imports witnessed double digit growth across ores and minerals, electronics, machinery, base metals, chemical and products, paper and products, and plastic and rubber. Despite a continuous rise in trade deficit, it is expected to remain under control over the coming period as exports mark arise on the back of upswing in external demand and diminishing impact of disruptions. At the same time, the CAD is largely expected to remain under control at 2%. India remains cushioned by impressive investment inflows which puts India in more than a comfortable state to finance the deficit. That said, India maintains a surplus in trade of services that has in part helped in containing CAD. Stable long term flows coupled with high market inflows have meant a further rise in forex reserves which have increased. The INR has shown tremendous strength over the better part of F.Y. 2017, especially looking at the past trend when it had seen a fall for almost six years. The remarkable rise in INR could have been prompted by strong foreign flows, proactive policy initiatives, and relative weakness in US dollar. However, a rising INR is not always welcome for all sectors. As long as the real value of INR is higher than the real value of currencies of other competing nations, Indian exports will be out-priced in the global markets.

India's fiscal deficit has steadily declined over the years. However, the path to reach the target of 3% has been extended. If we analyse the revenue trends, then, it can be seen that the gross tax to GDP ratio is likely to have risen by 0.2% to 11.6% in F.Y. 2018 and tax revenues are expected to grow by 16.6% in F.Y. 2019 as compared to 15.3% in F.Y. 2018.However, the signs of green shoots should not be taken for granted as downside risks remain. While the last year saw a number of changes to the system, the impact of these have largely waned as new equilibrium has started to set in. The biggest challenges are as to how the economy can maintain its recovery in the face of increasing inflationary pressures, coupled with a higher fiscal deficit as well as an increasing debt burden. The key to this conundrum lies in the revival of consumer demand and private investment. It is expected that India will grow by 7.2% in F.Y. 2019 on account of uptick in investment activity and broader market adjustments to previous market disruptions. Currently, India is the world's seventh-largest economy at USD 2.2 trillion, sitting between France and Italy. A report by World Economic Forum has projected that by 2050, the Indian economy is expected to be the world's second-largest, behind only China. The Indian economy has once again regained the tag of the "fastest growing economy". How sustainable this momentum will be and by when our economy can cross the 8% Rubicon, will depend on how effectively the various policies, especially with respect to structural and infrastructure related reforms are implemented.

With this backdrop, infrastructure remains a key tool to address developmental gaps as it is considered a catalyst to lift the economy out of the financial turmoil. Every year, there is about USD 10 trillion in construction-related spending globally, equivalent to 13% of GDP. This makes construction one of the largest sectors of the world economy. The sector employs 7% of the world's working population and, by building the structures in which we live and work, which create our energy, materials, and goods, and on which we travel, has an impact well beyond its own boundaries. Construction matters. The governments around the world are pumping money to generate demands for goods and services by creating jobs through higher spending into public and social infrastructure. India's emergence as an economic superpower is predicated upon transforming its basic infrastructure. The impetus is now towards rapid industrialization and infrastructure development where the government and the private sector players are looking to work in a cohesive manner. Apropos, the Indian government has taken concrete steps to revive the sector at a quickened pace. The increased impetus to develop infrastructure in India is a major attraction to both domestic and international players. Private sector has emerged as a key player across various infrastructure segments, ranging from roads and communications to power and airports. The combined output index for Infrastructure during F.Y. 2018 is depicted further.

Combined output index for Infrastructure during F.Y. 2018



Source: Office of the Economic Adviser to the Government of India

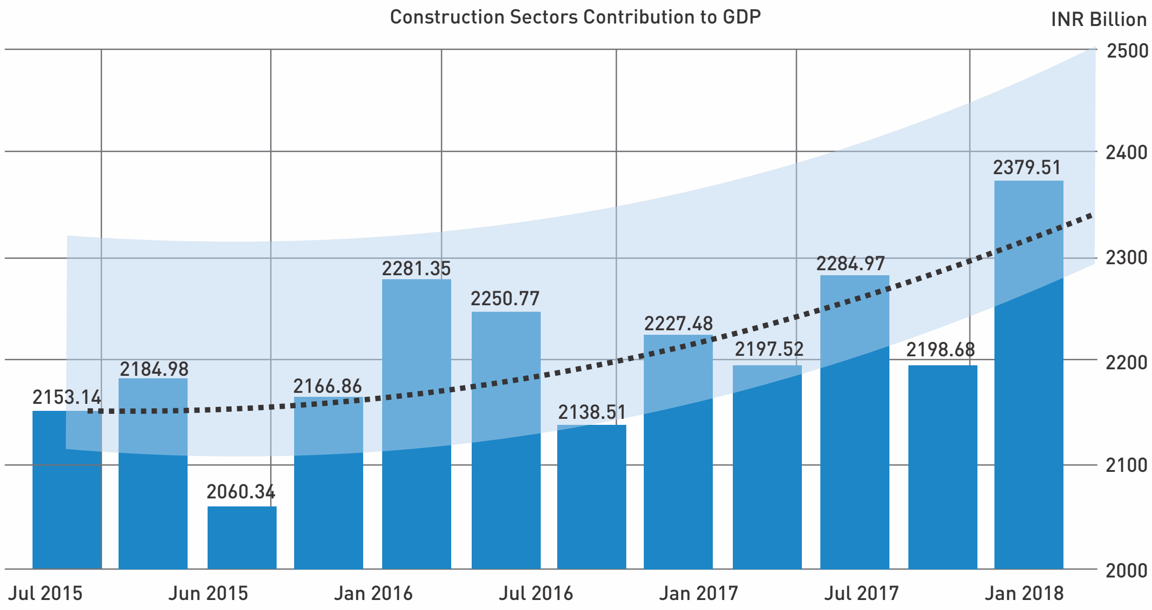
According to ASSOCHAM study, increase in demand of Indian construction sector can lead to an increase in overall output of the economy by 2.4 times. Significant allocation to the infrastructure sector and the government's policy to increase private sector participation has proved to be a boon for the infrastructure industry with a large number of private players entering the business through the PPP model.

2. THE INDUSTRY SCENARIO:

The industry has transited through an interesting time with so many initiatives affecting at the same time. Dramatic changes in regulatory, tax and business environment have been introduced within a short time frame. To begin with, announcement of demonetization led to an upheaval in the sector. This was followed with implementation of the RERA. The new tax system in the form of the GST has also got implemented. The culmination of all these changes have certainly started to bring-in much-needed transparency in the sector. The industry is getting equipped to synchronise with this paradigm shift and should look forward to entering into an interesting phase which promises absolute legitimacy. GST has created a nationwide-level-playing-field for all organised entities operating in the industry.

a. Infrastructure:

Any highly-populated country needs a robust infrastructure and India is no exception to the rule. A key driver of the economy, Infrastructure is highly responsible for propelling India's overall development. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. It is a major contributor towards India's GDP, both directly and indirectly. Its contribution to GDP in India has stayed fairly constant at around 7-8% for the last five years.



Source: Central Statistical Organisation, India

The latest estimate of India's GDP from Construction is ₹ 2,380 billion, it is ranked as the 7th highest GDP from construction globally, while the forecast is ₹ 2,530 billion by 2020. It employs 35.00 million people, and any improvements in the construction sector affect a number of associated industries such as cement, steel, technology, skill-enhancement, etc. Low entry and technology barriers make the industry highly fragmented. While low fixed costs narrow the entry barriers, uncertainties on payments drives up working capital requirements. Entities in a contracting process of infrastructure and industrial projects include the owner (project implementer), contractors, consultants, process licensors and suppliers of raw materials and equipment. The industry is regulated and implemented by different apex authorities of the various segments. It encompasses different types of contracts (EPC, EPCM, BOT, BOOT, etc.), depending on the nature of project. Each contract has certain features which draw interest of players and aim at enhancing overall efficiency. Revenues in construction contract are recognised on percentage of completion method based on Indian Accounting Standard (Ind-AS11), that provides an accurate picture of revenues and costs during the accounting year. Tax incentives are provided for infrastructure facilities currently under the income tax benefit under Section-80IA and under Section 35AD.

Infrastructure output refers to a combined index that measures the performance of eight core industries: refinery production (28.04%), electricity generation (weight: 19.85%), steel production (17.92%), coal production (10.33%), crude oil production (8.98%), natural gas production (6.88%), cement production (5.37%) and fertilizers production (2.63%). Infrastructure accounts for nearly 40% of India's industrial output. Hence, it enjoys intense focus from the Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. For the purpose, ₹ 50 trillion (USD 778 billion) is required by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space.

The Government of India is keen on developing the infrastructure sector in the country. This is clearly evident through the numerous initiatives announced for this sector as part of Union Budget 2018-19 e.g. allocation of ₹ 5,970 billion for the sector with Railways ₹ 1,480 billion; ₹ 160 billion towards Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme; ₹ 42 billion to increase capacity of Green Energy Corridor Project along with other wind and solar power projects; ₹ 100 billion to boost telecom infrastructure. While, the government has already conferred the coveted "Infrastructure" status to the "Affordable Housing" sector. India is witnessing significant interest from international investors in the infrastructure space with many MNCs keen to collaborate on infrastructure, high speed trains, renewable energy, developing smart cities, etc.

Overall construction spends in key infrastructure sectors will now gather further pace, aided by a slew of recent policy reforms. Roads would drive majority construction spends while investments in urban infrastructure and railways are expected to grow at a faster pace with the government's increased focus on schemes such as AMRUT, Swachh Bharat, Clean Ganga Mission, Smart cities, HFA by 2022, WSS projects and metro construction in major Indian cities are expected to boost urban infrastructure investment in the years to come.

b. **Logistics:**

The presence of a robust logistics-related infrastructure and an effective logistics management system facilitates seamless movement of goods from the point of origin to that of consumption, and aids an economy's movement to prosperity. The progress of logistics sector holds an immense value for India as well; as such advancement would increase exports, generate employment and give the country a significant place in the global supply chain. The Indian logistics sector provides livelihood to about 22 million people and improving the sector would facilitate a 10% decrease in indirect logistics cost, leading to a growth of 5-8%in exports.

The industrial warehousing segment in India is highly fragmented, with the unorganised players comprising an estimated 83-85% share of the total warehousing space. As a consequence, there is severe price competition among players. The industrial warehousing segment witnesses intense competition on account of unorganized nature of the industry. The other challenges hindering its growth include high cost, under developed material handling infrastructure, fragmented warehousing, presence of multiple regulatory and policy making entities, lack of seamless movement of goods across modes, and poor integration with modern information technology. These challenges, particularly the ones pertaining to procedural complexities, redundant documentations and involvement of several agencies at our ports and borders, severely dent our performance in international trade, resulting into about 70% of the delays.

There are several policies aimed at encouraging investment in the sector, including free trade warehousing zones and logistics parks. Selecting the right location, optimal usage of storage facilities, providing value-added services, and achieving scale are the key success factors for the warehousing industry. The government has laid an emphasis on infrastructure growth with plans to develop highways, railways and rural roads, and revive unused airstrips and airports. The government also announced the revival of the Sagarmala project for port modernisation and port automation, development of multimodal logistics parks, and dedicated freight corridors. The successful and timely completion of these proposed projects can help ensure cost effectiveness and operational efficiencies.

The GST regime is certain to expedite faster conversion of informal logistics setups to formal ones and speed up freight movement at interstate borders due to dismantling of check posts. The rollout of GST has started to improve supply-chain effectiveness and reduction in consolidation costs by promoting hub-and-spoke model (have a large warehouse in a strategic location instead of numerous small ones) resulting in a reorganised industry. There is a target to reduce the logistics cost in India from the present 14% of GDP to less than 10% of it, by 2022. Warehousing space in India is expected to grow at a healthy pace up to 2020. The industrial warehousing segment is expected to drive growth, led by the organised segment (largely third-party logistics players) fuelled by value-added services.

The logistics sector now finds a place in the Harmonized Master List of Infrastructure Subsector. This inclusion is set to benefit the logistics industry as it will now have an access to cheaper and long term credit. Such a move will also lead to simplification of the approval process for the construction of multimodal logistics parks. Lastly, it will encourage market accountability through regulation and will attract investments from debt and pension funds into recognized projects. In line with an increased demand, the supply of modern warehousing and industrial parks is also expected to increase over the next few years. While office and residential are expected to remain traditional drivers; however, alternate sectors such as retail and warehousing will also come to the forefront. It will enhance our trade competitiveness, create jobs, shoot up country's performance in global rankings and pave the way for India to become a logistics hub. Such measures will also contribute to creation of a New India by 2022.

3. NILA:

a. **In retrospect:**

The Company commenced its business operations from 1990 and operated profitably, mainly as a city-based realtor. The Company executed several housing projects successfully and developed land bank at economic rate during the recessionary phase. The Company gained momentum in F.Y. 2007 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 F.Y. 2008 the Company launched its ambitious residential project "Asmaakam". The project received overwhelming response even during the period of global meltdown in F.Y. 2009. However, with limited resources, the Company was not able to work at its full potential, while it was strategized to transform the Company to a meaningful infrastructure player. Thus, the Company initiated amalgamation of Pearl Stockholdings Pvt. Ltd (PSPL) during 2009-10. PSPL's sound financials prepared a strong platform for the Company's growth and transformation. This strengthened the Company's eligibility to "financials" parameter for certain civic urban infrastructure construction contracts by various government bodies/agencies. With such backdrop the Company has since transformed into a specialist in civic urban infrastructure contractor.

Post successful consolidation of resources, the Company concentrated on sustainable growth in civic urban infrastructure segment. Planning an effective vision at the right time and efficient implementation of the strategy transformed the Company. During F.Y. 2017, about 86% revenue of the Company was derived from Affordable Housing and civic urban infrastructure projects. While, the Company initiated to create avenues for growth and seizing such growth opportunities, it was thought prudent to demerge the real-estate undertaking into a separate entity (as more specifically detailed in the Demerger section in this Annual Report).

b. The Demerger of Real Estate Undertaking:

Background	The management envisions to become the leaders in the all the sector of operations. Your Company is a unique company with a blend of Infrastructure and Real Estate businesses, primarily Affordable Housing. While, your Company has, over a period of time, become an Infrastructure Company with specific focus on Civic Urban Infrastructure – including Affordable Housing; it is well positioned to grab emerging opportunities in real-estate, too. The said Infrastructure Business has been the major contributor to the overall revenue of your Company for last couple of years. Hence, it was thought prudent to provide an absolute focus on Infrastructure business and make it a pure-play Infrastructure Company, while there will be a separate-and-undivided focus on real-estate business.
Purpose and rationale	In the process of executing projects for various Government/Semi Government entities, your Company fathomed the size and scale of government's initiatives - "Housing for All by 2022", and "Smart cities". While, the government initiated the supply-side measures, it has simultaneously addressed the demand-side, too; by boosting the affordability with the reduction/subsidy in interest on housing loans, enhancement of ceiling for interest deduction, etc. Further, with implementation of path-breaking regulations - RERA and GST Act; the real estate business started getting the much needed impetus as an industry. The latest accordance of much coveted status of "Infrastructure" to Affordable Housing has since set the right atmosphere. Hence, with such collective positive transformation of critical dynamics of the real-estate industry; it was thought prudent to provide an undisturbed attention to the real-estate business by demerging it into a separate entity. The independent Real Estate Business would ensure a focused strategy and specialization for sustainable growth of the Real Estate Business while it would also support the initiatives taken by the Government to provide affordable housing. The demerger shall provide an impetus to the financials of your Company with an assets light business and make a strong case of improved credit profile. The leaner capital structure and commensurate assets shall boost the business prospects of your Company and provide for value unlocking/wealth creation of the investors in the long-run. Thus, segregating the business would enable independent business opportunities, attracting different sets of investors, strategic partners, lenders and other stakeholders and would bring about synergy of operations and greater internal control on business processes/ease in decision making.
Benefits	• Clear definition of the business • Separate investment possibility • Creating growth enablers • Improvement in financial flexibility • Unlocking value

Entities and business Post-demerger		**Demerged Company**	**Resultant Company**
	Name of the Company	**Nila Infrastructures Limited**	**Nila Spaces Limited** (earlier known as Parmananday Superstructure Limited)
	CIN	L45301GJ1990PLC013417	U45100GJ2000PLC083204
	Business	Infrastructure construction and development	Real estate development and marketing
	Subsidiary, Associate & JV (Company's share-holding)	• Nila Terminals (Amreli) Pvt Ltd (100.00%) • Romanovia Industrial Park Pvt Ltd (50.00%) • Kent Residential and Industrial Park LLP (50.00%) • Vyapnila Terminals (Modasa) Pvt Ltd (34.00%)	• Nila Projects LLP (99.97%) • Fangdi Land Developers LLP (51.00%) • Nilsan Realty LLP (99.99%) • Mega City Cinemall Pvt Ltd (42.50%)

Professional firms engaged for the purpose	Name of the firm	Area of service
	Singhi & Co., Advocates and Notary	Legal advisors
	KPMG (Registered)	Taxation and Regulatory advisors
	Umesh Ved& Associates, Company Secretary	Compliance and procedural advisors
	M. B. D. & Co. LLP, Chartered Accountants	Share issue report
	Tipsons Consultancy Services Pvt Ltd, Merchant Banker	Fairness opinion
Key terms	Appointed date = 01 April 2017 Pronouncement of NCLT order 09 May 2018 Equity shares entitlement ratio = 1:1	

c. **In prospect:**

The management envisions to make the Company one of the leading players in the sector. To achieve this, the Company works on AH Infrastructure and civic urban infrastructure projects by leveraging its core competency. The management is optimistic towards the growth of the economy in general and construction sector in particular. The Company has since secured meaningful Construction Projects of Affordable Housing and envisage that, on back of enhanced pre-qualifications/bidding capacities, contractorship business will grow sustainably. The Company has also built significant rehabilitation and redevelopment order book where the remuneration is superior for a long-term sustainable growth. The Company is now a sort of a specialist in AH Infrastructure and meaningful Civic Urban Infrastructure player that has made a prominent impact on the ground.

4. Strategic Focus of NILA:

a. Unique Business Model – Diversified and Flexible:

The company has developed a unique business model of construction contracts on for AH projects as well as Civic Urban Infrastructure Projects. While, leasing of certain office space ensures continues revenue. Your Company has successfully leveraged the construction expertise to grow into other associated business like construction contracts from government authorities and reputed corporates. 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, whereas the slum rehabilitation and redevelopment projects ensure better profitability margins. 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.

b. 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.

Throughout this process, your Company has to identify and mitigate inherent risks that can adversely affect 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, permissions, 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 : 2015 accredited by INTERCERT that include Project Management, Site Development and Construction activities for Infrastructure, Industrial, Residential and Commercial projects.

c. **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.

d. **Financial Resources:**

The foremost source of finance of your Company has traditionally been internal accruals and borrowings from banks. Your Company has made financial arrangement with banks and financial institutions for its various long-term and working capital requirements. During the year your Company has successfully contracted/renewed substantial credit limits at competitive terms. Such negotiations will enhance the overall financial flexibility.

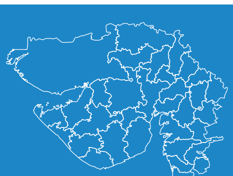
e. **Joint Ventures:**

In order to share risk and cost, experience and expertise your Company develops certain 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. Your Company looks upon them as partners in its progress and shares with them the rewards of growth. It is the Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and cooperation with each other, consistent with consumer interests.

5. Opportunities:

a. **Gujarat – The Growth Engine of India:**

"Vibrant Gujarat" has been instrumental to make Gujarat a corporate hub with the entry of national and multinational companies which has led to rising employment. Gujarat is one of the leading industrialised states in India. As of January 2018, Gujarat had a total installed power generation capacity of 30,394.29 megawatt (MW). Gujarat is considered the petroleum capital of India due to presence of large refining capacity set up by private and public sector companies with total refining capacity of 101.9 MMTPA, accounting for 41.54% of the country's capacity. The state is the world's largest producer of processed diamonds, accounting for 72% of the world's processed diamond share and 80% of India's diamond exports. With a contribution of 65 to 70% to India's denim production, Gujarat is the largest manufacturer of denim in the country and the third largest in the world. There are 45 ports, 18 domestic airports and one international airport. There are 106 product clusters and 60 notified special economic zones (SEZs). Large scale investment is expected in Gujarat as part of the USD 90 billion DMIC.

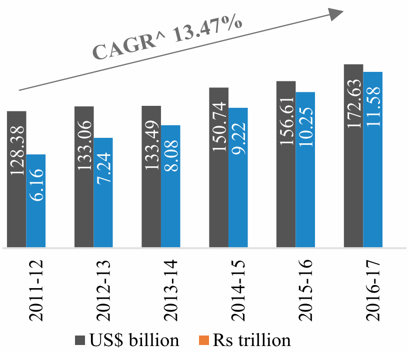


GUJARAT

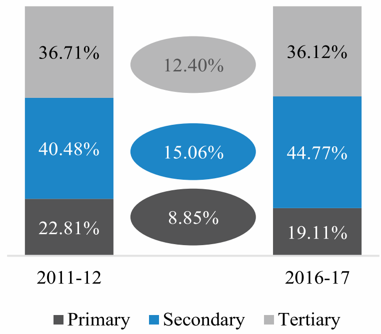
THE GROWTH ENGINE OF INDIA

Economic Snapshot

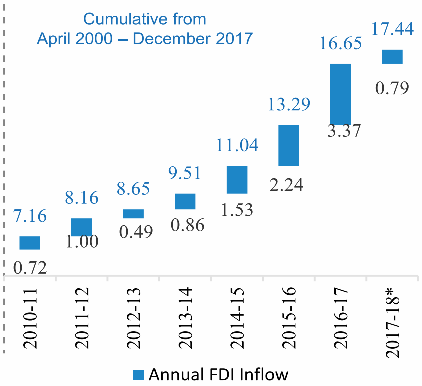
GSDP of Gujarat at current prices



Distribution of GSDP
*CAGR^*



FDI inflows in Gujarat
(In US$ billion)



Note: 2017-18 - up to December 2017, ^CAGR in Rs*

Source: Directorate of Economics and Statistics Gujarat, Department of Industrial Policy & Promotion

Advantages

High economic growth and industrial development

- One of the **most industrially developed** states. Contributes about a **quarter of India's goods exports**
- Gross State Domestic Product (GSDP) of Gujarat grew at a rate of 13.47 per cent during 2011-12 to 2016-17.

Policy incentives

- The state government has framed policies in almost all key sectors such as industry, power, ports, roads, agriculture & minerals.
- Garment & Apparel policy was announced in October 2017 with the **aim of creating 100,000 jobs in the state.**

Rich labour pool

- **Good educational infrastructure** with premier institutes in management, fashion, design, infrastructure planning & pharmaceuticals.
- **Industrial training institutes in each district** to train manpower for the shop floor level.

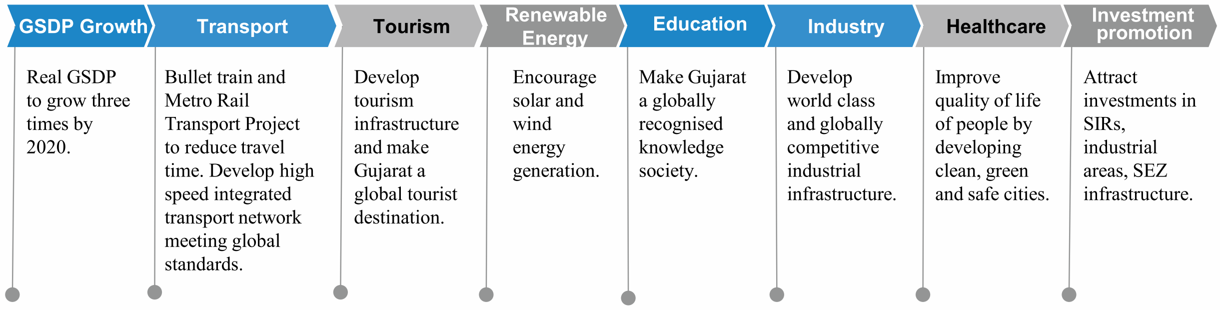
Facilitating infrastructure

- The state has developed **42 ports, 18 domestic airports & 1 international airport.**
- A **2,200 km gas grid** supplies gas to the industrial areas.

Key Government Policies and Objectives

Garment and Apparel Policy 2017	• Creation of 100,000 jobs in the state
Gujarat New Industrial Policy 2015	• Develop Gujarat as a global manufacturing global hub
Solar Power Policy 2015	• Promote power generation of green and clean power in the state using solar energy and reduce the cost of generating renewable energy.
IT Policy, 2014-19	• Accumulate US$ 15 billion from IT sector in Gujarat by 2020
E-Governance Policy, 2014-19	• Provide cost efficient services in Gujarat through information and communication technologies
Electronics Policy, 2014-19	• Promote semiconductor manufacturing sector and establish an electronic manufacturing cluster in the state

Government Vision for the State

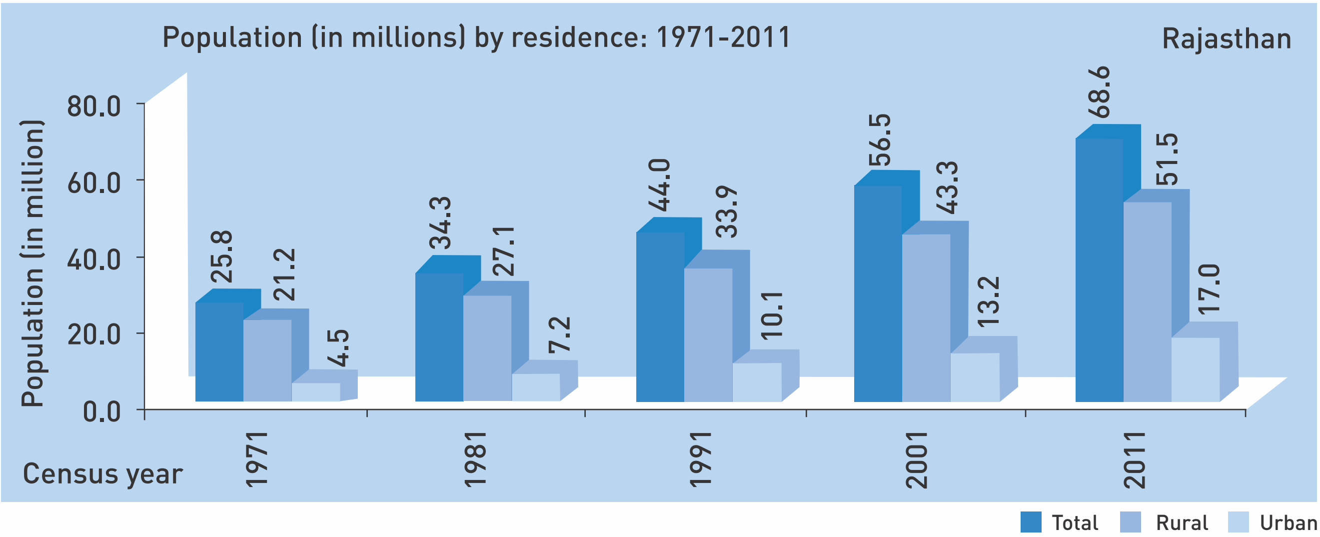


Your Company foresee ample opportunities in infrastructural development. The rapid urbanisation is likely to boost metaphorical growth in years to come. All these would ultimately generate a demand to develop infrastructure that shall offer opportunity to the developers to grow in years to come. The envisaged opportunities are discussed further. Your Company is favourably placed to participate in the opportunities arising from the home-state that is considered the "Growth Engine of India".

b. Rajasthan – The Sunrise State for Civic Urban Infrastructure:

Rajasthan is India's largest state by area and it is bordered by the other important Indian states: Punjab to the north; Haryana and Uttar Pradesh to the northeast; Madhya Pradesh to the southeast; and Gujarat to the southwest. Thus it is a natural corridor between the wealthy northern and the prosperous western states, making it an important trade and commerce centre.

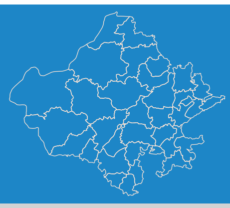
The population of Rajasthan stands at about 68.0 million (2011 census), making it the eighth most populated state in India (5.6% of the country's population). Globally, the urban areas are becoming centres of economic growth. Due to the rapid growth and urbanization, there has been an increased pressure on the urban infrastructure facilities. Rajasthan is also in accordance with such global phenomenon and has recorded 29% urbanisation growth rate during 2001-2011 as per the Census (refer the below chart):



Source: http://www.rajcensus.gov.in/

Meanwhile, the urban infrastructure and Public Services for Rajasthan's burgeoning urban population is inadequate. On a conservative basis, an investment to the tune of ₹ 100 billion would be required in the next 10 years to adequately address the infrastructure needs of various urban centres in Rajasthan.

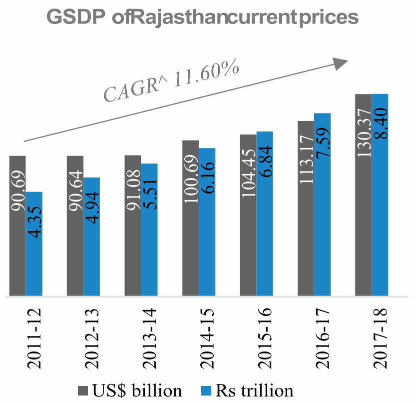
The natural resources, policy incentives, strategic location and infrastructure in the state are favourably suited for investments in sectors such as cement, IT and IteS, ceramics, tourism, automotive and agro-based industries. Rajasthan is the largest producer of oilseeds, seed spices and coarse cereals in India. Tremendous opportunities exist in the areas of organic and contract farming as well as in infrastructure developments. Rajasthan accounts for 17.5% of the total cement grade limestone reserves in India and is the largest cement producer with 21 major cement plants having a total capacity of 55 MTPA. A SWC System for investment approvals is operational in the state and BIP is a nodal agency of the GoR that facilitates investments in various sectors in the state. RIICO is the sole agency in the state that develops land for industrial growth.

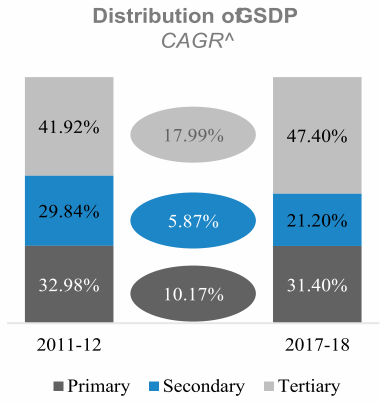


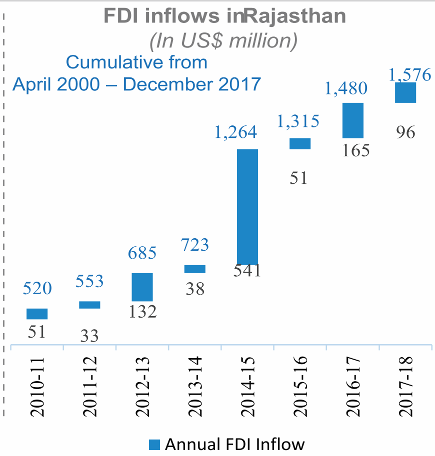
RAJASTHAN

ROYAL HERITAGE

Economic Snapshot







Note: 2017-18* - up to December 2017, CAGR in Rs

Source: Central Statistics Office, Directorate of Economics and Statistics Rajasthan, Department of Industrial Policy & Promotion

Advantages

High economic growth and stable political environment

- GSDP grew at a CAGR (in Rs) of 11.60 per cent between 2011-12 and 2017-18.
- Stable political environment. Government committed towards creating a **progressive business environment.**

Rich labour pool and infrastructure support

- Rajasthan has renowned **higher education institutions** in various disciplines, producing thousands of skilled and proficient young individuals every year.
- State developing **sector specific infrastructure**, such as special purpose industrial parks and special economic zones for exports of handicrafts, IT and electronic goods.

Abundant mineral resources and location advantage

- Rajasthan offers a variety of **unexploited agricultural and mineral** resources.
- Rajasthan is a **natural corridor** between the wealthy northern and the prosperous western states.

Policy and incentives

- The state offers a wide range of **fiscal and policy** incentives for businesses.
- Rajasthan has a **favourable industrial relations** environment. The **law & order** situation in the state ensures a good working environment.

Key Government Policies and Objectives

Rajasthan Startup Policy 2015	• Establish 50 incubators, support 500 innovative start-ups, mobilize US$ 77.77 million of Angel and Venture Capital and develop an innovation culture in the state.
E-Governance and IT/ITeS Policy, 2015	• Provision of IT for good governance in the state and enhanced investments in IT/ITeS, ESDM and robotics sector
Rajasthan Mineral Policy 2015	• Improve the exploration of the mineral wealth of Rajasthan through various in-house facilities and by outsourcing different enhanced techniques
Rajasthan Solar Energy Policy, 2014	• Reduce dependence on conventional sources of energy by promoting the development of non-conventional energy sources
Rajasthan Industrial and Investment Policy, 2010	• Achieve higher and sustainable economic growth through greater private investment in manufacturing as well as services sectors

Government Vision for the State

Infrastructure	Agriculture	Economy	Education	Human development	Community	Governance
To develop good quality roads, proper traffic management systems and appropriate water policy.	To create network of canals, develop five international level research labs and address soil fertility.	To promote region wide economic balance and develop efficient economic infrastructure.	To make education compulsory up to 10th standard, promote privatisation, support higher education & research and provide computer literacy.	To eliminate poverty & generate employment opportunities for all and develop a comprehensive Economic Inclusion Policy.	To develop a coherent social environment and execute poverty elimination plans.	To make minimum education & work experience must for politicians, provide more freedom to bureaucrats and implement fair & advanced taxation system.

Source: Directorate of Economics & Statistics, Central Statistics Office

The state has undertaken a series of labour and industry reforms in recent past. It has also opened many sectors for PPP; earning favourable response from residents, activists and industrialists. The GoR is committed to providing a significantly better and more prosperous life to all the citizens of the State. For people of Rajasthan to realise their dream of a much better life for themselves and their children, it is creating an entire ecosystem of opportunities including a slew of measures, which gets reflected as Rajasthan stands sixth among Indian states in rankings based on ease of doing business and reforms implementation, according to a study by the World Bank and KPMG.

In order to attract investment from private sectors and to sensitise them for investment in the State, GoR embarked on a sustained investment promotion campaign over a period of time which included investor meets, events, conferences, culminating into Resurgent Rajasthan Partnership Summit 2015 during November 2015. It brought together leading investors from all over the world, senior State government officials and local business community for interactions on investment environment and opportunities in Rajasthan. Within overall 295 MoU signed for an expected investment of ₹ 3,200 billion, 35 MoU for ₹ 170 billion are for Infrastructure (excluding Roads & Highways, Energy). With such initiatives the state of Rajasthan has become a Sunrise state for the civic urban infrastructure development and offers bountiful potential. To partake in such opportunities, your Company has entered into a MOU with GoR at RRPS for construction of urban infrastructure projects including affordable houses under Affordable Housing Policy that allows private developers to get TDR. Corresponding to this MOU, your Company has been actively bidding for relevant tenders and has built a propitious order-book (as detailed further).

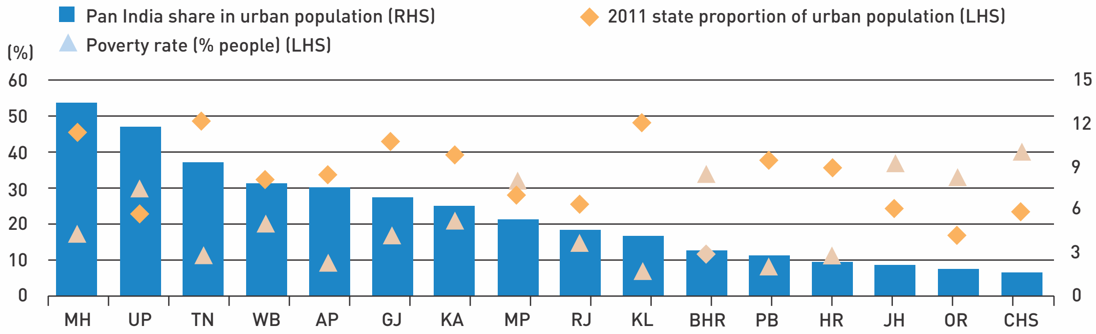
c. Infrastructure:

i. 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.

The latest mission of the MHUPA i.e. "Pradhan Mantri-Awas Yojana– HFA by 2022" offers a considerable opportunity. It aims to build about 20.0 million houses across the length and breadth of the country for EWS, ST, SC, and women (irrespective of caste and religion). HFA along with the "100 Smart Cities" will be a major game changer for the industry. While, the most coveted "Infrastructure" tag to AH has already initiated change in the rules-of-the-game amongst even the established and branded real-estate players.

A demand for 25.0 million homes is estimated (4x of the entire current stock) upto F.Y. 2022 in the MIG and LIG categories.



Source: RBI, Census data

A combination of factors such as: 1) government financial and policy thrust, 2) regulatory support, 3) rising urbanisation, 4) increasing nuclearisation of families, and 5) increasing affordability is converting latent demand into a commercially lucrative business opportunity. The AH finance sector alone will attract over ₹ 200.0 billion of equity inflows up to F.Y. 2022 to support growth. Increased impetus to the creation of affordable housing mission, along with quicker approvals and other supportive policy changes offers a considerable opportunity. On operating cost metrics, the new entrants with their pan-India ambitions would need to build scale quickly to compete with the incumbents whose regional-focussed models have helped maintain tight opex ratios in addition to their cost of fund advantage. This entails building up the order-book at a rapid pace. This in turn would necessitate having the right 'people' (who have seen various cycles and scale) and the right 'processes' (building a scalable and robust platform) while getting the 'pricing' (risk and opex adjusted spreads) right. These would be the key differentiators. As your Company has already become a sort of a Specialist in affordable housing space, it is quite favourably placed to participate in such opportunity.

ii. Slum Redevelopment in PPP:

According to the GoG's UDUHD, about 700,000 families reside in slums in the urban areas of Gujarat. State Government aims to accord priority to rehabilitate such slum dweller families in-situ. Eligible slum dwellers families will be provided houses of minimum 25 sq. mtr. Carpet area with basic civic amenities free of cost in lieu of their hutments with main objectives being:

- In-situ rehabilitation of the slums situated on public land in urban areas of the State
- Provision of pucca houses with basic amenities having two rooms, kitchen, bath room and latrine for slum dwellers families
- Ownership rights of the house to the beneficiaries after 15 years
- Provision of hygienic and healthy life style especially for urban poor
- Qualitative improvement in socio-economic and environmental conditions of towns and cities of Gujarat
- Attracting private investment by PPP for this purpose
- Simple and transparent policy framework to rehabilitate slums in-situ on public land through PPP

The beneficiaries get basic civic facilities of drinking water, sewerage line, electricity connections, Anganwadi / Health Centre. The beneficiaries are responsible for payment of operational and maintenance cost, property tax and any other tax levied by LSG. The beneficiaries will be initially granted lease-hold rights for the houses allotted to them for first 15 years and thereafter will be granted ownership rights. However, the ownership of the land will remain with the LSG. The developer gets certain incentives including additional FSI, TDRs, free hold rights on balance vacant land for development and free sale, exemption on developmental charges, relaxation in construction. Private developer is selected through established, open and transparent procedures.

As your Company has already built proprietary knowledge from such PPP project, while it has a rich legacy in real-estate development and marketing, it is quite favourably placed and very enthusiastic about such opportunity.

iii. 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. In the backdrop of the announcement of GIFT, 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
- Community Halls

Your Company is confident to benefit from this.

1. **Bus Ports in PPP**

   A typical SRTC is a state owned corporation for passenger transport providing bus services both interstate and intra-state. As part of this endeavour, various SRTCs have decided to develop state-of-the-art Bus Terminals with an iconic structure and design as well as modern facilities. To improve the urban transport infrastructure, SRTC will undertake development and operation & maintenance of bus terminals with commercial facilities on DBFOT basis.

   SRTC normally adopts a single stage three step online tendering process for selection of the Concessionaire for award of the Project(s). GoI's guidelines for qualification of bidders seeking to acquire stakes in any public sector enterprise through the process of disinvestment apply mutatis mutandis. The selected bidder i.e. the Concessionaire is responsible for designing, engineering, financing, procurement, construction, operation and maintenance of the Project(s) under and in accordance with the provisions of a long term Concession Agreement to be entered into between the Concessionaire and SRTC.

   The scope of work broadly include rehabilitation, demolition of existing bus terminals with designing, financing, construction of new bus terminals along with associated amenities & facilities, development and construction of commercial facilities and the operation and maintenance thereof of bus terminal and commercial facilities. The commercial facilities to be developed by the Concessionaire shall be available on along-term lease basis.

   Your Company has already got a couple of orders directly as well as in joint venture with other reputed corporates for Amreli and Modasa Bus Ports at Gujarat. Your Company is confident to gain positively from execution of such projects.

2. **Office Complex**

   Your Company is already executing 300,000 sq ft bua comprising two basements + G + 13 floors for a reputed corporate at Gujarat. Your Company is confident to gain positively from execution of such project.

3. **Health and Medical**

   Your Company is already executing 300,000 sq ft bua facility of a Medical College campus for 100 MBBS admission annually as per applicable MCI norms at Barmer, Rajasthan. This Project will provide additional opportunities to your Company into Medical and Health related construction business, which has abundant prospect. Your Company is confident to gain positively from execution of such project.

d. Industrial and Logistics:

The logistics value chain comprises three units – transportation, warehousing and administration. Transportation involves the end–to–end movement of freight from the manufacturer/retailer to the customer. This transfer can span across borders and across different modes of transport. Warehousing is the intermediate storage of goods that happens during a product's journey from the factory to the consumer. Administration is supply chain management.

Logistics entails a lot of coordination and integration, which is made efficient through supply chain management. It plays an indispensable role in the transportation of goods across the country. Today logistics cost in India accounts for 13-17% of the Gross Domestic Product (GDP) which is nearly double (6-9%) the logistics cost to GDP ratio in developed countries such as the US, Hong Kong and France. Much of the higher cost could be attributed to absence of efficient intermodal and multi-modal transport systems. Moreover, warehousing which approximately accounts for 25% of the logistics cost has also been facing major challenges. This further added to the logistics cost borne by the end users and other stakeholders.

Indian Government has increased thrust to improve the logistics sector. Promising and futuristic Policy and Infrastructure environment for the Logistic sector exists in India today, and is creating the most encouraging impact in revolutionizing the logistics sector and taking it to the next level of evolutionary phase. The country is gradually improving its logistics positioning as seen in the Logistics Performance Index (LPI), wherein India's rank has jumped by impressive 19 position to reach 35th rank – mainly attributable to reforms undertaken by the government like the introduction of the Single Window Interface for Trade (SWIFT) in the Customs Department.

The sector indeed has a potential to embrace lot more positive changes and has a long way to go. With the Logistics Sector getting Infrastructure status, the access to credit on long-term basis will be at competitive rates from financial institution and access to funds as External Commercial Borrowings (ECB), as well as access long tenure funds from insurance and pension funds and borrow from India Infrastructure Financing Company Ltd (IIFCL). Further, the implementation of GST has made way for cost and operationally efficient Hub & Spoke Model of warehousing and has shifted the end user demand and developer supply from inefficient, low quality redundant warehouses to large box, good quality Grade "A" warehouses. Strong demand and investment are foreseen in short to medium term. According to a study, Logistics has attracted about ₹ 1,250 billion investment from 2014 till date with about 42% in the form of equity.

A warehouse is a fundamental part of business infrastructure and is one of the key enablers in the global supply chain. It is the fulcrum for procurement, manufacturing and distribution services which collectively build robust economies. Earlier, the incentives to enter India's warehousing sector was minimal for organised players as the occupiers themselves were content to engage with fringe partners offering low cost options with a network of small storage facilities near consumption centres. Multiple state and central level taxes made it sensible for companies to maintain smaller warehouses in each state. Further, this limited the focus on automation and higher throughput. This attitude of occupiers of preferring to save on costs as their sole objective is changing. There has been a gradual transition in the mindset of occupiers to use the services offered by organised segments. A plethora of factors are driving this wave of change such as: requirement from compliance regulators (in case of the pharma industry), quality consistency assurance required by clients/ regulators, statutory penalties on non-complaint warehousing facilities, economies of scale being achieved through larger warehouses, safety and security of goods, efficiency in operations, quicker turnarounds, need for efficient warehousing designs and the advent of e-commerce and other multinational businesses that prefer to occupy only complaint facilities. This shift was further accentuated by the implementation of the GST. The warehousing market in India is highly fragmented as majority of the warehouses measure less than 10,000 square feet. Further, almost 90% of the warehousing space is controlled by unorganised players and comprises small-size warehouses with limited mechanisation. The present warehousing market in India can be categorised into three – lower stratum, middle stratum and higher stratum. The lower stratum is just godowns of the past converted into warehouses. These are old buildings, mostly Reinforced Cement Concrete (RCC) structures and their only utility is storage. The middle stratum warehouses comprise similar structures as in the lower stratum, but these are built with pre-engineered slabs and are known as pre-engineered building (PEB) structures. Their planning and functioning is very basic, like that of the lower strata, but their buildings are in a comparatively better condition. Higher stratum warehouses are the modern and massive structures that perform a lot of supply chain functions along with storage. Another practice in Indian warehousing market is the lack of attention to warehouse designing. This ignorance stems from lack of awareness and/or lack of willingness on the part of landowners and developers to cater to the requirements of end users. Most warehouses are built keeping in mind the developer's perspective and not that of the end user. Hence, the focus is to save cost which results in the construction of a very basic structure for a warehouse. Such warehouses do not adhere to market standards and therefore, end users are frequently plagued with issues like lack of basic amenities and sub–standard infrastructure with lower longevity. Warehouses today take different forms – fulfilment centres, distribution centres, return centres, and even showrooms. Your Company, thus, focuses on the concept of Built–to–Suit (BTS) warehouse incorporating the designing and end user centric facilities/amenities. Demand for large warehousing spaces is likely to see steady increase as occupiers now prefer to move out of their smaller warehouses and consolidate their activities in larger facilities, which are presently in short supply compared to the demand. This demand-supply gap is visible in the current premium commanded by organised players owning these assets.

Such opportunity has attracted global corporations in Indian warehousing sector. The government's thrust to the sector such as giving infrastructure status to the logistics sector, "Make in India", "Digital India", "Skill India", India Brand Equity Foundation Trust, Multi-modal logistics parks, signing of FTA/PTA, etc.; and initiatives to set up industrial corridors like DMIC, Delhi Kolkata Industrial Corridor and logistics parks have propelled the cause. Over the past few years, the government has undertaken several reforms to promote and provide an exit route to real estate investors via the REITs. Currently the market for REITs in India is at a very nascent stage and it would take time to evolve. Once the market for REITs matures, the institutional investors would be able to get a credible exit avenue to gain from their warehousing investments by listing their warehousing assets through REITs. These initiatives would go a long way in leveraging the true potential of the sector and bring down the overall costs linked to warehousing and logistics as well give credible exit opportunities to investors.

As more and more companies streamline their logistics networks, it would be observed that unorganised players or smaller organized players would consolidate or sell their assets to larger ones. The industry is expected to witness a structural shift over the next 3–5 years. The warehousing aspect in the logistics supply chain globally is going through a transformation. From being a mere storage space provider for goods, the segment is offering an array of value added services such as packaging, small scale manufacturing, cross docking, automation, algorithm based demand forecasting and distribution centres. This transition would only happen if economies of scale come into play and companies are able to consolidate their spaces and move into larger warehouses. The Indian warehousing industry, which was lagging behind its global counterparts due to its fragmented structure, would now enter the same league. 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 MOU with the Kataria Group of Ahmedabad to work jointly for acquiring land and developing industrial and logistics parks, units, sheds, plots, residential colonies, and allied infrastructure at various locations situated near the upcoming automobile hub at Bechraji – about 90 kms from Ahmedabad at Gujarat; offers your Company a strategic advantage. Your Company has already delivered a dormitory, and a couple of sizeable logistic warehouses under this initiative. Your 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.

6. **Risk and Challenges:**

As is typical in expanding business activities your Company has become a subject to a variety of risks, uncertainties and challenges. 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 table below provides a brief overview of the most significant risks and the company's approach to managing them.

Risk	Explanation	Mitigation approach
Interest rate risk	Your Company's interest costs are impacted by market rates.	Your Company's liquidity and borrowing are managed by professional at Senior management level. The interest rate exposure of your Company is reduced by matching the duration of investments and borrowings.
Credit risk	Your Company's Principal's ability to pay can have an impact on the financial result.	As per your Company's policy only well-established institutions/corporates are approved as counter-parties. Exposure per counterpart is continuously monitored.
Liquidity risk	Acceptable liquidity levels are required in order to achieve desired financial results.	In addition to its own liquidity, your Company enjoys credit facilities with the largest Bank of the country as well as other sizeable/reputed financial institutions.
Competitor risk	Competitors find ways to bid at dramatically lower cost or bid to construct with better functioning/latest technologies.	Your Company aims to be the cost and value leader, meaning striving to innovate and bring new and increased value through the innovation to our customers while at the same time working to assure that your Company's operations are world class in terms of efficiency, cost and waste avoidance. Your Company has developed proprietary knowledge to construct with different technologies, while the management provides highest importance to the Quality perspective to ensure long-term sustainable growth.
Economic downturn	Your Company's customers could be impacted by a major economic downturn resulting in lower demand for their respective projects.	Your Company has a highly diversified and well balanced customer base. The risk is therefore spread very widely on customer, regional and industrial sector/segment perspective. Your Company's flexible business model is capable to set operational priorities in the face of changing economic scenario. Your Company uses market data intelligence to follow and anticipate developments – allowing proactive management of changing market conditions.
Input cost fluctuations	Significant changes in raw material costs can impact the profitability.	Your Company has established a proficient supply chain which assures raw materials are purchased in a highly competitive manner. Raw material cost indexes are often included in customer agreements.

Risk	Explanation	Mitigation approach
Supply chain disruption	External factors such as fires, extreme weather events, natural disasters, water stress, war or pandemic illness to mention a few, could result in disruption of supply and impact on revenue and profit.	Your Company has intentionally set up a flexible supply chain and works to avoid dependence on a single source or production location. The supply chain tracks issues e.g. extreme weather events, natural disasters, water stress, war or pandemic illness, etc. as these may impact the supply. In addition your Company focuses on working with suppliers that have adequate insurance for both production and transports.
Water risk	Water scarcity in the supply chain or at the project site leads to reduced construction	Your Company has a diversified supply chain that facilitates risk reduction and avoidance for water risks. Those projects which are located in areas of water scarcity are identified and required to drive rationale water reuse and reduction programs.
Material source or type compliance risks	Your Company aims to avoid the use of hazardous substances in its products and processes; the company also strives to avoid negative social impacts within the extended supply chain. Legislations have been and are being introduced in these aspects, failure to meet with direct or customer requirements of these legislations could result in costs as well as loss of business for your Company.	Your Company's majority Principal/client are government bodies and the material used by your Company is subject to stipulations of the client, BIS specifications, laboratory checks, inspection by independent third-party e.g. Project Management Consultant, etc. Hence, environment, health and safety risks have already been considered while deciding such stipulations.
Labour disputes	Industrial disputes lead to industrial action with impacts your Company's ability to meet Principal/client demands.	Your Company maintains an open and positive relationship with all the employees, sub-contractors, workers, etc.; as exemplified by not a single instance of any such dispute so far.
Loss of a major project site	Fire, flood or natural disaster could result in the temporary loss of a construction operation, in addition to the reconstruction and remediation costs, this could put time schedule, cost and revenues at risk.	Your Company's Quality Management System is ISO 9001 : 2015 accredited by INTERCERT that include Project Management, Site Development and Construction activities for Infrastructure, Industrial, Residential and Commercial projects. Your Company's construction strategy aims to assure adequate insurance, so that your Company is not financially affected. While, the loss prevention programmes, protect your Company's tangible and intangible assets through active risk management. Your Company is operating about 15 projects across Gujarat and Rajasthan. Hence, if one project is taken out of action, others could provide support.
Major incident at a project	A major incident during which a significant amount of local environmental damage occurs leading to fines, loss of reputation, etc.	Your Company's Quality Management System is certified to ISO 9001 and works to assure that all such material risks are identified and effective counter-measures are implemented in order to mitigate them. This includes actions to mitigate the risk as well as emergency response plans to assure the impacts of any incident are minimised.
Health and Safety at projects	Any employee, labour, worker is hurt or killed by an accident at work.	Apart from the QMS, project execution policy/processes, loss prevention programmes, insurance, etc. your Company ensures to initiate

Risk	Explanation	Mitigation approach
		development and construction of the Project, only post identifying, defining and addressing all such risk propositions and dynamics. Your Company also ensure to share sufficient knowledge about such risks and imparts adequate training to all the employees, labours, workers, so as to tackle such risks. Zero accident programs supported by proactive near miss reporting aims at the avoidance of all workplace accidents.
Climate change risks – extreme weather events	Extreme weather events disrupt project execution.	Requirements for emergency response plans at all sites include flood risks etc. See also mitigations mentioned hereinabove.
Health and Safety related to your Company's construction (conformance and performance)	Person or persons are hurt or injured as a result of your Company's construction failure or defect. Stability/sturdiness of the structure is compromised.	Your Company follows strict design and validation rules for all projects, and fully adheres to Principal/client/NBC specific requirements for safety and structural sturdiness. Your Company ensures implementation of detailed instructions of the Project Principal/client, Architect, Structural Engineer, PMC, etc. to ensure the fulfilment of Principal/client's requirements and your Company's quality standards. Your Company's overall approach to quality management assures conformance and performance to the highest level.
Corrupt or fraudulent actions carried out by your Company's representatives.	Your Company's employee or employees fail to adhere to the Company's Code of Conduct and related policies and requirements and act in a fraudulent or corrupt manner leading to financial penalties and reputation damage.	Your Company takes a proactive approach to assure awareness of demanded ethical standards by education, compliance programmes including anti-corruption, antifraud and antitrust. The work to follow up adherence is facilitated by the whistle blower function and a risk-and incident based audit system.
Non-compliance with applicable laws	The diverse nature of your Company's business and operations means that the Company is required to adhere to numerous laws and regulations related to all aspects of its activities. Failure to meet these requirements could lead to legal and financial consequences as well as damage to the Company's reputation.	Your Company has put in place comprehensive and robust compliance programme which is based on the Company's Code of Conduct. The compliance programme is put in place to ensure that applicable laws and regulations are identified, understood and adhered to.
Legal risks relating to our business activities	In connection with the revenue of your Company and in the purchase of materials and services from our suppliers, consultants, etc. large potential liabilities may occur in case of e.g. late delivery, delivery of defective products, unfulfilled service commitments and incorrect advice. Therefore, it is important that all such risks are identified, that risk decisions are taken on the appropriate level and that carefully worded contractual provisions aiming at reducing your Company's liabilities are included in contracts.	Your Company has put in place policies, procedures and training programs in order to make sure that legal risk relating to our business activities are identified and that risk decisions are taken on the appropriate level. In addition, independent professional legal counsels support the Company in identifying and handling legal risks. The legal counsels work closely with the Senior management and provide contract drafting and negotiation support, claim and litigation management, support, training and general advice.

Your 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.

7. **Corporate Governance:**

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 Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and listing regulations. The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Material Subsidiaries, CSR Policy and Whistle Blower Policy. These policies are available on the website of the Company at www.nilainfra.com. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

The extract of annual return in Form MGT-9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report. A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

8. **Work Culture and Human Resources:**

The management believes in team work and a corporate environment which is self-motivating. Your 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. The businesses that your Company engages in are primarily people-driven. Our Vision is to raise our own benchmarks with every successive endeavour and it is possible only by making every employee a fully engaged and aligned team member. Your Company continues to remain focussed on reinforcing the key thrust areas i.e. being the employer of choice, building an inclusive culture, building a strong talent pipeline, building capabilities in the organization and continuing to focus on progressive employee relations policies. Accordingly, our HR policies are centred around the creation of an environment that attracts, nurtures and rewards high-calibre talent. Young engineers gain the opportunity to operate on the frontlines of technology and associate with projects of scale and complexity. We drive sustainable growth and have been instrumental in bringing in thought leadership in building strong employee relations. Your Company continued to build on the Diversity and Inclusion agenda through building leadership capability and recognizing line managers who provide a simple, flexible and respectful work environment for their teams. Your Company is developing future leaders and having the best people practices. A structured leadership development initiative has helped to build a robust talent pipeline at all levels. Our HR organisation is well-geared towards attraction and retention of engineering talent in an ecosystem that provides long-cycle professional development opportunities in various facets of civil urban infrastructure and caters to career building aspirations of talent at all levels.

9. **Internal Control System:**

The Corporate Governance Policy guides the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its three-tiered governance structure and key functionaries involved in governance. The Code of Conduct commits management to financial and accounting policies, systems and processes. The Corporate Governance Policy and the Code of Conduct stand widely communicated across the Company at all times, and, together with the 'Strategy of Organisation', Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to your Company's Financial Statements. Such Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Policies are supported by the Corporate Accounting and Systems Policies that apply to the entity as a whole to implement the tenets of Corporate Governance and the Significant Accounting Policies uniformly across the Company. The Accounting Policies are reviewed and updated from time to time. These, in turn are supported by a set of divisional policies and SOPs that have been established for individual businesses. Your Company uses ERP System as a business enabler and also to maintain its Books of Account. The SOPs in tandem with transactional controls built into the ERP Systems ensure appropriate segregation of duties, tiered approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by divisional management and audited by Internal Audit whose findings and recommendations are reviewed by the Audit Committee and tracked through to implementation. Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an on-going basis. Your Company has also put in place comprehensive systems and procedural guidelines concerning other areas of business, too, like budgeting, execution, material management, quality, safety, procurement, asset management, 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.

10. Business Overview:

a. Infrastructure

During F.Y. 2018, your Company has carried-on development and construction of various AH and CUI projects on the details are furnished below.

Affordable Housing Projects	
Integrated Slum In-situ Development for P.P.P. Project (Package-1)	AMC awarded a contract for the Integrated Slum In-situ Development for P.P.P. Project of 609 residential units and 21 shops at Ahmedabad under Urban Development & Urban Housing Department, Government of Gujarat's Slum Rehabilitation and Redevelopment Policy-2013.The Project envisaged rehabilitation of about 609 slum-dwelling families living at Girdharnagar's "B" Colony, Shahibaug, Ahmedabad. The total area of the project land is ~15,681 sq. mtrs., while the slum redevelopment was completed before scheduled timeline of 24 months. The project is since completed satisfactorily.
EWS (Phase II, EWS Package-4)	AMC awarded a contract for construction of 1,056 EWS Residential flats including internal infrastructure and development work within the plot at Vastral, Ahmedabad. The project involving 32,406 sq. mtrs. construction is since completed satisfactorily.
EWS (Phase II, EWS Package-1)	AMC awarded a contract of for construction of 816 EWS Residential Flats + 24 Shops including internal infrastructure and development work within plot at four (4) locations in Ahmedabad. The project involving 23,367 sq. mtrs. construction is since completed satisfactorily.

Meanwhile, your Company is executing quite a few work-orders, which are detailed below:

AH Projects	
Ramapir No Tekro - Vivyan	Vivyan Infraprojects LLP has awarded a Turnkey contract for slum redevelopment project, at Ramapir No Tekro, Juna Wadaj, Ahmedabad involving about 8,00,000 sq. ft. built-up area for 1,540 slum dwelling families. The project shall commence soon.
Radha Raman Ni Chali - Vyapti	Vyapti Infrabuild Pvt Ltd has awarded a Turnkey contract for slum redevelopment project, at Radha Raman Ni Chali, Bapunagar, Ahmedabad involving about 1,80,000 sq. ft. built-up area for 552 slum dwelling families. The project shall commence soon.

AH Projects	
RUDSICO - Jodhpur	RUDSICO has awarded a contract for construction of Project of Mega Housing at Jodhpur for EWS, LIG & MIG through PPP. Out of the total land area of 10.12 acre, Nila has to develop 75% area for RUDSICO and balance 25% of total land will be allotted to NILA free of cost to subsidise the ceiling rate. Approximately 1,072 units are to be constructed, wherein 50% will be EWS units (325 sq ft each), 35% will be LIG units (500 sq ft each) and 15% MIG units (700 sft each) i.e. total 4,72,800 sq ft will be constructed by NILA. Work will be completed in stipulated time. NILA can further develop a Residential cum Commercial area on the 25% free land to be allotted by RUDSICO.
Urban Improvement Trust (UIT) - Udaipur	Urban Improvement Trust, Udaipur has awarded four (4) contracts for the construction of affordable housing flats on turnkey basis under the Chief Minister's Jan Awas Yojana – 2015 corresponding to the Memorandum of Understanding under the latest "Resurgent Rajasthan Partnership Summit - 2015".The large scale AH schemes for EWS (325-350 sq. ft.) and LIG (500 550 sq. ft.) categories envisage overall construction of approx. 4,00,000 sq. ft. super built-up area on the Government lands at Sector A, South Extension Scheme, Udaipur. The Project will be constructed on 75% of the land area and remaining 25% will be allotted to the Company, free of cost to subsidize the ceiling rate. The Project has commenced and is scheduled to complete within stipulated time.
Urban Improvement Trust (UIT) - Bhilwara	Urban Improvement Trust, Bhilwara has awarded a contract for the construction of affordable housing flats on turnkey basis under the Chief Minister's Jan Awas Yojana – 2015 corresponding to the Memorandum of Understanding under the latest "Resurgent Rajasthan Partnership Summit - 2015".The large scale affordable housing schemes for EWS (325-350 sq. ft.) and LIG (500-550 sq. ft.) categories envisage overall construction of approx. 3,00,000 sq. ft. super built-up area on the Government land at HarniKhurd village, Bhilwara. The Project will be constructed on 75% of the land area and remaining 25% will be allotted to the Company, free of cost to subsidize the ceiling rate. The Project has commenced and is scheduled to complete within stipulated time.

AH Projects	
Jodhpur Development Authority - Jodhpur	JoDA has awarded a contract for construction of EWS and LIG Houses with G+3 pattern and internal Development as per Model No. 4A (i) of Chief Minister Jan Awas Yojana 2015 at Khasra No. 88, Village Barli, District Jodhpur corresponding to the Memorandum of Understanding under the latest "Resurgent Rajasthan Partnership Summit - 2015".The township / complex / campus will comprise total 3,152 residential units i.e. 2,128 for EWS with ~325 sq. ft. super built-up area and 1,024 for LIG with ~500 sq. ft. super built-up area. i.e. total ~12 lakh sq ft will be constructed by your Company. Work will be completed in stipulated time. The Project will be constructed on 75% of the land area and remaining 25% will be allotted to the Company, free of cost to subsidize the ceiling rate. The Project shall commence soon.

AH Projects	
Integrated Slum In-situ Development for P.P.P. Project (Phase-2)	AMC has awarded a contract for the Integrated Slum In-situ Development for P.P.P. Project of 80 residential units at Ahmedabad under Urban Development & Urban Housing Department, Government of Gujarat's Slum Rehabilitation and Redevelopment Policy-2013.The Project envisages rehabilitation of about 80 slum-dwelling families living at Kailashnagar, Sabarmati, Ahmedabad. The slum redevelopment is to be completed in 18 months. As remuneration, your Company will get the balance vacant land and/or TDRs. It offers financial and operational flexibility to either use it for captive consumption or monetize it by selling it to other developer/s, depending on the market trends. The project has since commenced. However, the units have been revised to 196 that entails revision in the development cost and the TDRs.
Integrated Slum In-situ Development for P.P.P. Project (Phase-2)	AMC has awarded a contract for the Integrated Slum In-situ Development for P.P.P. Project of 360 residential units at Ahmedabad under Urban Development & Urban Housing Department, Government of Gujarat's Slum Rehabilitation and Redevelopment Policy-2013.The Project envisages rehabilitation of about 360 slum-dwelling families living at Chhanaji Na Chappra and Khodiyarnagar, Asarva Slum. The slum redevelopment is to be completed in 24 months. As remuneration, your Company will get the balance vacant land and the TDRs to be used within the development plan of the Ahmedabad City. These offer financial and operational flexibility to either use it for captive consumption or monetize it by selling it to other developer/s, depending on the market trends. The project has since commenced.

Civic Urban Infrastructure Projects	
Adani – APSEZ	APSEZ has awarded a contract for construction of PMC Office Building at Adani Shantigram, located on S.G. Highway, Ahmedabad. The building envisages overall construction of Ground + 13 floors + two basements covering about 300,000 sq. ft. built-up area. The Project has commenced and is scheduled to complete soon.
Adani – Inspire Business Park	Adani Group's Shantigram Estate Management Pvt. Ltd. has awarded anEPC work contract for construction of "Inspire Business Park" Project (Basement and Towers CH1 to CH9) at Shantigram, Ahmedabad. The project envisages overall construction covering about 400,000 sq. ft. built-up area. The Project has commenced and is scheduled to complete within stipulated time.
Medical college campus and residences at Barmer, Rajasthan	EPIL has awarded a contract for construction of the Medical College Campus and Residences at Barmer, Rajasthan. The Medical College Campus site is 9.3 km from District Hospital at Barmer and spread over 19.38 acres of land on NH-15. The Project of about 300,000 sq. ft. has commenced and is scheduled to complete soon.
Demolition of existing old building of DK Patel Hall and Construction of new Building with all amenities in Naranpura, Ahmedabad	AMC has awarded a contract for demolition of existing old building of DK Patel Hall and construction of new building with all amenities in Naranpura ward West Zone.AMC intends to construct a majestic community hall with all the latest amenities for the benefit of its citizens. The hall could be used for social, religious, and other general community purpose. The EPC project involves construction of about 6,000 sq. ft. built-up area and shall be completed within 24 months. The Project has commenced and is scheduled to complete within stipulated time.
GSRTC Bus Terminals– Amreli and Modasa	To improve the urban transport infrastructure, GSRTC has awarded a contract to develop and operate state-of-the-art BTF with an iconic structure and design as well as modern facilities that integrate CF on DBFOT Basis.The BTF construction work envisages development of the latest infrastructure including bus bays, administrative area, operating area, works/repairs area, passenger amenities, etc. The SPV of your Company will have to maintain certain basic BTF facility for 30 years, while the core operating and depot facility will be maintained by GSRTC. In consideration, the Company will get the right to develop, design, finance, construct, operate and

Civic Urban Infrastructure Projects	
	maintain the CF (shops, offices, restaurants, hospitals, multiplex, parking lots, etc.) to be leased upto period of 90 (ninety) years. At Amreli, out of the total area of 17,095 square meters, the BTF facility will be constructed in 7,719 square meter built-up area incorporating 12 (twelve) boarding/alighting bays and six (6) idle bays. In consideration your Company will get right to monetise CF of about 12,800 square meters. While, at Modasa, out of the total area of 30,212 square meters, the BTF facility will be constructed in 6,279 square meter incorporating 11 (eleven) boarding/alighting bays and seven (7) idle bays. In consideration the SPV will get right to monetise CF of about 39,000 square meters. While the Amreli BTF facility is awarded individually to the Company, the Modasa BTF is awarded in Consortium with Vyapti Infrabuild Pvt Ltd (wherein the Company's share is 34%). The Projects have commenced and is scheduled to complete within stipulated time.

Summary of movement in your Company's order book for last five (5) years is furnished below:

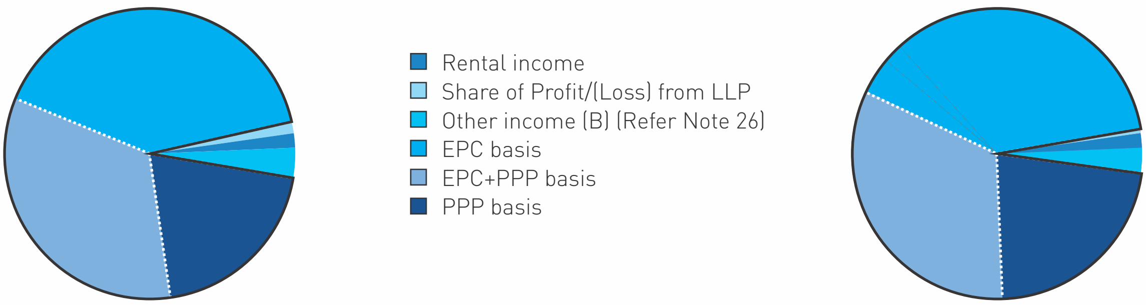
(₹ in lakhs)

Particulars	F.Y. 2018	F.Y. 2017	F.Y. 2016	F.Y. 2015	F.Y. 2014
Opening Order book	40,761	20,259	20,955	9,537	6,298
Add: Work started on new orders	35,053	39,758	15,050	19,486	6,710
Less:	* 2,919				@ 788
Less: Work executed	21,111	19,256	15,746	8,068	2,683
Confirmed unexecuted Order book	51,784	40,761	20,259	20,955	9,537

*GSRTC bus-port project for (i) Amreli ₹ 1,404 lakh and (ii) Modasa ₹ 1,515 lakh are now to be executed by respective SPV's and hence reduce from the company's order book.

@Tender value reduction post allocation.

F.Y. 2018 F.Y. 2017



The composition of the existing order-book of your Company is quite balanced. The summary of the existing unexecuted order-book is furnished further.

(₹ in lakhs)

Activity	Gujarat			Rajasthan			Total	%
	GoG	PWL/Misc.	Total (A)	GoR	EPIL	Total (B)	(A+B)	
Affordable Housing	**3,160**	**17,583**	**20,743**	**16,232**	**-**	**16,232**	**36,975**	**71%**
• EPC	571	17,583	18,154	-	-	-	18,154	35%
• EPC+PPP	-	-	-	16,232	-	16,232	16,232	31%
• PPP	2,589	-	2,589	-	-	-	2,589	5%
Civic Urban Infra(EPC)	**1,082**	**8,797**	**9,879**	**-**	**4,930**	**4,930**	**14,809**	**29%**
Total	**4,242**	**26,380**	**30,622**	**16,232**	**4,930**	**21,162**	**51,784**	
%	**8%**	**51%**	**59%**	**31%**	**10%**	**41%**		**100%**

With fresh orders received during F.Y. 2018, the composition of the existing order-book is balanced. Geographically the state of Gujarat accounts for 59% orders (₹ 30,622 lakh), and principal wise government entities account for 49% (₹ 25,404 lakh). GoR, EPIL and AMC are the meaningful clients.

Your Company continues to focus on its core competence of "Affordable Housing" with 71% orders (₹ 36,975 lakh), while EPC is the major tributary with 64% orders (₹ 32,963 lakh).

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

b. **Leasing**

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.

c. **Share of Profit**

Your Company has made certain strategic investments in JV/associates/subsidiaries and earns its share of profit, which is detailed further.

11. **FINANCIAL DISCUSSION AND ANALYSIS:**

Our vision of consciously concentrating on Civic Urban Infrastructure Projects has paid-off with a robust growth. The considerable improvement in financial position of your Company has continued primarily due to expanded scale of operations of your Company in civic urban infrastructure activities as well as the demerger of the real estate undertaking into a separate company.

It may be mentioned that during F.Y. 2018 your Company has witnessed structural changes in terms of financial statements and key ratios. Your Company has gone through a couple of transitions [viz. (i) Ind-AS convergence of financials, (ii) demerger of real estate undertaking, (iii) implantation of GST] - all in a single financial year. IND AS transition with retrospective accounting treatments, revaluation of investments in Joint ventures and subsidiaries, GST implementation phase together with effecting transfer of real estate business after demerger are the result makers of F.Y. 2018.

Your Company has adopted Ind AS with April 01, 2016 being the transition date. The financial statements for F.Y. 2018, are the first edition prepared in accordance with Ind AS. For periods up to and including F.Y. 2017, your Company has prepared the financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The comparative information presented in these financial statements for F.Y. 2017 and in the preparation of an opening Ind AS balance sheet at April 01, 2016, wherein amounts reported in financial statements prepared in accordance with IGAAP have been adjusted. An explanation on the effects of the transition from IGAAP to Ind AS on financial performance, cash flows and financial position is incorporated separately in this Annual Report. On transition, estimates previously made under IGAAP have not been revised. Hence, the financials of previous years are now not simply comparable in a way we usually analyse. We request you to please ensure to analyse our latest financials, with this backdrop.

The summarized analysis of financial statements viz. Profit and Loss Account, Balance Sheet and Cash Flow are furnished further.

11.1 Total Income (₹ in lakhs)

Particulars	For F.Y. 2018	For F.Y. 2017	YoY change	% change
Revenue from Infrastructure Projects on:	21,111	19,523	1,588	8%
• EPC basis	15,370	15,468	-98	-1%
• EPC+PPP basis	3,526	2,289	1,237	54%
• PPP basis	2,215	1,766	449	25%
Rental income	300	301	-1	-1%
Share of Profit/(Loss) from LLP	19	5	14	280%
Total Income from Operations (A) (Refer Note 25)	**21,430**	**19,829**	**1,601**	**8%**
Other income (B) (Refer Note 26)	734	699	36	5%
Total Income (A + B)	**22,164**	**20,528**	**1,636**	**8%**

The income of the Company comprises income from construction and development of civic urban infrastructure projects in different three (3) modes as mentioned herein above as well as certain income from rental, and share of profit from LLPs; while Other income mainly comprises of interest earned on investments such as term deposits with banks, and on loans given.

The revenue-mix has undergone change for last couple of years and during F.Y. 2018, revenue from higher-margin PPP projects (both standalone as well as EPC+PPP) has increased, while there was comparatively lower execution of EPC projects as well as certain EPC projects executed during the year have contributes better margin as compared to the previous year.

With such change in composition of revenue-streams, revenue account of GST has impacted your Company. All our contracts were inclusive of taxes, while the Service Tax was exempt. Hence, in absence of any explicit clarity from the government with respect to the additional impact of such new tax law, it was estimated to continue with under GST regime. We have made all such calculations and on clarity from the government and on such revision our top line is affected. Further, project billing-cycle remains in its peak prior to the project completion time and contributes higher revenue. During F.Y. 2017 your Company had two (2) such projects that were under such billing-cycle, whereas during F.Y. 2018 there has been no such project. It may also be mentioned that the state elections held in Gujarat during Q3-F.Y. 2018 had delayed initiation of certain project. However, your Company has been able to successfully overcome most of such constraints and grow on top line and bottom-line. The total income for F.Y. 2018 is ₹ 22,164 lakh as against ₹ 20,528 lakh in the previous year registering an increase of 8%. The percent break-up of the revenue is furnished further.

The major revenue is earned from construction and development of Infrastructure Projects on EPC basis. The detailed breakup of Infrastructure revenue for F.Y. 2018 is furnished in the following table:

(₹ in lakhs)

Activity	Gujarat			Rajasthan			Total	%
	GoG	PWL/Misc.	Total (A)	GoR	EPIL	Total (B)	(A+B)	
Affordable Housing	**3,441**	**-**	**3,441**	**3,526**	**-**	**3,526**	**6,967**	**33%**
• EPC	1,226	-	1,226	-	-	-	1,226	6%
• EPC+PPP	-	-	-	3,526	-	3,526	3,526	17%
• PPP	2,215	-	2,215	-	-	-	2,215	10%
Civic Urban Infra(EPC)	**475**	**10,854**	**11,329**	**-**	**2,815**	**2,815**	**14,144**	**67%**
Total	**3,916**	**10,854**	**14,770**	**3,526**	**2,815**	**6,341**	**21,111**	
%	**19%**	**51%**	**70%**	**17%**	**13%**	**30%**		**100%**

Each element of total revenue is discussed further.

Infrastructure Projects

Your Company undertakes construction and development of Civic Urban Infrastructure projects for government/semi-government agencies/departments as well as private corporates of repute. Construction and development of Infrastructure project is carried-out pursuant to work order issued by/agreement entered into with the client. Revenue of your Company from construction and development of Infrastructure project is driven by the success in selecting the right order (nature as well as size), executing it proficiently and building sufficient order-book.

The movement in your Company's order-book of construction and development of Infrastructure projects during F.Y. 2018 is furnished further.

(₹ in lakhs)

Sr.	Project – Client	Unexecuted at 1 April 2017	Added during F.Y. 2018	Executed during F.Y. 2018	Unexecuted at 1 April 2018
		A	B	C	D = (A+B)-C
I	**Affordable Housing**				
A	**PPP**				
1	Khodiyarnagar*	-	2,516	409	2,107
2	Kailashnagar*	680	-	198	482
3	Girdharnagar*	1,608	-	1,608	-
	Total (A)	**2,288**	**2,516**	**2,215**	**2,589**
B	**EPC+PPP**				
1	Jodhpur – JoDA	-	10,728	-	10,728
2	Bhilwara – UIT	2,567	-	1,152	1,415
3	Jodhpur – RUDSICO	2,584	-	1,893	691
4	Udaipur - UIT	3,879	-	481	3398
	Total (B)	**9,030**	**10,728**	**3,526**	**16,232**
C	**EPC**				
1	Slum – Vivyan@	13,167	-	-	13,167
2	Slum – Vyapti@	-	4,416	-	4,416
3	EWS-4*	1,218	-	768	450
4	EWS-1*	579	-	458	121
	Total (C)	**14,964**	**4,416**	**1,226**	**18,154**
I	**TOTAL (A+B+C)**	**26,282**	**17,660**	**6,967**	**36,975**
II	**Civic Urban Infrastructure**				
	EPC				
1	Barmer – EPIL	7,745	-	2,815	4,930
2	Inspire – Adani@	-	5,490	1,364	4,126
3	Romanovia -Becharaji@	-	4,694	2,399	2,295
4	APSEZ@	2,785	1,909	2,318	2,376

(₹ in lakhs)

Sr.	Project – Client	Unexecuted at 1 April 2017	Added during F.Y. 2018	Executed during F.Y. 2018	Unexecuted at 1 April 2018
		A	B	C	D = (A+B)-C
5	D K Patel Hall*	-	1,557	475	1,082
6	Others/Misc	1,030	3,743	4,773	-
II	**TOTAL**	**11,560**	**17,393**	**14,144**	**14,809**
I	**AH**	**26,282**	**17,660**	**6,967**	**36,975**
II	**CUI**	**11,560**	**17,393**	**14,144**	**14,809**
	GRAND TOTAL	**37,842**	**35,053**	**21,111**	**51,784**

* AMC | @Private White Label Project

Note: GSRTC's bus-port project for (i) Amreli ₹ 1,404 lakh, and (ii) Modasa ₹ 1,515 lakh are now to be executed by the respective SPVs and hence, removed from the Company's (opening) order-book.

Income from construction and development of civic urban infrastructure project for the F.Y. 2018 is ₹ 21,111 lakh, i.e. an increment of 8% over F.Y. 2017's income of ₹ 19,523 lakh.

The market dynamics are now in favour of the organized players like your Company. The outlook of government spending in civic urban infrastructure is absolutely positive in short, medium and long-term. Be it PM's "Housing for All by 2022 Mission" or "Smart Cities" – the scales here are very promising and additionally the Fiscal and Monetary eco-systems are also galvanized.

Your Company is absolutely convinced about the Affordable Housing sector, moreso, as प्रधानमंत्रीआवासयोजना – "Housing for All by 2022" is getting significant push from the PMO – e.g. Affordable Housing now officially getting "Infrastructure" status. Currently your Company is executing about 8,800 units under EWS, LIG and MIG categories (Affordable Houses). Your Company is very favorably placed to seize the growth opportunities in the area of its core competence as the government's focus is on creating more affordable houses. Your Company has since secured meaningful orders in the state of Gujarat and Rajasthan under the schemes of Affordable Housing and envisages that, on back of enhanced pre-qualifications/bidding capacities, it will grow in natural/normal course of business. Considering the funding dynamics, it well fits into your Company's strategy of executing civic urban infrastructure projects where the cash flows are expected to be steady. Your Company has also secured a couple of unique Slum Rehabilitation and Redevelopment Projects in Ahmedabad as well as GSRTC Bus Port projects for Amerli and Modasa (in JV) – all on PPP basis.

So far as the "Smart Cities" are concerned, your Company is in sweet-spot and very favorably placed to partake in the opportunities as it is already active in all the important facets of "Smart City" concept that is in Social Infrastructure, your Company is qualified to construct infrastructure for education, healthcare, entertainment, sports, children's parks and gardens, Slum rehabilitation, etc. In Physical Infrastructure, your Company has already executed urban utility projects like BRTS Bus Stations, Multilevel Parking, the housing stock, sanitation facilities, etc. For Economic Infrastructure, your Company has requisite experience and expertise to undertake construction of office complex, industrial parks, logistic parks, community hall, etc.

Rental(Refer Note 25)

Your Company owns prime commercial office space of 88,000 sq ft in an upmarket locality of Ahmedabad. In order to generate regular sustainable income, your Company has leased certain prime commercial office space to reputed corporates on long-term basis. Income from rental for F.Y. 2018 is ₹ 300 lakh that is about ₹ 2 lakh lower as compared to F.Y. 2017 on account of amortizing the total lease rental as per Lease Equalization Method as prescribed under Ind AS 19.

Share of Profit/(Loss) from LLP (Refer Note 25)

During F.Y. 2018, your Company has earned share of its profit ₹ 19 lakh from JV Limited Liability Partnership firm i.e. Kent Residential and Industrial Park LLP as compared to ₹ 4 lakh during F.Y. 2017 i.e. an increment by ₹ 15 lakh. Meanwhile, it may be noted that the operations in subsidiary, associate and JV entities have just commenced and are yet in nascent stage.

Other Income (Refer Note 26)

Other income mainly comprises interest income from bank deposits and others, liabilities written back, and miscellaneous income. Other income in F.Y. 2018 is ₹ 734 lakh as compared to ₹ 699 lakh in F.Y. 2017 i.e. ₹ 36 lakh @ 5%. The break-up of other income is furnished further

(₹ in lakhs)

Particulars	For F.Y. 2018	For F.Y. 2017	YoY change	% change
Interest income:	696	696	-	-
• On Bank Deposits	86	81	-5	7%
• From others	610	615	-5	-1%
Liabilities no longer required to be paid written back	34	1	-33	-
Profit on sale of Investment / Fixed Assets	-	2	-2	-100%
Miscellaneous Income	4	-	4	100%
Total Other Income	**734**	**699**	**35**	**5%**

The reduction in interest income from other parties to the extent of ₹ 6 lakh is due to reduction in advances extended mainly to JVs and subsidiary companies. Interest income from bank deposits for F.Y. 2018 is ₹ 86 lakh as compared to ₹ 81 lakh in F.Y. 2017. The increment in interest income from bank deposits to the extent of ₹ 6 lakh is due to incremental bank deposits kept with the banks towards margin for bank guarantee, and other statutory requirements mainly due to enhancement in scale of operations. The interest income from bank deposits has registered a growth of 7% from the previous financial year. Interest income from others for F.Y. 2018 is ₹ 609 lakh as compared to ₹ 615 lakh in F.Y. 2017. The interest income from others has registered a reduction of 1% from the previous 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.

11.2 Expenditure

Project expenditure in F.Y. 2018 is ₹ 16,579 lakh as compared to ₹ 16,163 lakh in F.Y. 2017 i.e. increase of 3%, which is lower as compared to revenue growth of 8%. The breakup of the said expenditure is furnished further.

(₹ in lakhs)

Particulars	For F.Y. 2018	For F.Y. 2017	YoY change	% change
Project Expenses (Refer Note 27) and Changes in inventories(Refer Note 28)	16,579	16,163	416	3%
Employee Benefit Expenses (Refer Note 29)	592	423	169	40%
Finance Costs (Refer Note 30)	1,110	890	220	25%
Depreciation (Refer Note 4 & 5)	172	162	10	6%
CSR Expenses (Refer Note 31A)	54	45	9	20%
Other Expenses (Refer Note 31)	410	361	49	14%
Total Expenditure	**18,917**	**18,044**	**873**	**5%**

Project Expenses (Refer Note 27) and Changes in inventories (Refer Note 28)

The expenditure incurred on projects for F.Y. 2018 is ₹ 16,945 lakh, which is an increment by 3% over the previous year's expenditure of ₹16,452 lakh. The net increment of ₹ 493 lakh is mainly due to an increase in operations with more no. of sites; and incremental scale in infrastructure projects sites. However, it may be mentioned that the overall profitability of infrastructure projects have improved owing to economies-of-scale as well as change in revenue-mix.

The expenditure incurred on consumption of material for F.Y. 2018 is ₹ 5,282 lakh, which is an increment by 7% over the previous year's expenditure of ₹ 4,934 lakh on back of higher backward integration; while Civil, Electrical, Contracting, Labour work, etc. for F.Y. 2018 is ₹ 10,492 lakh, which is an increment by 3% over the previous year's expenditure of ₹ 10,193 lakh. The other direct expense for F.Y. 2018 is ₹ 649 lakh, which is an increment by 36% over the previous year's expenditure of ₹ 479 lakh Con currently, the Project Expenses got curtailed mainly due to reduction in freight charges from ₹ 349 lakh for F.Y. 2017 to ₹ 119 lakh for F.Y. 2018, which is reduction by ₹ 230 lakh @ 66% on back of higher backward integration. The other major reduction is from the Service/Value Added tax. The overall incremental Project Expense for F.Y. 2018 @ 3% is lower as compared to the revenue growth of 8%.

The overall change in inventories as compared to the execution is marginal during F.Y. 2018. While, the construction material and WIP have increased collectively by 21% i.e. ₹ 378 lakh during F.Y. 2018 to ₹ 2,185 lakh from ₹ 1,807 lakh during F.Y. 2017, the land/development rights have marginally reduced by ₹ 13 lakh during F.Y. 2018 to ₹ 4,180 lakh from ₹ 4,192 lakh during F.Y. 2017 on account of sale of certain land/development rights. The overall incremental inventory for F.Y. 2018 is lower as compared to the revenue growth of 8%, indicating better efficiency.

Employee Benefits Expenses (Refer Note 29)

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

Employee benefits expenses have increased by 40% from ₹ 423 lakh in F.Y. 2017 to ₹ 592 lakh in F.Y. 2018. The increase is mainly due to the incremental gratuity expense and leave encashment expenses in order to align such provisions with the industry's policy. Overall increment in employee benefit expense is also attributable to the addition in manpower, wherein certain employees have been recruited with higher salary packages, certain additional manpower deployed at 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. The remuneration and perquisites to the Directors has increased from ₹ 30 lakh in F.Y. 2017 to ₹ 46 lakh in F.Y. 2018. There is no variable component of remuneration availed by the Directors except fixed pay of monthly salary and sitting fees as applicable, which is in conformity of the Remuneration Policy of your Company. With the passage of time, more no. of employees became eligible as well as higher no. of options have been exercised that has resulted in incremental ESOP expense by 19% from ₹ 40 lakh in F.Y. 2017 to ₹ 48 lakh in F.Y. 2018.

Finance cost (Refer Note 30)

The finance cost (net of capitalization) for F.Y. 2018 is ₹ 1,110 lakh in comparison to ₹ 890 lakh for F.Y. 2017. Interest on borrowings has increased by ₹ 220 lakh over previous financial year due to higher utilization of funds during the year. However, the weighted average cost of borrowing has reduced by 157 bps in F.Y. 2018 from previous financial year as an impact of optimum utilization of low cost funds.

The 'Other borrowing cost' has reduced by 16% from ₹ 152 lakh in F.Y. 2017 to ₹ 139 lakh in F.Y. 2018, as during F.Y. 2018 your Company has mainly paid renewal charges towards credit facilities, which are lower as compared to the upfront/one-time processing fees paid towards sanction of new credit facilities during F.Y. 2017.

For F.Y. 2018, an amount of ₹ 200 lakh relating to finance costs of projects under progress is capitalized while the corresponding amount for the previous year was ₹ 199 lakh.

Depreciation and amortisation expense (Refer Note 4 & 5)

The depreciation and amortisation expense charged to the profit and loss account during the year is ₹172 lakh as compared to ₹162 lakh in F.Y. 2017, registering an increase of 7%. This is due to an increase in the overall gross block by ₹133 lakh i.e. from ₹1,009 lakh as at 31 March 2017 to ₹ 1,059 lakh as at 31 March 2018. The increase in gross block is largely on account of an increase in fixed assets to support incremental operations.

CSR Expenses (Refer Note 31A)

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". An aggregate amount of ₹ 54 lakh is spent on the said CSR project during the year, well satisfying the statutory stipulations.

Other expenses (excluding CSR Expense) (Refer Note 31)

Other expenses primarily consist of legal & professional fees, provision for doubtful debt, power & fuel charges, travelling expense, sales expense, insurance premium, printing & stationery expenses, repairs/maintenance, office expenses, etc. These expenses have increased by ₹ 49 lakh i.e. ₹ 410 lakh in F.Y. 2018 from ₹ 361 lakh in F.Y. 2017 mainly owing to the appointment of new auditors and towards certain corporate action as well as more no. of operational sites, and incremental scale of operations.

11.3 Profitability

(₹ in lakhs)

Particulars	For F.Y. 2018	For F.Y. 2017	YoY change	% change
Revenue from Operations	21,430	19,829	1,601	8%
Less: Operational Expenses	17,635	16,991	644	4%
EBITDA	**3,795**	**2,838**	**957**	**34%**
EBITDA % to Revenue from operation	18%	14%		
Add: Other Income	734	699	35	5%
Less: Finance Cost	1,110	890	220	25%
Less: Depreciation	172	162	10	6%
Profit Before Tax (PBT)	**3,247**	**2,485**	**762**	**31%**
PBT % to Total Income	15%	13%		
Tax Expenses	994	892	102	11%
Profit After Tax	**2,253**	**1,593**	**660**	**41%**
PAT % to Total Income	**11%**	**8%**		

During F.Y. 2018, the EBIDTA of your Company on a standalone basis has increased by ₹ 957 lakh i.e. ₹ 3,795 lakh (18% of revenue from operations), as against ₹ 2,838 lakh (14% of revenue from operations) for F.Y. 2017. Project and material costs are 79% of revenue from operations for F.Y. 2018 as compared to 83% for F.Y. 2017. The PBT for F.Y. 2018 is ₹ 3,247 lakh (15% of Total Income), as against ₹ 2,485 lakh (12% of Total Income) for F.Y. 2017. PAT for F.Y. 2018is ₹ 2,253 lakh (10% of Total Income), as against ₹1,593 lakh (8% of Total Income) for F.Y. 2017. Your Company provides for current tax and deferred tax based on the computation in accordance with provisions of Income Tax Act, 1961.The total tax payable for F.Y. 2018 is ₹ 994 lakh that is an increase by ₹ 102 lakh over F.Y. 2017's ₹ 892 lakh, mainly owing to earning of higher revenue, improved profitability, reduction in tax-rate generating deferred tax-credit of ₹ 233 lakh. Overall improvement in profitability is mainly due to initiation of revenue contribution from certain profitable projects, improved operational efficiency and increase in economies-of-scale.While, your Company's operating efficiency improved by 4% at EBIDTA level, it got reduced to 3% at PBT level (mainly due to incremental finance cost); and further to 2% at PAT level (mainly due incremental amount of tax). Your Company has made sufficient provision towards current tax for F.Y. 2018. The Board of Directors of your Company has thought it prudent to continue to distribute the profits and has recommended the dividend at 11% on the equity share capital in line with the distribution of wealth amongst shareholders through dividend philosophy of your Company. The same shall form an agenda for the ensuring AGM of your Company and is subject to the approval/voting by the shareholders. The remaining profit is ploughed-back for the future business endeavours.

11.4 Non-current Assets

The non-current assets as at 31 March 2018 and 31 March 2017 with detail of changes therein during the financial year is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	YoY change	% change
a. Property, plant and equipment (Refer Note 4)	899	916	-17	-2%
b. Investment properties (Refer Note 5)	2,500	2,547	-47	-2%
c. Intangible assets under development (Refer Note 6)	1,882	2,230	-348	-16%
d. Investment in subsidiary, associate and JV(Refer Note 7)	1,287	1,265	22	2%
e. Financial assets:				
i. Investments(Refer Note 7)	0.1	0.1	-	-
ii. Loans and advances/deposits(Refer Note 9)	5,151	3,481	1,670	48%
iii. Other financial assets(Refer Note 10)	728	1,215	-487	-40%
f. Other non-current assets (Refer Note 12)	2	6	-4	-67%
g. Other tax assets (Refer Note 15)	106	105	1	10%
Total	**12,460**	**11,670**	**790**	**7%**

During F.Y. 2018, your Company purchased new Fixed Assets amounting ₹ 133 lakh - mainly commercial vehicles, plant and machinery, etc. to support incremental operations, while it sold old/used assets worth ₹ 83 lakh. Pursuant to implementation of Ind-AS, certain land and building amounting to ₹ 2,547 lakh have since been mentioned separately as Investment Properties, while there has been no addition/reduction but only the depreciation has reduced the balance to ₹ 2,500 lakh as at 31 March 2018. During F.Y. 2018, your Company added TDRs worth ₹ 372 lakh, while it sold land rights worth ₹ 549 lakh, due to which the balance Intangible assets stand at ₹ 1,882 lakh as at 31 March 2018. It may be noted that the Company has elected to carry forward the IGAAP carrying value of all its property, plant and equipment and investment properties as the deemed cost on transition to Ind AS, as per extant applicable Ind-AS.

The primary reason of increase in Investment during the year is fresh investment in JV/subsidiary entities i.e. Nila Terminals (Amreli) Pvt Ltd and Kent Residential & Industrial Park LLP. Your Company has also extended further loans to all four (4) subsidiary/associate/JV entities. These entities are established to address specific business opportunities. Such investment as well as loans/advances are extended in normal course of business in order to pursue the specific objective for which it is formed. Loans and Advances to related parties as at 31 March 2018 are ₹ 4,493 lakh as against ₹ 3,262 lakh as at 31 March 2017 mainly on back of incremental loans extended to subsidiary, associate and JV entities to address specific business endeavours. It may be noted that the Company has opted to measure its investments in subsidiary, associate and JV at deemed cost, i.e. previous GAAP carrying amount, except for its investment in Romanovia Industrial Park Private Limited, which has been measured at fair value at the date of transition.

Security Deposit has increased to ₹ 659 lakh as at 31 March 2018 from ₹ 219 lakh as at 31 March 2017 mainly due to initiation of fresh projects during F.Y. 2018, wherein the client has hold the stipulated amount of revenue as per the tender terms.

While the other financial assets reduced by ₹ 487 lakh as at 31 March 2018 to ₹ 728 lakh mainly due to release of ₹ 346 lakh retention money as per the terms of contract on satisfactory expiry of mandatory time for more no. of and/or high value work-orders.The benefits of contracting bank guarantee facilities at favourable terms have started delivering the fruits to your Company with reduction in margin money deposited with bank by ₹ 141 lakh as at 31 March 2018. It may be noted that such interest bearing fixed deposits are kept with bank for the purpose of issuing bank guarantee in order to participate in various tenders.

As prescribed vide Ind AS 19, with the passage of time as the maturity of the lease agreements are approaching, there has been marginal reduction in lease equalization by ₹ 3 lakh from 31 March 2017 to 31 March 2018. The advance payment of tax has remained almost constant from 31 March 2017 to 31 March 2018.

Hence, overall Non-current Assets have increased by ₹ 790 lakh i.e. 7% from ₹ 11,670 lakh as at 31 March 2017 to ₹ 12,460 lakh as at 31 March 2018 mainly due to an increase in operations with more no. of sites; and incremental scale in infrastructure projects sites of your Company as well as to support operations of the subsidiary, associate and JV entities.

11.5 Current Assets:

The detail of Current Assets as at 31 March 2018 and 31 March 2017 with changes therein during the year is furnished further.

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	YoY change	% change
a. Inventories (Refer Note 12)	6,365	5,999	366	6%
b. Financial Assets				
i. Trade receivables (Refer Note 13)	3,474	3,002	472	16%
ii. Cash and cash equivalents (Refer Note 14)	132	275	-143	-52%
iii. Bank balances other than (II) above (Refer Note 14)	524	450	74	16%
iv. Loans and advances (Refer Note 9)	1,230	675	555	82%
v. Other financial assets (Refer Note 10)	2,563	1,001	1,562	156%
c. Other current assets (Refer Note 11)	1,568	1,325	243	18%
Total	**15,856**	**12,727**	**3,129**	**25%**

Total increase of ₹ 366 lakh in inventories during F.Y. 2018 is attributable to increment in raw material by ₹ 20 lakh and Work-In-Progress by ₹ 18 lakh, while land/land development rights have remained almost at the same level. Hence, the overall inventory has increased to ₹ 6,365 lakh as at 31 March 2018 owing to increased number of projects and operational activities during the year.

There is an overall increase in the level of Trade Receivables by ₹ 472 lakh i.e. from ₹ 3,002 lakh as at 31 March 2017 to ₹ 3,474 lakh as at 31 March 2018. However, it has reduced marginally in proportion of the overall revenue. The collection period has increased by ~4 days to 57 days as at 31 March 2018 as compared to 53 days as at 31 March 2017 mainly due to implementation of GST. Collection for F.Y. 2018 is ₹ 21,692 lakh i.e. efficiency of 98%. Meanwhile, the Company has initiated rigorous follow-up with debtors (all considered "good") and is confident to recover such amounts in full, in normal course of business.

There is a reduction in collective cash and bank balance by ₹ 69 lakh i.e. from ₹ 725 lakh as at 31 March 2017 to ₹ 656 lakh as at 31 March 2018.

Current Loans and Advances comprise the portion that is expected to be realized before a period of 12 months from the Balance Sheet Date as at 31 March 2018 it is ₹ 1,230 lakh as against ₹ 675 lakh at 31 March 2017 depicting an increase by ₹ 555 lakh, which is mainly attributable to increase in loans/advances extended to the related parties with an increment of ₹ 984 lakh, while the reduction by ₹ 428 lakh related to loans to others has detained the overall increment during the financial year. Out of total ₹ 5,721 lakh Loans and Advances recoverable in cash or kind ₹ 4,589 lakh Loans and Advances are interest bearing. Total interest earned from Loans and Advances recoverable in cash or kind is ₹ 609 lakh. The interest earning Loans and Advances to Related Parties is ₹ 5,477 lakh as at 31 March 2018 and your Company has earned interest of ₹ 530 lakh during F.Y. 2018.

The other financial assets in the form of advances have increased by ₹ 1,562 lakh to ₹ 2,563 lakh as at 31 March 2018 as against ₹ 1,001 lakh as at 31 March 2017 mainly on account of the unbilled revenue classified as advances vide Ind AS 11 and Ind AS 18. It may be noted that such advances/unbilled revenue are booked in normal course of business and would be converted to receivables in due course to time.

The other current assets have increased by ₹ 243 lakh to ₹ 1,568 lakh as at 31 March 2018 as against ₹ 1,325 lakh as at 31 March 2017 mainly on account of implementation of GST, wherein your Company has credit amounting to ₹ 310 lakh and increment in certain prepaid expenses by ₹ 74 lakh. These have been curtailed by some extent with reduction in balance with government authorities by ₹ 117 lakh as well as advance to vendors by ₹ 32 lakh.

Hence, overall Current Assets have increased by ₹ 3,129 lakh i.e. 25% from ₹ 12,727 lakh as at 31 March 2017 to ₹ 15,856 lakh as at 31 March 2018 mainly due to an increase in operations with more no. of sites; and incremental scale in infrastructure projects sites of your Company as well as to support operations of the subsidiary, associate and JV entities.

11.6 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 ₹ 6,071 lakh as at 31 March 2017 has increased to ₹ 10,782 lakh as at 31 March 2018,mainly pursuant to the accounting treatment of the scheme of demerger.

11.7 Non-current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	YoY change	% change
a. Financial liabilities				
i. Borrowings (Refer Note 18)	6,075	5,793	282	5%
ii. Other financial liabilities (Refer Note 19)	91	374	-283	-76%
b. Provisions (Refer Note 20)	112	62	50	81%
c. Deferred tax liabilities (Net) (Refer Note 21D)	982	1,218	-236	-19%
Total	**7,260**	**7,447**	**-187**	**-3%**

Based on the in-principal approval from one of our foremost lender, your Company had considered ₹ 6,500 lakh outstanding for the Resultant Company viz. Nila Spaces Ltd at 1 April 2017. However, as the NCLT has passed the order for approval of demerger scheme on 9 May 2018, the said lender advised to split the total outstanding ₹ 6,871 lakh in broadly 65 (Nila Spaces Ltd) : 30 (Nila Infrastructures Ltd) ratio for their total sanction of ₹ 9,500 lakh exposure i.e. ₹ 4,758 lakh in Nila Spaces Ltd and ₹ 2,113 lakh in Nila Infrastructures Ltd. The main rationale the said lender provided for the same is as the NCLT order was made available post closure of their yearly financials, they will arrange to give effects of this split during F.Y. 2019. Hence, the total debt at 31 March 2018 appears higher. However, once this effected by the said lender in their books, the total debt of your Company will reduce substantially resulting in comparable debt-level. It may be mentioned that your Company has honoured all its financial commitments and the account is Standard with all the lenders. None of the BGs submitted by your Company has ever been invoked by any Principal/Client.Other financial liabilities are security deposits that your Company accepts in ordinary course of business from its various vendors and/or contractors. It has reduced by ₹ 283 lakh i.e. to ₹ 91 lakh as at 31 March 2018 from ₹ 374 lakh as at 31 March 2017 owing to release of retention amount to your Company's contractors on completion of project and/or achieving agreed milestones.

Provision for employee benefits including gratuity and leave encashment have increased to ₹ 112 lakh as at 31 March 2018 from ₹ 62 lakh as at 31 March 2017 as a result of increment in no. of continuing employees qualifying for gratuity as well as increment in their base salary with enhancement in their employment tenure.

Net deferred tax liability has reduced by ₹ 236 lakh i.e. ₹ 982 lakh as at 31 March 2018 from ₹ 1,218 lakh as at 31 March 2017 as a result of increment in deferred tax assets by ₹ 31 lakh, while the deferred tax liability has reduced by ₹ 204 lakh during F.Y. 2018.

Hence, overall Non-current Liabilities have reduced by ₹ 187 lakh i.e. 3% from ₹ 7,447 lakh as at 31 March 2017 to ₹ 7,260 lakh as at 31 March 2018 mainly due to reduction in security deposits and net deferred tax liabilities.

11.8 Current liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	YoY change	% change
a. Financial Liabilities				
i. Borrowings (Refer Note 18)	663	550	113	21%
ii. Trade payables (Refer Note 22)	4,091	2,545	1,546	61%
iii. Other financial liabilities (Refer Note 19)	3,726	1,687	2,039	121%
b. Other current liabilities (Refer Note 23)	1,509	5,915	-4,406	-74%
c. Provisions (Refer Note 20)	39	12	27	225%
d. Current tax liability (Net) (Refer Note 24)	247	169	78	46%
Total	**10,275**	**10,877**	**-603**	**-6%**

Current Borrowings consist of overdraft bank facility with marginally higher utilisation by ₹ 113 lakh as at 31 March 2018 as compared to at 31 March 2017. Trade Payables as at 31 March 2018 have increased by ₹ 1,546 lakh i.e. an increase of 61% signifying your Company is reasonably leveraging and gaining from economies-of-scale.The current maturities of long term borrowing during F.Y. 2019 is ₹ 1,441 lakh as at 31 March 2018 as per the repayment schedule of term debt contracted by your Company.

Other Current Liabilities have reduced by ₹ 2,908 lakh towards the adjustment amount to Nila Spaces Ltd pursuant to the scheme of demerger, while advance from customers have also reduced by ₹ 1,601 lakh to ₹ 1,186 lakh as at 31 March 2018 from ₹ 2,787 lakh as at 31 March 2017 owing to setting-off of mobilization advance during F.Y. 2018.

Provision consist of employee benefits including gratuity and leave encashment that have increased to ₹ 39 lakh as at 31 March 2018 from ₹ 12 lakh as at 31 March 2017 as a result of increment in no. of continuing employees qualifying for gratuity as well as increment in their base salary with enhancement in their employment tenure.

The tax liability of your Company has increased by ₹ 78 lakh due to increase in operations and higher profitability on back of the operating efficiency and/or the execution of projects with higher margin during F.Y. 2018.

Hence, overall Current Liabilities have reduced by ₹ 603 lakh i.e. 6% from ₹ 10,877 lakh as at 31 March 2017 to ₹ 10,275 lakh as at 31 March 2018 mainly due to reduction in other current liabilities and advance from customer.

11.9 Cashflow

(₹ in lakhs)

Particulars	For F.Y. 2018	For F.Y. 2017
Opening cash and cash equivalents	**275**	**88**
Net cash from / (used in) Operating Activities	652	3,441
Net cash from / (used in) Investing Activities	(1,635)	(2,241)
Net cash from / (used in) Financing Activities	840	(1,013)
Change in cash and cash equivalents	(143)	187
Closing cash and cash equivalents	**132**	**275**

Net cash from operating activities is ₹ 652 lakh during F.Y. 2018 (mainly on account of increase in trade payable and other current liabilities and provisions) as compared to net cash from operating activities of ₹ 3,441 lakh during F.Y. 2017. Operational cash flow utilisation is mainly towards loans, receivables, advances, tax-credit, inventories, and appropriation of advance from customers towards revenue. Net cash utilisation in investing activities is ₹ 1,635 lakh during F.Y. 2018 (mainly on account of loans extended, purchase of PPE) as compared to net utilisation of ₹ 2,241 lakh in F.Y. 2017. Net cash from financing activities is ₹ 840 lakh during F.Y. 2018 (mainly on account of short-term borrowing and proceeds from issuance of fresh equity towards ESOP scheme) as compared to net utilization ₹ 1,013 lakh in F.Y. 2017

11.10 Details of Subsidiaries, Associates and JVs of your Company:

(₹ in lakhs)

Sr. No.	Name of the entity | Project location	NILA's investment in equity	% shareholding	Loans & Advances extended	Profit After Tax shared	Remark
1	Romanovia Industrial Park Pvt Ltd (23.480621, 71.974021), Navyani, Gujarat	1,250*	50%	1,969	-	Industrial and logistics park – various structures under execution
2	Kent Residential and Industrial Park LLP (23.478515, 72.009447), Sitapur, Gujarat	35	50%	2,316	19	
3	Nila Terminals (Amreli) Pvt Ltd | (21°36 11 N 71°13 19 E), Amreli, Gujarat	1	100%	83	-	Bus-port projects for GSRTC under execution
4	Vyapnila Terminals (Modasa) Pvt Ltd | (23°28 N 73°18 E), Modasa, Gujarat	0.34	34%	124	-	

*measured at fair value at the date of transition to Ind AS i.e. the deemed cost of such investment for your Company.

During F.Y. 2018, your Company has invested in two (2) new private limited companies that are formed to fulfill the specific stipulations of GSRTC bid to develop state-of-the-art Bus Terminals with an iconic structure and design as well as modern facilities. The projects shall improve the urban transport infrastructure through development and operation & maintenance of bus terminals with commercial facilities in Gujarat on Design, Build, Finance, Operate and Transfer (the "DBFOT") basis. The BTF construction work envisages development of the latest infrastructure including bus bays, administrative area, operating area, works/repairs area, passenger amenities, etc. These SPVs of your Company will have to maintain certain basic BTF facility for 30 years, while the core operating and depot facility will be maintained by GSRTC. In consideration, these SPVs of your Company will get the right to develop, design, finance, construct, operate and maintain the CF (shops, offices, restaurants, hospitals, multiplex, parking lots, etc.) to be leased upto period of 90 (ninety) years.

An update with respect to your Company's strategic investment with the Kataria Group of Ahmedabad to work jointly for acquiring land and developing industrial and logistics parks, units, sheds, plots, residential colonies, and allied infrastructure at various locations situated near the upcoming automobile hub at Bechraji – about 90 kms from Ahmedabad at Gujarat, is furnished in detail in other sections of this Annual Report.

None of the Pvt Ltd entities mentioned above have declared any dividend during F.Y. 2018.

Report on Corporate Governance

[In terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

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 enhance the value of the enterprise and an ethical behavior of the enterprise leads to honoring and protecting the rights of all the stakeholders. Sound Corporate Governance practices and ethical business conduct always remain at the core of the NILA's value system.

2. BOARD OF DIRECTORS

2.1 Composition 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 and managing director, two non executive directors and five other non executive independent directors. The appointment of four non executive independent directors is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Directorships and Membership on Committees:

The Name and Category of the Directors on the Board, their Attendance at Board Meetings held during the year and at the last Annual General Meeting; and the Number of Directorships and Committee Chairmanships or Memberships held by them in other Companies are given below.

SN	Name of Director(s)	Category	Attendance Particulars		#No of Directorship(s) in other Companies	##Committee Memberships/ Chairmanships of other Companies	
			Board Meeting	Last AGM		Member	Chairman
1	*Manoj B. Vadodaria	Executive Chairman & Managing Director	6	Yes	1	1	Nil
2	*Kiran B. Vadodaria	Non Executive Director	6	Yes	2	1	Nil
3	**Dilip D. Patel	Non Executive Director	2	No	5	2	Nil
4	$**Hiren G. Pandit	Non Executive Independent Director	5	No	Nil	Nil	Nil
5	**Shyamal S. Joshi	Non Executive Independent Director	6	Yes	6	5	1
6	** Ashok R. Bhandari	Non Executive Independent Director	3	No	3	Nil	Nil
7	** Harcharansingh P Jamdar	Non Executive Independent Director	2	No	2	3	1
8	** Foram B. Mehta	Non Executive Independent Director	5	Yes	2	Nil	Nil

*Promoter Director; ** Non-Promoter Director

Excludes directorship in Nila Infrastructures Limited

Committees considered are Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Environment, Health & Safety Committee in other Companies listed at BSE Limited and National Stock Exchange of India Limited excluding that of Nila Infrastructures Limited. Committee Membership(s) & Chairmanships are counted separately

$ Mr. Hiren G Pandit tendered resignation from the office of directorship of the Company due to his pre-occupations and busy schedule w.e.f. 19 May 2018.

2.3 Details of Number of Meetings of Board of Directors held and dates on which held

During the year total 6 (six) meetings of the Board of Directors were held. The dates of the meetings are as under.

Date of Board Meeting	Board Strength	No of Directors Present
26 May 2017	8	5
14 September 2017	8	6
28 September 2017	8	4
17 October 2017	8	6
13 December 2017	8	6
13 February 2018	8	8

2.4 Disclosures of relationship between Directors inter-se:

None of the Directors of the Company are related with each other in any manner except Mr. Manoj B. Vadodaria and Mr. Kiran B. Vadodaria, are brothers and also belonging to Promoter and Promoter Group.

2.5 Number of shares and convertible instruments held by Non-Executive Independent Directors:

None of the Non Executive Independent Director holds any shareholding or any convertible instrument of the Company.

2.6 Familiarization programs imparted to Independent Directors:

The Company believes that a Board, which is well informed / familiarized with the Company, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors have been familiarized on a continuing basis on changes / developments corporate and industry scenario including those pertaining to statutes / legislations and economic environment, by way of presentations, board review notes, regular updates of projects and business operations, meetings etc. to enable them to take well informed and timely decisions.

The details of familiarization programs is available at the website of the Company at www.nilainfra.com under investor segment.

2.7 Board Diversity and Policy on Director's Appointment and Remuneration:

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board has adopted a policy on 'Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website www.nilainfra.com.

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

In Compliance with Part-D under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board has adopted the code of conduct for the Board of Directors and senior management personnel of the Company. This code of conduct is comprehensive code which is applicable to all Directors and senior management personnel. A copy of the same has been put on the Company's website www.nilainfra.com. The same code has been circulated to all the members of the Board and all senior management personnel. The compliance of the said code has been affirmed by them annually. A declaration signed by the Managing Director of the Company forms part of this Report. Declaration by the Managing Director: This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the Senior Management Personnel and the same is available on the Company's website. I confirm that the Company has in respect of the financial year ended on 31 March 2018, received from the Senior Management Personnel of the Company and the members of the Board a declaration of compliance with Code of Conduct applicable to them.

Date: 30 May 2018
Place: Ahmedabad

Manoj B. Vadodaria
Chairman & Managing Director
DIN: 00092053

2.9 Board Procedure:

Pursuant to the SEBI Laws, Stock Exchanges are being informed about the convening of the Board Meetings at least 5 clear days in advance. The agenda is prepared by the Secretarial Department in consultation with the Chief Finance Officer and Chairman of the Board. The information as required under the SEBI Regulations 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 chairman of the audit committee is an independent director. The constitution of the audit committee is in line with the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

Upon resignation of Mr. Hiren G. Pandit w.e.f 19 May 2018; Ms. Foram B. Mehta has been appointed as the member of the audit committee.

3.2 Brief Description of terms of reference of the Audit Committee:

The terms of reference and role of the audit committee as decided by the Board of Directors are in accordance with provisions of Section 177 of the Companies Act, 2013 and SEBI Regulations 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization 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 Manager's justification for the same.

3.3 Meetings of the Audit Committee and Attendance:

Five Audit Committee meetings were held during the year on 26 May 2017; 14 September 2017; 17 October 2017, 13 December 2017; and 13 February 2018. The time gap between two Audit Committee meetings was not more than 120 days.

The details of the attendance of the Members at the Meetings of Audit Committee are as under:

Name of Committee Members	Category	Designation	No. of Meetings during the year	
			Held	Attended
Shyamal S. Joshi	Non Executive Independent Director	Chairman	5	5
Kiran B. Vadodaria	Non Executive Director	Member	5	5
Hiren G. Pandit	Non Executive Independent Director	Member	5	5

As prescribed under the Companies Act, 2013 and SEBI Regulations, the Chairman of the Audit Committee was present at the 27th Annual General Meeting of the Company held on 29 September 2017.

4. NOMINATION AND REMUNERATION COMMITTEE:

4.1 Composition of the Committee:

The Nomination and Remuneration Committee of the Company comprises of 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 Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Upon resignation of Mr. Hiren G. Pandit w.e.f 19 May 2018; Ms. Foram B. Mehta has been appointed as the member of the nomination and remuneration committee.

4.2 Brief Description of terms of reference of the Committee:

The terms of reference of the Nomination and Remuneration Committee as determined by the Board of Director is in accordance with provisions of Section 178 of the Companies Act, 2013 and SEBI Regulation 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.

4.3 Details of Meetings of the Nomination and Remuneration Committee and Attendance:

During the year there is no meeting held of the nomination and remuneration committee.

4.4 Performance evaluation criteria for independent directors:

The Independent Directors are being evaluated by the members of the Board of Directors other than Independent Directors on the basis of pre defined evaluation criteria as under:

a) Attendance and contribution at the Board and Committee meetings

b) Educational qualification, experience of relevant field, expertise of subjects,

c) Leadership qualities, skills, behavior, understanding of business, knowledge of subjects and processes,

d) Ability to participate at debates, discussions and quality of suggestions, guidance, advise

e) Traits like integrity, honesty, secrecy maintenance, etc.

5. REMUNERATION OF DIRECTORS

5.1. Criteria for making payment to non executive directors:

Various criteria of making payments to non-executive directors are displayed on the website of the Company at www.nilainfra.com under investor segment.

5.2 Details of Remuneration paid during the year:

Disclosures with respect to remuneration and sitting fees paid to the Directors during the year is provided under extract of Annual Report in Form MGT 9 duly annexed with the Board Report.

5.3 Pecuniary Relationship or transactions with Non Executive Directors:

There is no pecuniary relationship or transactions with non executive directors, except with Mr. Kiran B. Vadodaria, with the Company other than payment of sitting fees by the Company for attending meetings. Details of transactions with non executive directors are disclosed in Notes to the Accounts.

5.4 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 SEBI Regulations as amended from time to time is as under:

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

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 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 attend the age of seventy years and where his appointment or reappointment 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 01 October 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 Independent Director it should be ensured that number of Boards on which such 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 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 interval (yearly).

(a) 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.

(b) **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:**

i. 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.

ii. 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.

iii. 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 1st April in respect of other employees of the Company or such other date as may be determined from time to time.

iv. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial 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:**

i. **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 breakup 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.

ii. **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.

iii. **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.

iv. **Stock Options:**

In case, Managing Director, Whole-time Director, Company Secretary and Chief Financial 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 and 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:**

i. **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.

ii. **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 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.

iii. **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.

iv. **Stock Options:**

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders' Relationship Committee to look into the mechanism of redressal of grievances of shareholders and investors of the Company. The Stakeholders' Relationship Committee has three members comprising of two non executive director and one executive director.

6.1 **Name of the non executive director heading the committee:** Mr. Kiran B. Vadodaria

6.2 **Name and designation of Compliance Officer:** Mr. Dipen Y Parikh, Company Secretary

6.3 **Number of shareholders' complaints received so far:** NIL

6.4 **Number not solved to the satisfaction of shareholders:** NIL

6.5 **Number of pending Complaints:** NIL

7. DETAILS OF WHISTLE BLOWER POLICY (VIGIL MECHANISM)

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 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 whistle Blower Policy is available at the website of the Company at www.nilainfra.com.

8 MEANS OF COMMUNICATIONS

8.1 Quarterly Results: Company submits financial results on quarterly basis to the Stock Exchanges as required under Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The copies of quarterly results submitted to the Stock Exchanges are also available on the website of the Company at www.nilainfra.com under investor segment.

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

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

8.4 **Whether it also displays official news release and presentation made to institutional investors or to the analyst:** Yes

8.5 **Any presentation(s) made to the institutional investors or to the analysts:** Yes

9. GENERAL BODY MEETINGS

9.1 Location and time, where last three Annual General Meetings held:

Financial Year	Venue	Date	Time
2014-15	First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015	28 August 2015	10:00 AM
2015-16	First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015	10 September 2016	10:00 AM
2016-17	First Floor, "Sambhaav House", Opp. Chief Justice's Bungalow, Bodakdev, Ahmedabad – 380 015	29 September 2017	10:00 AM

9.2 Special Resolution passed at last 3 Annual General Meetings:

Financial Year	Special Resolution passed
2014-15	Ratification of Remuneration of M/s Dalwadi & Associates, Cost Auditor
2015-16	No special resolution was passed
2016-17	1) To appoint Mr. Ashok R. Bhandari as an Independent Director 2) To reappoint Mr. Manoj B. Vadodaria as Chairman and Managing Director

9.3 Whether any special resolution is proposed to be conducted through Postal Ballot – Details of Voting Pattern:

The Company has vide Postal Ballot notice dated 10 February 2018 passed following Special Resolution.

(a) Approval of Scheme of Arrangement among Nila Infrastructures Limited and Nila Spaces Limited and their respective shareholders and creditors

Mr. Umesh Ved, Practicing Company Secretary, Membership No 2924, having office address: 304, Shoppers Plaza – V, Opp. Municipal Market, C G Road, Navrangpura, Ahmedabad – 380 009, had acted as the Scrutinizer for conducting the remote e-Voting, Postal Ballot and Physical Poll processes in a fair and transparent manner. The result of the voting (remote e-Voting and Postal Ballot and Poll at the Meeting Hall) was declared on 22 March 2018. The above mentioned Special Resolution was passed with requisite majority in accordance with the process as enumerated under the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Day, Date, Time and Venue of the 28th Annual General Meeting:

Day and Date: Saturday, 29 September 2018 **Time:** 10:00 am

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

10.2 Financial Year: 01 April to 31 March

10.3 Financial Calendar: Tentative and subject to change for the financial year 2018-2019

Quarter Ending	Release of Results
30 June 2018	Mid of August, 2018
30 September 2018	Mid of November, 2018
31 December 2018	Mid of February, 2019
31 March 2019	Mid of May, 2019

10.4 Date of Book Closure: From 22 September 2018 to 29 September 2018 [both days inclusive]

10.5 Dividend Payment Date: The dividend, if declared, shall be paid before 29 October 2018

10.6 Dividend Payment History:

Year	Rate of Dividend (per equity share)	Total Amount of Dividend Paid	Date of AGM in which Dividend was declared	Dividend payment date
2009-10	0.10	₹ 295.23 lakhs	25 September 2010	04 October 2010
2010-11	0.10	₹ 295.23 lakhs	10 September 2011	16 September 2011
2011-12	0.10	₹ 295.23 lakhs	15 September 2012	20 September 2012
2012-13	0.10	₹ 295.23 lakhs	06 July 2013	13 July 2013
2013-14	0.10	₹ 295.23 lakhs	20 September 2014	26 September 2014
2014-15	0.10	₹ 370.23 lakhs	28 August 2015	02 September 2015
2015-16	0.11	₹ 432.26 lakhs	10 September 2016	15 September 2016
2016-17	0.11	₹ 433.27 lakhs	29 September 2017	04 October 2017

10.7 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 Investor Education & Protection Fund (IPEF) and due date of transfer of amount to IPEF on its website. The said information has also been filed in e-Form No. IEPF-2 on the website of Ministry of Corporate Affairs at www.mca.gov.in. It may be noted that no claim lies against the Company once the dividend is deposited in IPEF.

In terms of the provisions of Section 124(5) of the Companies Act, 2013; unpaid and unclaimed amount for F.Y. 2009-2010 lying in the HDFC bank account for the last seven years became due to be transferred to the IEPF account of the Government and were duly transferred so.

10.8 Listing at Stock Exchanges

Name and Address of the Stock Exchanges	Stock Code/ Scrip Symbol	ISIN Number for NSDL / CDSL (Dematerialized shares)
BSE Limited 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	530377	INE937C01029
National Stock Exchange of India Limited Plot No. C/1, G Block, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	NILAINFRA	

10.9 Confirmation of payment of Listing Fees: The annual listing fees for the year 2018-19, to the stock exchanges where the securities of the Company are listed, has been paid in prescribed time limit.

10.10 Market Price Data:

The monthly high / low and the volume of the Company's shares trades at BSE Limited and the monthly high/low of the said exchange are as under:

Month	Nila Infrastructures Limited			BSE Limited	
	High (₹)	Low (₹)	Volume	High	Low
April 2017	18.75	16.40	93,91,557	30,184.22	29,241.48
May 2017	18.30	16.50	84,00,569	31,255.28	29,804.12
June 2017	18.50	16.15	22,48,545	31,522.87	30,680.66
July 2017	21.05	17.15	2,54,39,804	32,672.66	31,017.11
August 2017	19.10	16.25	93,18,671	32,686.48	31,128.02
September 2017	20.10	16.00	1,72,80,903	32,524.11	31,081.83
October 2017	21.45	17.00	1,73,39,549	33,340.17	31,440.48
November 2017	24.50	17.85	2,40,12,928	33,865.95	32,683.59
December 2017	29.15	21.45	4,11,35,372	34,137.97	32,565.16
January 2018	29.00	22.20	2,55,90,864	36,443.98	33,703.37
February 2018	23.85	18.20	1,42,17,692	36,256.83	33,482.81
March 2018	22.40	18.75	1,13,25,997	34,278.63	32,483.84

The monthly high / low and the volume of the Company's shares trades at National Stock Exchange of India Limited and the monthly high/low of the said exchange are as under:

Month	Nila Infrastructures Limited			National Stock Exchange of India Limited	
	High (₹)	Low (₹)	Volume	High	Low
April 2017	18.70	16.35	2,01,42,747	9367.15	9075.15
May 2017	18.40	16.55	1,23,58,803	9649.60	9269.90
June 2017	18.45	16.55	48,80,128	9709.30	9448.75
July 2017	21.10	17.05	5,78,10,101	10114.85	9543.55
August 2017	19.20	16.10	1,38,28,186	10137.85	9685.55
September 2017	20.10	15.75	3,94,65,261	10178.95	9687.55
October 2017	21.40	16.90	4,04,58,339	10384.50	9831.05
November 2017	24.50	17.85	5,28,86,382	10490.45	10094.00
December 2017	29.10	21.30	9,38,39,732	10552.40	10033.35
January 2018	29.00	22.15	5,94,25,550	11171.55	10404.65
February 2018	23.80	18.00	3,74,93,530	11117.35	10276.30
March 2018	22.40	18.70	2,58,80,389	10525.50	9951.90

10.11 In case the securities are suspended from trading; the Directors' Report shall explain the reason thereof: Not Applicable

10.12 Registrar to an issue and Share Transfer Agent:

M/s MCS Share Transfer Agent Lmited
201, Second Floor, Shatdal Complex, Opp. Bata Show Room; Ashram Road, Ahmedabad – 380 009
Email: mcsahmd@gmail.com / mcsstaahmd@gmail.com | Website: www.mcsregistrars.com
Tel No. +91 79 2658 0461 / 62 / 63, Fax No. +91 79 2658 1296

10.13 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 Share Transfer Agent Limited, Ahmedabad. The RTA within time limit prescribed under the law approves and registers the transfer lodged by the investors.

10.14 Distribution of share holding as on 31 March 2018:

Shareholding of nominal value of	Number of Holder		Number of Shares	
	Nos	% of Total	Nos	% of Total
1 - 500	18068	51.28	4243864	1.08
501 - 1000	7873	22.34	7274044	1.85
1001 - 2000	3627	10.29	6233695	1.58
2001 - 3000	1554	4.41	4224999	1.07
3001 - 4000	692	1.96	2582412	0.66
4001 - 5000	1042	2.96	5117225	1.30
5001 - 10000	1221	3.47	9732811	2.47
10001 - 50000	904	2.57	19970428	5.07
50001 - 100000	124	0.35	9231670	2.34
100001 and Above	130	0.37	325278052	82.58
Total	**35235**	**100.00**	**393889200**	**100**

10.15 Shareholding Pattern as on 31 March 2018:

Category	No. of shares held	% of total share capital
Promoters' Holding	243825187	61.90
Public holding		
Institutions and Bodies Corporate	51664474	13.12
Individuals	80216582	20.36
HUF	6036508	1.53
Non Resident Indians	8178349	2.08
IEPF	3968100	1.01
Total	**393889200**	**100.00**

10.16 Dematerialization of Shares and liquidity:

Trading in the Company's shares is permitted only in dematerialization form for all investors. The Company has established connectivity with CDSL and NSDL through the Registrar, M/s MCS Share Transfer Agent Limited, Ahmedabad, whereby the investors have the option to dematerialize their shares with either of the depositories. As on 31 March 2018, 98.06% of the paid up share capital has been dematerialized.

10.17 Outstanding GDR/ADR/Warrants or any convertible instrument, conversion date and likely impact on equity:

At the end of the year there is no such instrument pending for conversion.

10.18 Share Capital Evolution:

Date of Issue/ Allotment	No. of shares Alloted	Issue Price per share (₹)	Distinctive Numbers	Type of Issue	Cumulative capital (No of shares)
26 February 1990	20	10	1 to 20	Subscribers to memorandum	20
30 March 1991	9500	10	21 to 9520	Further Allotment	9520
31 March 1992	3500	10	9521 to 13020	Further Allotment	13020
31 March 1993	18500	10	13021 to 31520	Further Allotment	31520
23 March 1994	4400	10	31521 to 35920	Further Allotment	35920
10 January 1995	1010000	15	35921 to 1045920	Further Allotment	1045920
31 March 1995	2990000	15	1045921 to 4035920	Further Allotment- Public Issue	4035920
31 March 1995	1920000	15	4035921 to 5955920	Further Allotment- Public Issue	5955920
28 April 1995	6366700	15	5955921 to 12322620	Further Allotment- Public Issue	12322620*
27 July 2010	172000000	1.20	123226201 to 295226200	Further Allotment Pursuant to scheme of amalgamation	295226200
03 January 2015	75000000	1.00	295226201 to 370226200	Further Allotment on Private Placement Basis	370226200
30 June 2016	22500000	1.00	370226200	Further Allotment upon conversion of Warrants	392726200
23 July 2016	242500	1.00	392726201 to 392968700	Allotment upon exercise of stock options by employees	392968700
16January 2017	424000	1.00	392968701 to 393392700	Allotment upon exercise of stock options by employees	393392700
15 September 2017	496500	1.00	393392701 To 393889200	Allotment upon exercise of stock options by employees	393889200

* 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 ordinary resolution passed at the Annual General Meeting held on 30 August 2005.

10.19 Commodity price risk or foreign exchange risk and hedging activities:

There is no exposure of the Company involving any commodity price risk or foreign exchange risk and therefore there is no hedging activities undertaken.

10.20 Plant locations:

The Company is in the business of real estate and construction activities and therefore do not have any plant or production units. However the information regarding various infrastructure and real estate projects of the Company is available on the Company's website at www.nilainfra.com.

10.21 Address for Correspondence: All shareholder's related 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-380015 Email: secretarial@nilainfra.com, Fax: +91 79 2687 3922; Phone: +91 79 4003 6817/18

11. OTHER DISCLOSURES

11.1 Materially Significant Related Party Transaction:

The transaction(s) entered into between the Company and its related parties are disclosed in the Notes forming part of accounts and are in compliance with the Accounting Standards relating to "Related Party Disclosures". There is no materially significant Related Party Transaction wherein Directors and Key Managerial Personnel are interested and that may have potential conflict with the interest of the Company. All material transactions with subsidiaries, associates and joint ventures are in compliance with applicable law.

11.2 Statutory Compliances, Penalties and Strictures:

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

11.3 Details of non compliance with mandatory requirements and adoption of the non-mandatory requirements:

There is no non compliance of any mandatory requirements and adoption of the non-mandatory requirements by the Company.

11.4 Web link where policy for determining 'Material Subsidiaries' is disclosed:

The Company does not have any material subsidiary within the meaning of SEBI laws. The Company's policy on determining material subsidiary is placed on the Company's website at www.nilainfra.com under investor segment.

11.5 Web link where policy on dealing with related party transactions:

The Company's policy on dealing with related party transactions is placed on the Company's website at www.nilainfra.com under investor segment.

12. DETAILS OF NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED: NOT APPLICABLE

13. DISCLOSE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 HAVE BEEN ADOPTED: NOT APPLICABLE

14. SECRETARIAL AUDIT FOR CAPITAL RECONCILIATION:

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

15. 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 Chapter IV of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we have examined all relevant records of the Nila Infrastructures Limited relating to its compliance of condition of Corporate Governance as stipulated in said Listing Regulations for the financial year ended 31 March 2018. It is responsibility of the Company to prepare and maintain the relevant necessary record under the SEBI guidelines, Listing Agreement and other application Laws. Our responsibility is to carry out an examination on the basis of our professional judgment so as to award a reasonable assurance of the correctness and completeness of the records for the purpose of this certificate. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of this certificate and have been provided with such records documents certificates etc as had been required by us. We certify that from the records produced and the explanation given to us by the Company for the purpose of this certificate and to the best of our information, the Company has complied with all the mandatory requirement of the Chapter IV of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For Umesh Ved & Associates

Practicing Company Secretaries

Umesh Ved

Proprietor

FCS No. : 4411

C.P. No. : 2924

Place: Ahmedabad

Date: 30 May 20178

CEO and CFO Certification

To,
The Board of Directors
Nila Infrastructures Limited

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

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31 March 2018 and that to the best of our knowledge and belief:

(I) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on 31 March 2018 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept 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 and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and to the Audit committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Manoj B. Vadodaria
Chairman & Managing Director
DIN: 00092053

Date: 30 May 2018
Place: Ahmedabad

Prashant H. Sarkhedi
Chief Finance Officer

Independent Auditors' Report

To the Members of Nila Infrastructures Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Nila Infrastructures Limited ('the Company'), which comprise the standalone balance sheet as at 31 March 2018, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statement prepared in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under Section 133 of the Act read with rule 7 of Companies (Accounts) Rules, 2014, audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 26 May 2017 and 26 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 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 purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
   (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the board of directors, none of the directors are disqualified as on 31 March 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   (g) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – refer note 36 to the standalone Ind AS financial statements;
      ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2018; and
      iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For, B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No:045754

Place: Ahmedabad
Date: 30 May 2018

Annexure A

To the Independent Auditor's Report – 31 March 2018

(Referred to in our report of even date)

With reference to the "Annexure A" referred to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us including registered titled deeds, we report that, the title deeds, comprising of all of immovable properties of land and buildings which are freehold, are held in the name of the Company as at Balance sheet date.

(ii) Inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The company has granted unsecured loans to three companies and one limited liability partnership covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The Company has not granted any loans, secured or unsecured, to firms or parties covered in the register required to be maintained under Section 189 of the Act.

(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that rate of interest and other terms and conditions of unsecured loans granted by the company to companies and limited liability partnership covered in the register maintained under section 189 of the Act are not, prima facie, prejudicial to the interest of Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, the unsecured loans granted to companies and limited liability partnership and interest payable thereon are repayable as stipulated. The borrowers have been regular in payment of principal and interest as stipulated.

(c) There are no overdue amounts of more than 90 days in respect of unsecured loans granted to companies and limited liability partnership covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and Section 186 of the Act, with respect to loans granted and investments made by the Company. The Company has not provided any guarantee or security during the year to the parties covered under section 185 and 186 of the Act. Accordingly, compliance under section 185 and 186 of the Act in respect of providing guarantees or securities is not applicable to the company

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and service tax, Duty of excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Goods and service tax, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Goods and Service tax, Duty of excise, Value added tax and Cess as at 31 March 2018, which have not been deposited with the appropriate authorities on account of any dispute, other than those mentioned below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount related	Amount involved (₹ in lakhs)	Amount unpaid (₹ in lakhs)
Income tax Act, 1961	Income tax dues including interest	Gujarat High Court	Assessment year 2009-10	2.77	2.77
Income tax Act, 1961	Income tax dues including interest	Deputy commissioner of income tax (appeals)	Assessment year 2011-12	75.93	75.93

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to banks, financial institutions and government. The Company did not have any dues to debenture holders during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purpose for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For, B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No:045754

Place: Ahmedabad
Date: 30 May 2018

Annexure B

To the Independent Auditor's Report – 31 March 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Nila Infrastructures Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements

Meaning of Internal Financial Controls With Reference To Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference To Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For, B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No:045754

Place: Ahmedabad
Date: 30 May 2018

Standalone Balance Sheet

as at 31 March 2018

(₹ in lakhs)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	898.75	915.99	734.49
(b) Investment properties	5	2,499.96	2,546.65	2,600.76
(c) Intangible assets under development	6	1,882.20	2,229.69	82.77
(d) Investment in subsidiary, associate and joint venture	7	1,286.65	1,265.08	1,259.55
(e) Financial assets				
(i) Investments	8	0.13	0.12	0.64
(ii) Loans	9	5,151.65	3,480.99	1,951.34
(iii) Other financial assets	10	727.64	1,214.61	1,513.19
(f) Other non-current assets	11	2.60	6.37	9.89
(g) Other tax assets (net)	15	10.59	10.46	8.65
Total non-current assets		**12,460.17**	**11,669.96**	**8,161.26**
Current assets				
(a) Inventories	12	6,364.95	5,999.43	5,710.16
(b) Financial assets				
(i) Trade receivables	13	3,474.47	3,002.19	580.33
(ii) Cash and cash equivalents	14	132.23	275.23	87.76
(iii) Bank balances other than (ii) above	14	524.15	449.50	223.05
(iv) Loans	9	1,229.89	675.11	157.80
(v) Other financial assets	10	2,562.71	1,000.51	1,763.38
(c) Other current assets	11	1,567.74	1,324.62	1,684.12
Total current assets		**15,856.14**	**12,726.59**	**10,206.60**
Total assets		**28,316.31**	**24,396.55**	**18,367.86**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	3,938.89	3,933.93	3,702.26
(b) Other equity	17	6,842.89	2,137.49	369.00
Total equity		**10,781.78**	**6,071.42**	**4,071.26**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	6,074.76	5,793.29	8,591.46
(ii) Other financial liabilities	19	90.61	373.88	525.60
(b) Provisions	20	112.46	62.49	32.92
(c) Deferred tax liabilities (net)	21	982.06	1,218.09	1,115.34
Total non-current liabilities		**7,259.89**	**7,447.75**	**10,265.32**

(₹ in lakhs)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	663.34	550.05	490.94
(ii) Trade payables	22	4,090.69	2,544.73	1,751.66
(iii) Other financial liabilities	19	3,725.87	1,686.85	1,496.35
(b) Other current liabilities	23	1,508.82	5,915.10	175.21
(c) Provisions	20	39.18	11.58	6.35
(d) Current tax liabilities (net)	24	246.74	169.07	110.77
Total current liabilities		**10,274.64**	**10,877.38**	**4,031.28**
Total liabilities		**17,534.53**	**18,325.13**	**14,296.60**
Total equity and liabilities		**28,316.31**	**24,396.55**	**18,367.86**

The accompanying notes 1 to 46 form an integral part of these standalone financial statements.
As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Jeyur Shah
Partner
Membership No. 045754

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Place : Ahmedabad
Date : 30 May 2018

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Standalone Statement of Profit and Loss
for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	25	21,429.73	19,828.78
Other income	26	734.40	698.84
Total income		**22,164.13**	**20,527.62**
Expenses			
Cost of material consumed and project expenses	27	16,944.51	16,451.88
Changes in inventories of building material, land and work in progress	28	(365.52)	(289.27)
Employee benefits expense	29	592.01	422.64
Finance costs	30	1,109.81	890.18
Depreciation	4 & 5	172.15	161.64
Other expenses	31	463.65	405.67
Total expenses		**18,916.61**	**18,042.74**
Profit before tax		**3,247.52**	**2,484.88**
Tax expense:			
Current tax	21	1,225.00	784.43
Adjustments of tax for earlier years	21	1.60	-
Deferred tax charge/(credit) (net)	21	(232.55)	107.40
Profit for the year		**2,253.47**	**1,593.05**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post-employment benefit obligation		(14.49)	(13.42)
Income tax relating to these items		3.48	4.64
Other comprehensive income for the year, net of tax		**(11.01)**	**(8.78)**
Total comprehensive income for the year		**2,242.46**	**1,584.27**
Earnings per equity share (Face value ₹ 1 per share)			
Basic	32	0.57	0.40
Diluted	32	0.57	0.40

The accompanying notes 1 to 46 form an integral part of these standalone financial statements.
As per our report of even date attached
For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Jeyur Shah
Partner
Membership No. 045754

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Place : Ahmedabad
Date : 30 May 2018

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Standalone Statement of Changes in Equity
for the year ended 31 March 2018

Equity Share Capital

(₹ in lakhs)

Particulars	Note	Amount
Balance as at 1 April 2016		3,702.26
Changes during the year		231.67
Balance as at 31 March 2017	**14**	**3,933.93**
Changes during the year		4.96
Balance as at 31 March 2018	**14**	**3,938.89**

Other Equity

(₹ in lakhs)

Particulars	Note	Reserves and Surplus					Total
		Employee Stock Option	Retained Earnings	General Reserve	Securities premium account	Money Received Against Share Warrants	
Balance as at 1 April 2016 (refer note 41)		**51.63**	**(488.65)**	**524.77**	**-**	**281.25**	**369.00**
Total comprehensive income for the year ended 31 March 2017							
Profit for the year		-	1,593.05	-	-	-	1,593.05
Items of other comprehensive income							
Remeasurement of post-employment benefit obligation (net of tax)	17	-	(8.78)	-	-	-	(8.78)
Issue of equity shares	17	-	-	-	938.51	-	938.51
Changes on account of scheme of arrangement (refer note 41)	17	-	938.51	-	(938.51)	-	-
Share based transaction	17	47.25	-	-	-	-	47.25
Issue of equity shares	17	-	-	-	-	(281.25)	(281.25)
Total comprehensive income for the year		**98.88**	**2,034.13**	**524.77**	**-**	**-**	**2,657.78**
Payment of dividends	17	-	(432.27)	-	-	-	(432.27)
Tax on dividends	17	-	(88.01)	-	-	-	(88.01)
Balance as at 31 March 2017		**98.88**	**1,513.85**	**524.77**	**-**	**-**	**2,137.49**
Total comprehensive income for the year ended 31 March 2017							
Profit for the year		-	2,253.47	-	-	-	2,253.47
Items of other comprehensive income							
Remeasurement of post-employment benefit obligation (net of tax)	17	-	(11.01)	-	-	-	(11.01)
Total comprehensive income for the year		**-**	**2,242.46**	**-**	**-**	**-**	**2,242.46**
Issue of equity shares	17	-	-	-	33.71	-	33.71
Share based transaction	17	(98.88)	141.50	-	-	-	42.62
Changes on account of scheme of arrangement (refer note 41)	17	-	2,908.09	-	-	-	2,908.09
Payment of dividends	17	-	(433.28)	-	-	-	(433.28)
Tax on dividends	17	-	(88.21)	-	-	-	(88.21)
Balance as at 31 March 2018		**-**	**6,284.41**	**524.77**	**33.71**	**-**	**6,842.89**

The accompanying notes 1 to 46 form an integral part of these standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 30 May 2018

For and on behalf of the Board of Directors of
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Standalone Statement of Cash Flow
for the year ended 31 March 2018

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	3,247.52	2,484.88
Adjustments for:		
Depreciation	172.15	161.64
Employee benefit (ESOP) expense	42.61	47.25
Finance cost	1,109.81	890.18
Liabilities no longer required written back	(34.46)	(1.01)
Loss / (profit) on sale of property, plant and equipment	4.18	(2.18)
Interest income	(695.53)	(695.35)
Provision for doubtful debts	35.77	-
Rent income from investment properties	(299.84)	(301.56)
Share of profit from LLP	(19.03)	(4.51)
Operating profit before working capital changes	**3,563.18**	**2,579.34**
Changes in working capital adjustments		
(Increase) in loans	(438.30)	(83.08)
(Increase) in trade receivables	(508.05)	(1,006.87)
(Increase)/decrease in other financial assets	(1,216.25)	1,389.26
(Increase)/decrease in other assets (current and non-current)	(239.35)	447.71
(Increase) in inventories	(365.52)	(900.54)
Increase in trade payables	1,184.43	685.77
(Decrease) in other financial liabilities	(283.00)	(565.42)
Increase in other current liabilities	40.98	1,601.77
Increase in provisions	63.08	21.38
Cash generated from operations	**1,801.20**	**4,169.32**
Less: Income taxes paid (net)	**(1,149.05)**	**(727.94)**
Net cash flow from operating activities [A]	**652.15**	**3,441.38**
Cash flow from investing activities		
Purchase of property, plant and equipment	(133.03)	(289.83)
Purchase of investments	(21.57)	(385.44)
Share of profit from LLP	19.03	4.51
Loans given to related parties (net)	(1,230.83)	(1,447.35)
Loans given to others (net)	(556.32)	(102.04)
Proceeds from sale of property, plant and equipment	20.62	2.97
(Purchase) of intangible assets under development	(795.68)	(475.87)
(Purchase) / sale of investments in bank deposits (net)	67.46	(545.06)
Rent income from investment properties	299.84	301.56
Interest income	695.53	695.35
Net cash flow (used in) investing activities [B]	**(1,634.95)**	**(2,241.20)**
Cash flow from financing activities		
Proceeds from issue of equity shares	38.68	888.92
Proceeds from short term borrowings (net)	2,150.94	2,307.00
Proceeds from / (repayment) of long term borrowings (net)	281.47	(2,798.17)
Finance costs paid	(1,109.81)	(890.18)
Dividend paid (inclduding corporate dividend tax)	(521.48)	(520.28)
Net cash flow (used in) financing activities [C]	**839.80**	**(1,012.71)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(143.00)**	**187.47**
Cash and cash equivalents at beginning of the year	**275.23**	**87.76**
Cash and cash equivalents at end of the year (see note 2)	**132.23**	**275.23**

Standalone Statement of Cash Flow
for the year ended 31 March 2018

Notes:

1 The above statement of Cash Flows has been prepared under "Indirect method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

2 Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows.

Cash and cash equivalents as per above comprise of the following:

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash on hand	3.83	7.69
Balance with banks	128.40	267.54
	132.23	**275.23**

3 Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Reconciliation of liabilities arising from financing activities

(₹ in lakhs)

Particulars	As at 1 April 2017	Changes as per Standalone Statement of Cash Flows	Acquisition	Non cash changes Changes from losing control of subsidiaries	Fair value changes	As at 31 March 2018
Long term borrowings	5,793.29	281.47	-	-	-	6,074.76
Short term borrowings (including current maturities of long term borrowings and current borrowings)	2,066.68	2,150.94	-	-	-	4,217.62
Dividend including corporate dividend tax	-	(521.48)	-	-	-	-

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Jeyur Shah
Partner
Membership No. 045754

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Place : Ahmedabad
Date : 30 May 2018

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Notes to Standalone Financial Statements
for the year ended 31 March 2018

Note-1. Corporate Information

Nila Infrastructures Limited is a Company based in Ahmedabad, Gujarat with its Registered Office situated at 1st Floor, Sambhav House, Opp. Chief Justice Bungalow, Bodakdev, Ahmedabad - 380015. Nila Infrastructures Limited is a public company incorporated on 26th February, 1990 and listed on BSE (Bombay Stock Exchange of India Limited) and NSE (National Stock Exchange of India Limited). The Company is involved in the construction as well as development infrastructures project. Pursuant to the scheme of arrangement under the provisions of Companies Act, 2013, which became effective on 1 April 2017, the Company has transferred Real Estate business to Nila Spaces Limited (refer note 41 for more details).

Note-2. Basis of preparation and measurement

2.1. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The standalone financial statements for the year ended 31 March 2017were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and Cash flows of the Company is provided in note 44.

The standalone financial statements for the year ended 31 March 2018 have been reviewed by audit committee and subsequently approved by Board of Directors at its meetings held on 30 May 2018.

Details of the Company's significant accounting policies are included in note 3.

2.2. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3. Basis of Measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Investment in equity shares of certain joint venture entity	Fair value
Net defined benefit plans	Fair value of plan assets less present value of defined benefit obligation using key actuarial assumptions
Share based payments	Fair value

2.4. Use of estimates and judgements

In preparing this standalone financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and the assumptions that have most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

Note 25 – Evaluation of percentage completion for the purpose of revenue recognition

Note 5 - Identification of the building as an investment property

Note 4, 5 and 6 – Useful life used for the purpose of depreciation and amortization on property, plant and equipment, investment properties and intangible assets

Note 42 – Impairment of financial and non-financial assets

Note 37 - Lease classification

Note 34 – Recognition and measurement of defined benefit obligations, key actuarial assumptions

Note 40 – Share based payments

Note 42 – Fair value measurement of financial instruments

Note 21 – Current / deferred tax expense and recognition and evaluation of recoverability of deferred tax assets

Note 36 – Provisions and contingencies

2.5. Measurement of fair values

The Company's accounting policies and disclosures requires the measurement of fair values for financial instruments.

The Company has established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices(unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entity in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 - Investment property

Note 7 and 8 – Investments

Note 42 – Financial instruments

Note-3. Significant Accounting Policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time start of the project to their realization in cash or cash equivalents.

b) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has opted to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as deemed cost of such property, plant and equipment.

Subsequent measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

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 Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other non-current assets.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use of disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

c) Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Land and Transferable Development Rights (TDR) received as a part of Public Private Partnership arrangement for development of slum areas are accounted as an intangible asset at the value at which corresponding revenue is recognized when right is established on fulfillment of conditions attached to it.

Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognized in the Statement of Profit and Loss as incurred

Amortisation

Intangible assets are amortized on a straight - line basis (pro-rata from the date of additions) over estimated useful life of four years.

Land Rights and Transferable Development Rights (TDR) are considered as Intangible Assets under development until the underlying project is completed on which they are received.

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of intangible assets and is recognized in the Statement of Profit and Loss account. Land Rights and Transferable Development Rights (TDR) is derecognized when agreement to sale is entered.

d) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Recognition and measurement

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

Depreciation

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 Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of investment properties equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and Loss.

e) Impairment of non-financial assets

Non-financial assets of the Company, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

f) Business Combination

The acquisition method of accounting is used to account for all the business combinations, regardless of whether equity instruments or other assets are acquired. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at the fair values at the acquisition date. The Company recognizes any non – controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Transition to Ind AS

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2016. As such, Indian GAAP balances relating to business combination entered into before the date of transition have been carried forward.

Common control business combinations

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interest method as follows:

a. The assets and liabilities transferred are derecognized at their book value

b. No adjustments are made to reflect the fair value

c. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

g) Employee benefits

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted expenses and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards government administered schemes. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the services are rendered by the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company , the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

Share-based payments

Employees of the Company receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer on the basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

Cancellation of Share based payment is accounted as an acceleration of vesting, and therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder vesting period. The amount that would have been recognized is based on an estimate on the date of cancellation – i.e. estimating how many instruments are expected to vest at the original vesting date.

h) Revenue recognition

Construction contracts

Contract revenue is recognized as revenue in the Statement of Profit and Loss in the accounting periods in which the work is performed as per Ind AS 11. If the outcome of the contractual contract can be reliably measured, revenue associated with the construction contract is recognized reference to the stage of completion of the contract activity at the year-end (the percentage of completion method).The stage of completion on a project is measured on the basis of proportion of the contract work/based upon the contracts/agreements entered into by the Company with the customers. In case of contracts under Public Private Partnership Model, Lease hold land right and Land Development rights provided by the government which forms part of consideration for the services provided is recognized as an intangible assets at fair value at the time of initial recognition.

Contract costs are recognized as an expense in the Statement of Profit and Loss in the accounting period in which the work to which they relate is performed. In the case of contracts with defined milestones and assigned price for each milestone, the Company recognizes revenue on transfer of significant risks and rewards which coincides with achievement of milestone and its acceptance by its customer.

Contract revenue includes the initial amount agreed in the contract plus any variation in contract work and claims payment, to the extent that it is probable that they will result in revenue and can be measured reliably. The Company recognizes bonus/incentive revenue on early completion of the project based on the confirmation received from the customer.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the Statement of Profit and Loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contact costs are recognized as expenses as incurred unless they create an asset is related to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit and Loss.

Lease rental income

Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Income from leasing of commercial complex is recognized on an accrual basis.

Other income

Interest income is accounted on accrual basis at effective interest rate.

Dividend income and share of profit in LLP is recognized when the right to receive the same is established.

i) Financial instrument

Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through the Statement of Profit and Loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other case, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement and gains and losses

Financial assets are subsequently classified as measured at

- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
- Fair value through profit and loss (FVTPL): These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.
- Fair value through other comprehensive income (FVOCI): These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to the Statement of Profit andLoss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Trade receivables and loans

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Equity instrument

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of the financial asset) is primarily derecognized when:

a) The right to receive cash flows from the asset have expired; or

b) The Company has transferred substantially all the risks and rewards of the asset; or

c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through Statement of Profit and Loss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet date if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle them on net basis or to realize the assets and settle the liabilities simultaneously.

j) Income taxes

Income tax comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it is relates to an item recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

Minimum Alternate Tax (MAT) eligible for set off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the restated standalone summary Statement of Profit and Loss only if there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Company. At each balance sheet date, the carrying amount of deferred tax in relation to MAT credit entitlement receivable is reviewed to reassure realization.

k) **Inventories**

Inventory comprises of land and transferable development rights. Land and transferable development 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.

Project inventories

Inventories of project materials are valued at cost or net realizable value whichever is less. Cost is arrived at on weighted average method (WAM) basis.

Work-in-progress

Construction and development of Infrastructure project:

Cost incurred for the contract that relate to future activity of the contract, such contract cost are recognized as an asset provided it is probable that they will be recovered. Such costs represent an amount due from the customer and are often classified as Contract work in progress which is valued at cost or net realizable value whichever is less.

l) **Provisions and contingencies**

A provision is recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the Notes to the Standalone Financial Statements. Contingent liabilities are disclosed for:

i. possible obligations which will be confirmed only by future events not wholly within the control of the Company, or

ii. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

m) **Borrowing Cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

n) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. For the disclosure on reportable segments see Note 35.

o) **Cash and cash equivalents**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid.

p) **Investments in subsidiaries, joint venture and associates**

The Company has elected to recognise its investments in subsidiary and associate and joint venture companies at cost in accordance with the option available in Ind AS 27, Separate Financial Statements.

q) **Leases**

Asset given under lease

In respect of assets provided on finance leases, amount due from lesseesare recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

Asset held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership ae classified as finance leases. All the other leases are classified as operating leases. For finance lease, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under operating leases are neither recognized in (in case the Company is lessee) nor derecognized (in case the Company is lessor) from the Company's balance sheet.

Lease payments

Payments made under operating leases are generally recognized in the Statement of Profit and Loss on a straight line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of lease.

r) **Earnings per share**

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

In a capitalization or bonus issue or share split, ordinary shares are issued to equity shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

s) **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates as at the date of transaction or at an average rate if the average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognized in the Statement of Profit and Loss.

t) **Recent accounting pronouncement**

Ind AS 115- Revenue from Contract with Customers: Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ins AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

Amendments to existing Ind AS

- Ind AS 40 - Investment Property – The amendment lays down the principle regarding the transfer of asset to, or from, investment property.
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates – The amendment lays down principles to determine the date of transaction when a Company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 – Income Taxes – The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

Note-4
Property, plant and equipment

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2017	Additions	Sale	As at 31 March 2018	As at 1 April 2017	For the year	Adjustment/ Deduction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold land	10.73	-	-	10.73	-	-	-	-	10.73	10.73
Building	90.95	40.85	0.03	131.77	1.66	1.74	-	3.40	128.37	89.29
Plant and machinery	246.42	15.93	1.65	260.69	15.57	20.99	-	36.56	224.13	230.85
Furniture and fixtures	57.78	-	0.03	57.75	11.31	9.11	-	20.42	37.34	46.47
Computer equipment	8.97	2.18	1.07	10.08	3.12	2.58	-	5.70	4.38	5.85
Vehicles	584.09	69.63	22.58	631.14	69.75	85.69	0.85	154.60	476.54	514.33
Electrification	5.71	-	0.01	5.70	1.21	1.22	-	2.43	3.29	4.50
Office equipments	18.88	4.43	0.30	23.01	4.91	4.14	-	9.05	13.97	13.97
Total	**1,023.53**	**133.03**	**25.67**	**1,130.89**	**107.53**	**125.47**	**0.85**	**232.15**	**898.75**	**915.99**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Deemed Cost as at 1 April 2016*	Additions	Sale	As at 31 March 2017	As at 1 April 2016	For the year	Adjustment/ Deduction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Freehold land	10.73	-	-	10.73	-	-	-	-	10.73	10.73
Building	90.95	-	-	90.95	-	1.66	-	1.66	89.29	90.95
Plant and machinery	124.40	122.02	-	246.42	-	15.57	-	15.57	230.85	124.40
Furniture and fixtures	57.35	0.43	-	57.78	-	11.31	-	11.31	46.47	57.35
Computer equipment	6.17	2.80	-	8.97	-	3.12	-	3.12	5.85	6.17
Vehicles	429.26	155.58	0.76	584.09	-	69.75	-	69.75	514.33	429.26
Electrification	5.71	-	-	5.71	-	1.21	-	1.21	4.50	5.71
Office equipments	9.91	9.00	0.03	18.88	-	4.91	-	4.91	13.97	9.91
Total	**734.49**	**289.83**	**0.79**	**1,023.53**	**-**	**107.53**	**-**	**107.53**	**915.99**	**734.49**

Refer note 16 - For information on property, plant and equipment pledged as security by the Company

* The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of 1 April, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101. Refer below table for the gross block value and the accumulated depreciation on 1 April 2016 under Indian GAAP (IGAAP):

(₹ in lakhs)

Particulars	Gross Block (at Cost) as at 1 April 2016	Depreciation / Amortisation as at 1 April 2016	Net Block as at 1 April 2016
Freehold land	10.73	-	10.73
Building	104.49	13.55	90.95
Plant and machinery	138.11	13.71	124.40
Furniture and fixtures	98.52	41.17	57.35
Computer equipment	34.39	28.22	6.17
Vehicles	562.18	132.92	429.26
Electrification	10.17	4.45	5.71
Office equipments	36.68	26.76	9.92
Total of property, plant and equipment	**995.37**	**260.78**	**734.49**

Note-5
Investment properties

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2017	Additions	Sale	As at 31 March 2018	As at 1 April 2017	For the year	Adjustment/ Deduction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Building	2,600.76	-	-	2,600.76	54.11	46.69	-	100.80	2,499.96	2,546.65
Total	**2,600.76**	**-**	**-**	**2,600.76**	**54.11**	**46.69**	**-**	**100.80**	**2,499.96**	**2,546.65**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Deemed Cost As at 1 April 2016*	Additions	Sale	As at 31 March 2017	As at 1 April 2016	For the year	Adjustment/ Deduction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Building *	2,600.76	-	-	2,600.76	-	54.11	-	54.11	2,546.65	2,600.76
Total	**2,600.76**	**-**	**-**	**2,600.76**	**-**	**54.11**	**-**	**54.11**	**2,546.65**	**2,600.76**

Information regarding income and expenditure of Investment properties

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Rental income derived from investment properties	299.84	301.56
Direct operating expenses	9.16	9.16
Profit arising from investment properties	**290.68**	**292.40**
Less : depreciation	46.69	54.11
Profit arising from investment properties before indirect expense	**243.99**	**238.29**

* The Company has elected to continue with the carrying value of its Investment properties recognized as of 1 April 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101. Refer below table for the gross block value and the accumulated depreciation on 1 April 2016 under Indian GAAP (IGAAP):

(₹ in lakhs)

Particulars	Gross Block (at Cost)	Accumulated depreciation	Net Block
Building	2,949.46	348.70	2,600.76

Fair value of the investment properties are as under: (₹ in lakhs)

Fair Value	Building
Balance as at 1 April 2016	5,442.41
Fair value increase during the year	272.12
Balance as at 31 March 2017	5,714.53
Fair value increase during the year	285.73
Balance as at 31 March 2018	6,000.26

Fair valuation Technique

Particulars	Valuation Technique
Building	Market Approach

Measurement of fair value of investment properties:

A. **Fair value hierarchy:**

The fair value of investment properties has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of properties being valued.

The fair value measurement of the investment properties has been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

B. **Fair valuation technique**

Particulars	Valuation technique
Building	Market Approach

Refer note 18 - For information on investment peroperties pledged as security by the Company

Refer note 37 - For details of operating lease

Note-6

Intangible assets under development

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2017	Additions	Sale	As at 31 March 2018	As at 1 April 2017	For the year	Adjust-ment/ Deduction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Intangible Asset - Land Rights *	1,995.01	3,172.36	3,892.00	1,275.37	-	-	-	-	1,275.37	1,995.01
Intangible Asset - Transferrable Development Right *	234.68	2,278.16	1,906.01	606.83	-	-	-	-	606.83	234.68
Total	**2,229.69**	**5,450.52**	**5,798.01**	**1,882.20**	**-**	**-**	**-**	**-**	**1,882.20**	**2,229.69**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2016	Additions	Sale	As at 31 March 2017	As at 1 April 2017	For the year	Adjust-ment/ Deduction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Intangible Asset - Land Rights *	82.77	1,912.24	-	1,995.01	-	-	-	-	1,995.01	82.77
Intangible Asset - Transferrable Development Right *	-	234.68	-	234.68	-	-	-	-	234.68	-
Total	**82.77**	**2,146.92**	**-**	**2,229.69**	**-**	**-**	**-**	**-**	**2,229.69**	**82.77**

* Land Rights and Transferable Development Rights(TDR) received as a part of public private partnership arrangement for development of slum areas are accounted as an intangible assets under development at the value at which corresponding revenue is recognised when right is established on fulfillment of conditions attached to it.

Note-7

Investment in subsidiary, associate and joint venture

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unquoted:			
Investments in equity shares of subsidiary company (at cost)			
10,000 (31 March 2017 : Nil; 1 April 2016 : Nil) equity shares of Nila Terminals (Amreli) Pvt Ltd of ₹ 10 /- each	1.00	-	-
	1.00	**-**	**-**
Investments in joint ventures and associate (at cost)			
Nil (31 March 2017 : 5,000; 1 April 2016 : 5,000) equity shares of Sarthi Industrial Parks Pvt. Ltd. of ₹ 10/- each fully paid up	-	0.50	0.50
Kent Residential & Industrial Park LLP (50% share of profit)	34.81	14.08	8.55
3,400 (31 March 2017 : Nil; 1 April 2016 : Nil) equity shares of Vyapnila Terminals (Modasa) Pvt. Ltd. of ₹ 10/- each	0.34	-	-
	35.15	**14.58**	**9.05**
Investments in equity shares of joint ventures (at fair value)			
5,000 (31 March 2017 : 5,000; 1 April 2016 : 5,000) equity shares of Romanovia Industrial Park Pvt. Ltd. of ₹ 10/- each fully paid up	1,250.50	1,250.50	1,250.50
	1,250.50	**1,250.50**	**1,250.50**
Total	**1,286.65**	**1,265.08**	**1,259.55**

Refer note 41 - For the detail of investments transferred on account of Scheme of Demerger

Note-8

Investments

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in quoted shares of other companies - (Fair value through profit and loss)			
Nil (31 March 2017 : Nil; 1 April 2016 : 50,000) Equity shares of Visu International Ltd.of ₹10/-	-	-	0.53
Other investments			
National saving certificate	0.13	0.12	0.11
Total	**0.13**	**0.12**	**0.64**

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Aggregate value of unquoted investment	0.13	0.12	0.11
Aggregate value of quoted investment	-	-	0.53
	0.13	**0.12**	**0.64**
Aggregate market value of quoted investment	-	-	0.53

Note-9
Loans

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current loans			
Loans to related party (refer note 33)			
- Unsecured, considered good	4,492.72	3,261.89	1,814.55
Security and other deposits	658.93	219.10	136.79
	5,151.65	**3,480.99**	**1,951.34**
Current loans			
Loans to employees			
- Unsecured, considered good	23.78	25.31	14.54
Loans to others			
- Unsecured, considered good	1,205.36	649.05	132.51
Security and other deposits	0.75	0.75	10.75
	1,229.89	**675.11**	**157.80**
Total	**6,381.54**	**4,156.10**	**2,109.13**

*Refer note 42 - Financial instruments, fair values and risk measurement

Note-10
Other financial assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other non-current financial assets			
Margin money deposits with bank	667.98	809.00	481.19
Retention money receivable	59.66	405.61	1,032.00
	727.64	**1,214.61**	**1,513.19**
Other current financial assets			
Unbilled revenue	2,562.71	1,000.51	1,763.38
	2,562.71	**1,000.51**	**1,763.38**
Total	**3,290.35**	**2,215.12**	**3,276.57**

Refer note 42 - Financial instruments, fair values and risk measurement

Note-11
Other Assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Lease equalisation	2.60	6.37	9.89
	2.60	**6.37**	**9.89**
Current			
Advance to vendors	1,125.30	1,157.58	1,176.34
Prepaid expenses	104.33	30.46	425.15
Balances with government authorities			
- Goods and service tax receivable	310.12	-	-
- Service tax receivable	-	24.53	18.26
- VAT receivable	12.95	105.98	58.30
- Others	8.97	-	-
Lease equalisation	6.07	6.07	6.07
	1,567.74	**1,324.62**	**1,684.12**
Total	**1,570.34**	**1,330.99**	**1,694.01**

Note-12
Inventories

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Construction material on hand	380.90	180.26	152.56
Work in progress	1,804.40	1,626.88	1,366.44
Land and land development rights	4,179.65	4,192.29	4,191.16
Total	**6,364.95**	**5,999.43**	**5,710.16**

Refer note 3 (k) for accounting policy on inventories.
During the year ended 31 March 2018, the company has inventorised borrowing cost of ₹ 200.49 lakhs (31 March 2017 ₹ 198.55 lakhs and 1 April 2016 ₹ 793.15 lakhs)

Note-13
Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
To related parties			
- Unsecured, considered good	89.75	-	-
To other than related parties			
- Unsecured, considered good	3,384.72	3,002.19	580.33
- Unsecured, considered doubtful	35.77	-	-
Less:- provision for doubtful debts	(35.77)	-	-
Total	**3,474.47**	**3,002.19**	**580.33**

Refer note 42 - Financial instruments, fair values and risk measurement
Includes retention money receivable amounting to ₹ 1,323.36 lakhs (31 March 2017: ₹ 738.99 lakhs, 1 April 2016: ₹ 366.08 lakhs)

Note-14
Cash and Bank balances

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Balance in current account	128.40	267.54	81.99
Cash on hand	3.83	7.69	5.77
	132.23	**275.23**	**87.76**
Other bank balances			
Deposits with original maturity over 3 months but less than 12 months	447.92	383.34	166.09
Margin money deposit	8.98	-	-
Unpaid dividend account *	67.25	66.16	56.96
	524.15	**449.50**	**223.05**
Total	**656.38**	**724.73**	**310.81**

Refer note 42 - Financial instruments, fair values and risk measurement
* The Company can utilise these balances only towards payment of dividend.

Note-15
Other Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance payment of tax (net of provision for tax)	10.59	10.46	8.65
Total	**10.59**	**10.46**	**8.65**

Note-16
Equity share capital

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised share capital			
500,000,000 (31 March 2017 : 500,000,000 ; 1 April 2016 : 500,000,000) Equity shares of ₹1/- each	5,000.00	5,000.00	5,000.00
Issued, Subscribed and Paid-up Capital			
393,889,200 (31 March 2017 : 393,392,700; 1 April 2016 : 370,226,200) Equity shares of ₹1/- each fully paid	3,938.89	3,933.93	3,702.26
Total	**3,938.89**	**3,933.93**	**3,702.26**

A. Reconciliation of number of equity shares

(₹ in lakhs)

Name of Shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Balance as at the beginning of the year	**39,33,92,700**	**3,933.93**	**37,02,26,200**	**3,702.26**	**37,02,26,200**	**3,702.26**
Issued during the year	-	-	2,25,00,000	225.00	-	-
Exercise of options - proceeds received	4,96,500	4.96	6,66,500	6.67	-	-
Balance as at the end of the year	**39,38,89,200**	**3,938.89**	**39,33,92,700**	**3,933.93**	**37,02,26,200**	**3,702.26**

B. Terms / rights attached to Equity shares

The company has single 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.

(₹ in lakhs)

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

Name of Shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Numbers	% Holding	Numbers	% Holding	Numbers	% Holding
Equity shares of ₹ 1 each fully paid						
Mr. Manoj B. Vadodaria	5,31,54,712	13.49	5,31,54,712	13.51	4,41,54,712	11.93
Mrs. Nila M. Vadodaria	4,39,55,267	11.16	4,39,55,267	11.17	4,39,55,267	11.87
Mrs. Alpa K. Vadodaria	3,68,00,000	9.34	3,68,00,000	9.35	3,68,00,000	9.94
Mr. Kiran B. Vadodaria	3,86,08,100	9.80	3,86,08,100	9.81	3,18,58,100	8.61
Mr. Deep S. Vadodaria	3,17,52,108	8.06	3,17,52,108	8.07	2,50,02,108	6.75
Ms. Shobha I Desai	62,43,657	1.59	1,90,96,436	4.85	2,00,96,436	5.43

Information relating to Nila Infrastructures Limited - ESOP , including details of options issued, exercised, lapsed and cancelled during the year and options outstanding at the end of year is set out in Note 40.

Note-17
Other equity

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Reserves & Surplus			
(i) Retained earnings	6,284.41	1,513.84	(488.65)
(ii) Equity security premium	33.71	-	-
(iii) General reserve	524.77	524.77	524.77
(iv) Deferred employees stock option compensation reserves	-	(85.50)	(133.67)
(v) Employees stock option outstanding reserve	-	184.38	185.30
Money received against share warrants	-	-	281.25
Total	**6,842.89**	**2,137.49**	**369.00**

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Retained earnings			
Profit & loss opening balance	1,513.84	(488.65)	-
Changes on account of scheme of arrangement (refer note 41)	2,908.09	938.51	(488.65)
Profit during the year	2,253.47	1,593.05	-
Changes on account of discontinuation of employee's stock option plan	141.50	-	-
	6,816.90	**2,042.91**	**(488.65)**
Appropriation			
Final equity dividend at ₹ 0.11 per share (31 March 2017: ₹ 0.10 per share)	(433.28)	(432.27)	-
Tax on equity dividend	(88.21)	(88.01)	-
	(521.49)	**(520.28)**	**-**
Items of other comprehensive income (net of tax)			
Remeasurement of post-employment benefit obligation (net of tax)	(11.01)	(8.78)	-
	(11.01)	**(8.78)**	**-**
Total	**6,284.41**	**1,513.84**	**(488.65)**

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(ii) Equity security premium			
Opening balance	-	-	-
Addition during the year	33.71	938.51	-
Less: changes on account of scheme of arrangement	-	(938.51)	-
Total	**33.71**	**-**	**-**
(iii) General reserve	**524.77**	**524.77**	**524.77**
(iv) Deferred employees stock option compensation reserves			
Opening balance	(85.50)	(133.67)	-
Expense recognised during the year	48.32	40.48	-
Changes on account of scheme of arrangement	9.53	7.69	(133.67)
Cancellation of employee's stock option plan (refer note 40)	27.65	-	-
Total	**-**	**(85.50)**	**(133.67)**
(v) Employees stock option outstanding reserve			
Opening Balance	184.38	185.30	-
Exercise of options during the year	-	(0.92)	185.30
Cancellation of employee's stock option plan (refer note 40)	(184.38)	-	-
Total	**-**	**184.38**	**185.30**
(vi) Money received against share warrants	**-**	**-**	**281.25**
Total reserves and surplus	**6,842.89**	**2,137.49**	**369.00**

General Reserve - The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

Equity Security Premium - Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

Deferred ESOP compensation reserve and ESOP outstanding reserve are created pursuant to the scheme of Employee's Stock Option Plan.

Note-18
Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current borrowings			
Secured loans			
Indian rupee loan from			
Banks	1,884.87	3,191.32	4,835.12
Financial institution	3,009.98	-	-
Vehicle loan from			
Banks	128.55	214.12	163.93
Financial institution	6.90	-	1.59
Unsecured loans			
Indian rupee loan from			
Financial Institution	1,044.46	2,387.85	3,590.83
	6,074.76	**5,793.29**	**8,591.46**
Current borrowings			
Secured loans			
Indian rupee loan from			
Bank	663.34	550.05	490.94
	663.34	**550.05**	**490.94**
Total	**6,738.10**	**6,343.35**	**9,082.40**

* Current maturities of long term borrowings is reported under 'Other current financials liabilities'
Refer note 42 - Financial instruments, fair values and risk measurement

Security Details of Borrowings -

	Loan Amount outstanding as at			Rate of Interest as at			Installment Details			
	31 Mar 2018	31 Mar 2017	31 Mar 2016	31 Mar 2018	31 Mar 2017	31 Mar 2016	Start Date	End Date	Nos	Period
(A)	**Secured Loans from banks**									
(A.1)	**Term Loans**									
	Secured by hypothecation of immovable properties situated at 3rd, 4th & 5th Floor Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad owned by Company									
(i)	645.22	738.90	815.19	9.10%	11.75%	11.85%	Jul-2013	Oct-2023	123	Monthly
(ii)	628.31	-	-	9.10%			Feb-2018	Jan-2028	120	Monthly
	Dropped Down OD facility secured by way of (a) registered equitable mortgage of industrial land at Vinzol and Bavla owned by Company (b) Personal guarantee of Shri Manoj Vaodaria & Shri Kiran Vadodaria									
(iii)	2,835.40	2,661.65	4,121.17	11.20%	11.60%	11.80%	Dec-2015	Mar-2023	27	Quarterly
	Overdraft Facility secured by way of (a) registered equitable mortgage of properties owned by the company held at 2nd & 6th Floor Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad (b) 11 flats owned by Company and (c) Personal Guarantee of Shri Manoj Vadodaria & Shri Kiran Vadodaria									
(iv)	-	-	-	12.69%	12.31%	-				Annual Review
Total (A.1)	**4,108.93**	**3,400.55**	**4,936.36**							

(A.2) Vehicle Loans

Secured by way of hypothecation of commercial vehicles

(i)	8.02	20.72	32.21	10.01%	10.01%	10.01%	Dec-2014	Oct-2018	47	Monthly
(ii)	11.27	26.83	40.91	10.01%	10.01%	10.01%	Jan-2015	Nov-2018	47	Monthly
Secured by way of hypothecation of commercial equipment										
(iii)	9.51	22.64	34.52	10.01%	10.01%	10.01%	Jan-2015	Nov-2018	47	Monthly
(iv)	57.17	76.02	-	9.80%	9.80%		Oct-2016	Oct-2020	48	Monthly
Secured by way of hypothecation of vehicles under this loan										
(v)	1.50	5.86	9.80	10.00%	10.00%	10.00%	Aug-2015	Jul-2018	36	Monthly
(vi)	5.91	9.21	-	9.50%	9.50%	-	Nov-2016	Oct-2019	36	Monthly
(vii)	5.29	8.10	-	9.50%	9.50%	-	Dec-2016	Nov-2019	36	Monthly
(viii)	11.70	30.74	48.05	10.00%	10.00%	10.00%	Nov-2015	Oct-2018	36	Monthly
(ix)	33.33	48.68	-	8.75%	8.75%	-	Apr-2017	Mar-2020	36	Monthly
(x)	17.98	26.00	-	8.50%	8.50%	-	Apr-2017	Mar-2020	36	Monthly
(xi)	24.98	-	-	8.75%	-	-	May-2017	Apr-2020	36	Monthly
(xii)	12.37	-	-	8.75%	-	-	Sep-2017	Aug-2020	36	Monthly
(xiii)	-	-	13.26	-	-	10.25%	Mar-2014	Feb-2017	36	Monthly
(xiv)	-	-	3.06	-	-	10.52%	Feb-2014	Jan-2017	36	Monthly
(xv)	-	-	3.06	-	-	10.52%	Feb-2014	Feb-2017	36	Monthly
(xvi)	-	14.19	29.95	-	10.01%	10.01%	Feb-2015	Jan-2018	36	Monthly
(xvii)	1.11	3.59	5.84	9.81%	9.81%	9.81%	Sep-2015	Aug-2018	36	Monthly
(xviii)	17.40	25.70	33.27	9.40%	9.40%	9.40%	Mar-2016	Jan-2020	47	Monthly
(xix)	-	-	1.58	-	-	11.25%	Apr-2012	Mar-2015	36	Monthly
Total (A.2)	**217.53**	**318.27**	**255.51**							

(A.3) Overdraft facilities

Overdraft Facility secured by way of (a) registered equitable mortgage of property owned by the company held at 7th, 8th & 9th floor Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad. (b) Personal Guarantee of Shri Manoj Vadodaria & Shri Kiran Vadodaria

i)	658.80	550.18	490.94	10.80%	12.20%	-				Annual Review
Overdraft Facility secured by way of Personal Guarantee of Shri Manoj Vadodaria and Shri Kiran Vadodaria										
(ii)	(0.71)	(0.14)	-	10.65%	11.80%	-				Annual Review
(iii)	5.26	-	-	11.60%	-	-				Annual Review
Total (A.3)	**663.34**	**550.05**	**490.94**							
Total (A)	**4,989.80**	**4,268.87**	**5,682.81**							

(B)	Secured Loans from Financial Institutions									
(B.1)	Term Loans									
	Secured by way of (a) Personal Guarantee provided by Promoters (b) DSRA for 3 months Principal and Interest repayment									
(i)	1,148.04	1,997.68	2,497.71	11.70%	13.50%	14.95%	May-2016	Jan-2021	57	Monthly
	Secured by way of Personal Guarantee provided by Promoters									
(ii)	-	599.34	900.00	-	13.00%	13.00%	May-2016	Feb-2019	12	Quarterly
(iii)	1,398.71	-	-	11.00%	-	-	Jan-2018	Dec-2020	36	Monthly
(iv)	241.50	455.00	659.00	12.25%	12.25%	12.25%	Oct-2014	Sep-2019	60	Monthly
(v)	390.50	537.50	660.00	11.70%	11.70%	11.70%	Nov-2015	Oct-2018	54	Monthly
Total (B.1)	**3,178.75**	**3,589.52**	**4,716.71**							
(B.2)	Vehicle Loans									
	Secured by way of hypothecation of vehicles under this loan									
(i)	-	1.59	19.65	-	10.25%	10.25%	May-2014	Apr-2017	36	Monthly
(ii)	10.60	-	-	8.50%	-	-	Dec-2017	Nov-2020	36	Monthly
Total (B.2)	**10.60**	**1.59**	**19.65**							
(B.3)	Line of Credit									
	Secured by way of (a) Equitable Mortgage of Vejalpur land owned by company (b) Personal Guarantee of promoter family members and (c) escrow of revenue of certain infrastructure projects.									
(i)	2,113.23	-	-	11.00%	13.10%	14.25%	Oct-2014	Sep-2019	60	Monthly
Total (B.3)	**2,113.23**	**-**	**-**							
Total (B)	**5,302.58**	**3,591.12**	**4,736.36**							
Total	**10,292.38**	**7,859.99**	**10,419.17**							

*Total represents details of securities, interest rate and repayment terms related to non-current borrowings, current maturities of non-current borrowings and current borrowings.

Note-19
Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other non current financial liabilities			
Security deposits	90.61	373.88	525.60
	90.61	**373.88**	**525.60**
Other current financial liabilities			
Current maturities of long term borrowings	1,441.05	1,516.63	1,336.77
Loans from financial institution (1)	2,113.23	-	-
Security deposits	97.82	97.82	97.83
Employee related liabilities	6.57	6.29	4.84
Unclaimed dividend (2)	67.20	66.11	56.91
	3,725.87	**1,686.85**	**1,496.35**
Total	**3,816.48**	**2,060.73**	**2,021.95**

Refer note 42 - Financial instruments, fair values and risk measurement

(1) To implement the Scheme of Arrangement for Demerger (the "Scheme") of Real Estate (RE) Undertaking of Nila Infrastructures Ltd (the "Demerged Company") into Nila Spaces Ltd (the "Resultant Company") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 with Appointed Date of 1 April 2017; GRUH Finance Ltd (GRUH) has to reassess the total/combined (i.e. Nila Infrastructures Ltd + Nila Spaces Ltd) sanctioned limit of ₹ 9,500.00 lakhs, wherein the total/combined outstanding at 31 March 2018 is ₹ 6,871.65 lakhs. As per the letter received from GRUH dated 19 March 2018; the said total/combined exposure is to be bifurcated amongst Nila Infrastructures Ltd and Nila Spaces Ltd as ₹ 3,000.00 lakhs and ₹ 6,500.00 lakhs respectively. Accordingly, the corresponding outstanding ₹ 2,113.23 lakhs is considered for Nila Infrastructures Ltd and the rest for Nila Spaces Ltd. Pending such (re)assessment by GRUH, the said outstanding ₹ 2,113.23 lakhs is classified as other current financial liability.

(2) There is no amount due to be transfer to Investor Education and Protection Fund as at 31 March 2018.

Note-20
Provisions

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current provisions			
Provision for gratuity	59.03	42.73	20.81
Provision for leave encashment	53.43	19.76	12.11
	112.46	**62.49**	**32.92**
Current provisions			
Provision for gratuity	32.63	2.77	2.31
Provision for leave encashment	6.55	8.81	4.04
	39.18	**11.58**	**6.35**
Total	**151.64**	**74.07**	**39.27**

Gratuity
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuation service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.
Leave encashment
Provision for leave encashment cover the Company's liability for earned leave.

Note-21
Tax expense

(A) Income tax expense recognised in the Statement of Profit and Loss (₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current tax		
Current tax on profit for the year	1,225.00	784.43
Adjustments of tax for earlier years	1.60	-
Deferred tax		
Attributable to–		
Origination and reversal of temporary differences (refer note E)	(232.55)	107.40
	994.05	**891.83**

(B) Income tax expense / (income) recognised in other comprehensive income (₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax : (refer note E)		
Deferred tax (benefit) on remeasurements of defined benefit liability	(3.48)	(4.64)
	(3.48)	**(4.64)**

(C) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Profit before tax	**3,247.52**	**2,484.88**
Tax using the Company's statutory tax rate at 34.608% (31 March 2017: 33.454%)	1,123.90	831.29
Effect of :		
Effect of tax rate change	(153.10)	5.89
Non deductible expenses	54.04	22.48
Income exempt from tax	(6.59)	(56.39)
Others	(24.20)	88.55
Tax expense	**994.05**	**891.83**

(D) Recognised deferred tax assets and liabilities

Movement in temporary differences

(₹ in lakhs)

Particulars	Deferred tax (assets)			Deferred tax liabilities			Net deferred tax (assets) / liabilities		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Expenditure allowed on payment basis/ doubtful debts	(45.76)	(27.46)	(14.92)	-	-	-	(45.76)	(27.46)	(14.92)
Accelerated depreciation for tax purpose	-	(3.92)	(2.27)	-	-	-	-	(3.92)	(2.27)
Straight lining of rent	-	(1.32)	(0.30)	-	-	-	-	(1.32)	(0.30)
Demerger expense	(7.88)	-	-	-	-	-	(7.88)	-	-
Provision for doubtful debt	(10.42)	-	-	-	-	-	(10.42)	-	-
Prepaid finance charges	-	-	-	8.12	15.62	19.60	8.12	15.62	19.60
Rent deposit	-	-	-	-	0.02	0.02	-	0.02	0.02
Fair valuation of asset (Property, plant and equipment)	-	-	-	-	0.30	0.30	-	0.30	0.30
Straight lining of rent	-	-	-	2.53	5.31	5.53	2.53	5.31	5.53
Fair valuation of investment in joint venture	-	-	-	257.50	257.50	257.50	257.50	257.50	257.50
Fair valuation of revenue accounted under intangible asset	-	-	-	94.68	112.53	19.85	94.68	112.53	19.85
Re-measurement of employee benefit	(8.13)	(4.64)	-	-	-	-	(8.13)	(4.64)	-
Depreciation	-	-	-	691.42	864.14	830.03	691.42	864.14	830.03
Net deferred tax (assets) / liabilities	**(72.19)**	**(37.34)**	**(17.49)**	**1,054.25**	**1,255.42**	**1,132.83**	**982.06**	**1,218.09**	**1,115.34**

(E) Recognised deferred tax (assets) and liabilities
Movement in temporary differences

(₹ in lakhs)

Particulars	Balance as at 1 April 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018
Expenditure allowed on payment basis/ doubtful debts	(14.92)	(12.54)	-	(27.46)	(18.30)	-	(45.76)
Accelerated depreciation for tax purpose	(2.27)	(1.64)	-	(3.92)	-	-	(3.92)
Straight lining of rent	(0.30)	(1.02)	-	(1.32)	1.32	-	-
Demerger expense	-	-	-	-	(7.88)	-	(7.88)
Provision for doubtful debt	-	-	-	-	(10.42)	-	(10.42)
Prepaid finance charges	19.60	(3.98)	-	15.62	(7.50)	-	8.12
Rent deposit	0.02	-	-	0.02	(0.02)	-	-
Fair valuation of asset (Property, plant and equipments)	0.30	-	-	0.30	(0.30)	-	-
Straight lining of rent	5.52	(0.21)	-	5.31	(2.79)	-	2.53
Fair valuation of investment in joint venture	257.50	-	-	257.50	-	-	257.50
Fair valuation of revenue accounted under intangible asset	19.85	92.68	-	112.53	(17.85)	-	94.68
Re-measurement of employee benefit	-		(4.64)	(4.64)	-	(3.48)	(8.13)
Depreciation	830.04	34.11	-	864.14	(168.80)	-	695.34
Net deferred tax (assets) / liabilities	**1,115.34**	**107.40**	**(4.64)**	**1,218.09**	**(232.55)**	**(3.48)**	**982.06**

Note-22
Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to Micro & Small Enterprises (as per the intimation received from vendors)			
A. Principal and interest amount remaining unpaid	-	-	-
B. Interest due thereon remaining unpaid	-	-	-
C. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to supplier beyond the appointed day	-	-	-
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
E. Interest accrued and remaining unpaid	-	-	-
F. Interest remaining due and payable even in the suceeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	-
Dues to others			
Trade payables[1]	4,090.69	2,544.73	1,751.66
Total	**4,090.69**	**2,544.73**	**1,751.66**

(1) Includes retention money payable amounting to ₹ 1,011.78 lakhs (31 March 2017: ₹ 373.93 lakhs; 1 April 2016: ₹ 133.93)

Note-23
Other current liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payables on account of demerger	-	2,908.09	-
Advance from contractors	263.59	154.55	105.23
Advance from customers	1,186.21	2,787.19	0.43
Deferred revenue	-	0.29	0.87
Statutory dues payable			
Service tax payable	-	16.86	36.00
TDS payable	59.02	31.20	23.34
Works contract tax payable	-	16.49	9.34
Other statutory obligations	-	0.43	-
Total	**1,508.82**	**5,915.10**	**175.21**

Note-24
Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current tax liabilities (net of advance tax)	246.74	169.07	110.77
Total	**246.74**	**169.07**	**110.77**

Note-25
Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Sales		
Construction and development of infrastructure projects	21,110.86	19,522.71
	21,110.86	**19,522.71**
B. Other operating revenue		
Rent income (refer note 37)	299.84	301.56
Share of profit from LLP	19.03	4.51
	318.87	**306.07**
Total	**21,429.73**	**19,828.78**

Note-26
Other Income

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit on sale of property, plant and equipment	-	2.18
Interest from others	609.07	614.70
Interest from bank	86.46	80.65
Liabilities no longer required to pay written back	34.46	1.01
Other non-operating income	4.41	0.30
Total	**734.40**	**698.84**

Note-27
Cost of material consumed and project expenses

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of materials	5,282.12	4,934.11
Power and fuel	51.50	29.26
Repair and maintenance expense	4.65	0.77
Freight charges	119.10	348.70
Civil, electrical, contracting, labour work etc.	10,491.73	10,192.73
Electricity expenses	96.23	45.10
Insurance expenses	13.87	8.21
Security service charges	24.96	25.72
Sales , promotion and marketing expense	2.50	3.68
Value added tax	20.23	76.48
Service tax expenses	4.29	122.82
Welfare cess	57.91	119.66
Travelling expenses	13.84	0.55
Project Interest & Finance Charges	64.09	27.52
Legal and professional expenses	48.28	37.56
Other direct expense	649.21	479.01
Total	**16,944.51**	**16,451.88**

Note-28
Changes in inventories of building material, land and work in progress

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening inventories		
Construction material on hand	180.26	152.56
Work in progress	1,626.88	1,366.44
Land and land development rights	4,192.29	4,191.16
	5,999.43	**5,710.16**
Closing inventories		
Construction material on hand	380.90	180.26
Work in progress	1,804.40	1,626.88
Land and land development rights	4,179.65	4,192.29
	6,364.95	**5,999.43**
Changes in inventories	**(365.52)**	**(289.27)**

Note-29
Employee benefit expense

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, allowances and bonus	434.98	319.55
Contribution to provident and other fund (refer note 34)	4.92	4.84
Gratuity expenses (refer note 34)	31.67	7.53
Leave encashment expenses (refer note 34)	31.40	10.43
Remuneration and perquisites to directors (refer note 33)	46.00	30.25
Employee benefit (ESOP) expenses (refer note 40)	42.61	47.25
Staff welfare expenses	0.43	2.79
Total	**592.01**	**422.64**

Note-30
Finance costs

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on borrowings		
- To banks and financial institution	1,119.02	914.65
- To others	52.29	22.33
	1,171.31	**936.98**
Less:- transfer to work-in-progress (inventories)	(200.49)	(198.56)
	970.82	**738.42**
Other borrowing costs		
- Bank charges	89.53	74.59
- Processing fees	49.46	77.17
Total	**1,109.81**	**890.18**

Note-31
Other expenses

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Legal and professional charges	206.62	172.41
Office rent (refer note 37)	10.70	13.48
Repairs and maintenance expenses	11.54	12.90
Insurance	12.73	15.15
Power and fuel expenses	33.04	46.29
Travelling and conveyance	31.45	32.91
CSR expenses (refer note 31A)	53.64	44.56
Printing and stationery	12.41	14.75
Rates and taxes	0.74	5.75
Payment to auditors (exclusive of service tax / GST)		
- Audit fees	8.00	1.42
- Tax audit fees	1.00	0.13
Loss on sale of property, plant and equipment	4.18	-

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisement and business promotion expenses	16.44	10.99
Provision for doubtful debt	35.77	-
Director's sitting fees (refer note 33)	0.58	0.31
Miscellaneous expenses	24.81	34.62
Total	**463.65**	**405.67**

Note-31 A
CSR expenses

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Gross amount required to be spent by the Company	**53.57**	**42.54**
B. Amount spent during the year (in cash)		
(i) Development of area/acquisition of any asset	5.72	-
(ii) On purpose other than (i) above	47.92	44.56
C. Related party transactions in relation to corporate social responsibility	**-**	**-**
D. Provision movement during the year:		
Opening provision	-	-
Addition during the year	-	-
Utilised during the year	-	-
Closing provision	-	-

Note-32
Earnings per share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity share holders :		
Basic earnings (₹ in lakhs)	2,253.47	1,593.05
Adjusted for the effect of dilution (₹ in lakhs)	2,253.47	1,593.05
Weighted average number of equity shares for:		
Basic	39,36,62,034	39,33,92,700
Adjusted for the effect of dilution	39,36,62,034	39,33,92,700
Earning per share		
Basic (₹)	0.57	0.40
Diluted (₹)	0.57	0.40

Note-33
Related Party Transactions

(A) Subsidiaries:	Nila Terminal (Amerli) Private Limited
(B) Joint venture :	Kent Residential and Industrial Park LLP
	Romanovia Industrial Park Private Limited
(C) Associate	Vyapnila Terminals (Modasa) Private Limited
(D) Enterprise in which Key Managerial Personnel have significant influence	Sambhaav Media Limited

Disclosure of transactions between the Company and Related Parties (Other than key - managerial personnel)

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2018	31 March 2017
Rent paid		
Sambhaav Media Limited	10.49	9.36
Sale of land		
Romanovia Industrial Park Private Limited	-	60.71
Sales infrastructure projects		
Kent Residential and Industrial Park LLP	51.48	1,184.21
Romanovia Industrial Park Private Limited	2,399.08	634.51
Sambhaav Media Limited (including service tax/ GST)	41.24	63.31
Loans and advances given		
Kent Residential and Industrial Park LLP	1,096.00	2,823.21
Romanovia Industrial Park Private Limited	3,997.10	3,419.41
Nila Terminal (Amerli) Private Limited	77.11	-
Vyapnila Terminals (Modasa) Private Limited	123.86	-
Advertisement given		
Sambhaav Media Limited (including service tax/ GST)	8.43	32.25
Interest received		
Kent Residential and Industrial Park LLP (interest on capital)	1.69	1.03
Kent Residential and Industrial Park LLP	207.21	271.37
Romanovia Industrial Park Private Limited	314.55	214.64
Nila Terminal (Amerli) Private Limited	6.66	-
Share of profit		
Kent Residential and Industrial Park LLP	19.03	4.51
Re-payment of loans and advances given		
Kent Residential and Industrial Park LLP	413.49	2,429.07
Romanovia Industrial Park Private Limited	4,138.47	2,854.59
Investment		
Nila Terminal (Amerli) Private Limited	1.00	-
Vyapnila Terminals (Modasa) Pvt. Ltd.	0.34	-
Expense reimbursement		
Kent Residential and Industrial Park LLP	13.15	0.29

Disclosure of status of outstanding balances between the Company and Related Parties (Other than Key - managerial personnel) as at 31 March 2018

(₹ in lakhs)

Particulars	Outstanding Balance		
	31 March 2018	31 March 2017	1 April 2016
Rent payable			
Sambhaav Media Limited	-	0.20	-
Loans given to subsidiaries			
Nila Terminal (Amerli) Private Limited	83.10	-	-
Loans given to associate and joint venture			
Kent Residential and Industrial Park LLP	2,316.58	1,434.44	768.93
Romanovia Industrial Park Private Limited	1,969.18	1,827.45	1,045.62
Vyapnila Terminals (Modasa) Private Limited	123.86	-	-
Advertisement given			
Sambhaav Media Limited (including service tax)	-	-	0.25
Rent deposit receivable			
Sambhaav Media Limited	0.96	0.96	0.96
Retention money receivable			
Romanovia Industrial Park Private Limited	89.75	-	-

Disclosure of transactions between the Company and Key - managerial personnel and the status of outstanding balances as at 31 March 2018

(₹ in lakhs)

Particulars	Transaction Value		
	31 March 2018	31 March 2017	1 April 2016
Share warrant application	-	590.63	-
Share allotment	-	157.50	-
Share premium	-	630.00	-
Purchase of immovable property	-	161.93	-
Rememuneration	46.00	30.25	-
Director's sitting fees	0.58	0.30	-
Post-employment benefits	39.33	17.69	-
Outstanding balance of guarantee obtained	8,790.72	68,012.20	9,328.82

Note-34
Employee benefits

A. Defined benefit plans:

Gratuity

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment. The liability in respect of gratuity being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In activity of valuation for gratuity following assumptions were used: **(₹ in lakhs)**

Particulars	31 March 2018	31 March 2017	1 April 2016
Mortality rate	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%
Withdrawal rate	For attained age upto 30 years: 15%, For attained age above 30 upto 35 years: 10%, For attained age above 35 upto 45 years:5%, For attained age above 45 upto 55 years: 3%, For attained age above 55 years: 1%	1.00%	1.00%
Retirement age	58 Years	58 Years	58 Years
Discount rate	7.86%	7.50%	8.00%
Salary escalation	9.00%	5.00%	5.00%

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's standalone financial statements as at 31 March 2018, 31 March 2017 and 1 April 2016:

The following tables set out status of gratuity plan under Indian Accounting Standard 19 on "Employee benefit". **(₹ in lakhs)**

Particulars	31 March 2018	31 March 2017	1 April 2016
Changes in present value of defined benefit obligation			
Present value of defined benefit obligation as at the beginning of the year	45.50	23.12	19.02
Interest cost	3.41	1.85	1.52
Current service cost	28.26	7.11	5.49
Actuarial loss due to change in financial assumptions	19.48	1.92	-
Actuarial (gain) due to change in demographic assumptions	(1.48)	-	-
Actuarial loss/(gain) due to experience adjustments	(3.51)	11.50	(2.91)
Present value of defined benefit obligation as at the end of the year	**91.66**	**45.50**	**23.12**
Amount recognised in the balance sheet			
Fair value of plan assets as at the end of the year	-	-	-
Present value of defined benefit obligaiton as at the end of the year	91.66	45.50	23.12
Net obligation as at end of year	**91.66**	**45.50**	**23.12**

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Non current	59.03	42.73	20.81
Current	32.63	2.77	2.31
Expenses recognised in the statement of profit and loss under the head Employee benefit expenses			
Service cost	28.26	1.51	-
Interest cost	3.41	6.02	-
Net expense recognised in employee benefit expenses	**31.67**	**7.53**	**-**
Expenses recognised in other comprehensive income for the year			
Remeasurment due to:			
Acturial loss on obligations - due to change in financial assumptions	19.48	1.92	-
Acturial (gain) on obligations - due to change in demographic assumptions	(1.48)	-	-
Acturial loss/(gain) on obligations - due to experience adjustments	(3.51)	11.50	-
Net expense recognised in other comprehensive income	**14.49**	**13.42**	**-**

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in lakhs)

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.90)	5.71	(3.70)	4.38
Salary growth rate (1% movement)	16.55	3.29	3.91	(3.64)
Withdrawal rate (1% movement)	0.62	5.71	0.81	(0.97)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

Expected future cash flows:

The expected future cash flows in respect of gratuity as at balance sheet date will be as follows:

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
1st following year	32.63	2.77
2nd following year	3.06	17.25
3rd following year	2.52	0.54
4th following year	2.99	0.91
5th following year	2.82	0.66
Sum of years 6 to 10	33.84	16.29

B. Other long term employee benefits

Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the edmployees at the year end. The value of such leave balances that are eligible for carry forward is determined by an acturial valuation as at the end of the year and acturial gains and losses are charged to the statement of profit and loss. Amount of ₹31.40 lakhs (31 March 2017: ₹ 10.43 lakhs) towards leave benefits is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss.

Acturial assumptions

Particulars	31 March 2018	31 March 2017
Discount rate	7.86%	7.50%
Salary growth rate	9.00%	5.00%
Withdrawal rates	For attained age upto 30 years: 15%, For attained age above 30 upto 35 years: 10%, For attained age above 35 upto 45 years: 5%, For attained age above 45 upto 55 years: 3%, For attained age above 55 years: 1%	1.00%

C. Defined contribution

Contribution to provident fund and employee state insurance contribution

Amount of ₹ 4.92 lakhs (31 March 2017: ₹ 4.84 lakhs) paid towards contribution to provident funds (including administration charges) and Employee state insurance contribution is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss.

Note-35

Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Managing Director (CMD) to make decisions about resources to be allocated to the segments and assess their performance. The Company's operations fall under single segment namely "Infrastructure Business", taking into account the risks and returns, the organization structure and the internal reporting systems. Board of Directors are Chief Operating Decision Maker (CODM) of the Company. Further, there are no export sales and hence there is no reportable secondary segment. All assets are located in the company's country of domicile.

Note-36

Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax demands for A. Y. 2009 - 10 matter before Gujarat high court - Ahmedabad	2.77	-	-
Income tax demands for A. Y. 2011 - 12 matter before ITAT - Ahmedabad	75.94	75.94	75.94

Note-37

Operating Lease

A. Leases as lessor

The Company's significant lease arrangements are in respect of lease for building. These leasing arrangements are cancellable by mutual consent after lock-in-period. The aggregate lease rental income of ₹ 299.84 lakhs is accounted in the Statement of Profit and Loss. (refer note 25)

The future minimum lease receivable under non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than one year	-	29.55
Later than one year and not later than five years	-	-
Later than five years	-	-

There are no contingent rents which are recognised in Statement of Profit and Loss

B. Leases as lessee

The Company has taken office premises on lease. The terms of lease includes terms of renewals, increase in rent in future periods, terms of cancellation, etc. The agreement is executed for a period of 3 years with a renewable clause and also provide for termination at will by either party giving a prior notice of 3 months at any time during the lease term.

Lease rental expense debited to statement of profit and loss is ₹ 10.70 lakhs (31 March 2017: ₹ 13.48 lakhs).

Note-38

Disclosure pursuant to Indian Accounting Standard (Ind AS)- 11 "Construction Contract"

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
For ongoing and completed projects during the year		
Contract revenue recognised during the year	21,110.86	19,522.71
For ongoing projects at the year end		
Gross amount due from customers for contract work	2,234.30	962.11
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up-to the Balance sheet date for all contracts in progress as at that date	21,861.42	34,878.98
Amount of customer advances outstanding for contracts in progress as at Balance Sheet date	1,069.34	2,787.19
Retention amounts due from customers for contract in progress	819.50	964.89

Note-39

Specified Bank Note

During the 2016 - 17, company had specified bank notes or other denomination note as defined in the MCA notification G.SR. 308 (E) dated 30 March 2017 on the details of Specified bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, denomination wise SBNs and other notes as per the notification is given below :

(₹ in lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on 8 November 2016	-	6.30	6.30
(+) Permitted receipts	-	1.86	1.86
(-) Permitted payments	-	4.99	4.99
(-) Amount deposited in banks	-	-	-
Closing cash in hand on 30 December 2016	-	3.17	3.17

*For the purpose of this clause, the term 'Specified Bank Notes' shall have same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O 3407(E), dated 8 November 2016.

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made for the financial year 2017-18 since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed.

Note-40

Employee's stock option plan

Nila Infrastructures Limited ESOP - 2014

Under the scheme, the Company had granted 11,000,000 and 2,580,000 equity - settled options to the employees on 28 November 2014 and 8 February 2016 respectively. The ESOP scheme included tenure and trade performance based option awards. However, having analyzing the compensation cost vis a vis benefits and due to corporate restructuring, the Board of Directors in the meeting held on 13 February 2018, decided to terminate the scheme and to cancel all the outstanding, vested and unvested stock options held by the employees as at 27 November 2017.

Detail of the scheme is given in the below table: (₹ in lakhs)

Scheme	Nila Infrastructures Limited ESOP - 2014	
Date of grant	28 November 2014	8 February 2016
Number of options granted	110.00	25.80
Exercise price per option	6.64	11.85
Vesting period	1 to 5 years	3 to 5 years
Fair value of the options:		
Options to be vested within 1 year	0.93	Nil
Options to be vested within 2 year	1.15	Nil
Options to be vested within 3 year	1.24	2.21
Options to be vested within 4 year	1.26	2.26
Options to be vested within 5 year	1.26	2.24
Exercise Period	Within 3 years from the date of vesting	

The following table sets forth a summary of the activity of options: (₹ in lakhs)

Particulars	2017 - 18	2016 - 17
Options outstanding at start of the year	14.20	14.20
Options granted during the year	Nil	Nil
Options not vested at the start of the year	116.64	129.94
Options lapsed during the year on account of non-exercise of option	Nil	Nil
Options exercised during the year	4.97	6.67
Options vested but not exercised at the end of the year	-	12.50
Options not vested at the end of the year	-	116.64
Total options granted	135.80	135.80
Weighted average exercise price per option	7.63	7.63

Note-41

Demerger of Nila Infrastructures Limited:

Discontinued operation on account of Demerger:

Pursuant to the approval of the Honourable National Company Law Tribunal ('NCLT') vide order dated 9 May 2018 to the Scheme of Arrangement ("the Scheme") under section 230-233 and other provisions of the Companies Act, 2013, the assets and liabilities pertaining to real estate undertaking of the Company, were transferred to and vested in the Nila Spaces Limited ('wholly owned subsidiary of the Company') with effect from the appointed date viz., 1 April 2017 in accordance with the Scheme so sanctioned. The Scheme has been filed with Registrar of the Companies ('ROC') on 11 May 2018 and has, accordingly, been given effect in these financials statements.

Following is the accounting treatment made in the books of the Demerged Company i.e. Nila Infrastructures Limited pursuant to the approved Scheme and in accordance with applicable accounting standard.

1) The assets and liabilities pertaining to the Real Estate Undertaking of the Demerged Company being transferred to Nila Spaces Limited, at book value as on the Appointed Date since the shareholders before and after the scheme remain unchanged.

2) Upon the Scheme being effective, the inter-company balances, if any, appearing in the books of accounts of the Demerged Company pertaining to the Real Estate Undertaking and the Resulting Company shall stand cancelled.

3) The aggregate of excess assets over the liabilities of the Real Estate Undertaking transferred to the Resulting Company and the cancellation of the equity shares held by the Demerged Company in the paid-up share capital of the Resulting Company, shall be debited to equity in the sequence as mentioned in the approved scheme and hence the differential amount of ₹ 13,665.63 lakhs as at 1 April 2016 and ₹ 14,454.62 lakhs as at 31 March 2017, has been debited to securities premium and the surplus in the Statement of Profit and Loss account respectively of the Demerged Company.

4) The financial information in respect of prior periods have been restated as if the scheme has been given effect from the beginning of the preceding period in the financial statements, irrespective of the actual date as per the requirement of applicable accounting standard.

The assets and liabilities of the real estate undertakings as on respective dates are as follows: (₹ in lakhs)

Particulars		Real Estate Business	
		As at 31 March 2017	As at 1 April 2016
	ASSETS		
1	**Non-current assets**		
(a)	Investment in subsidiary, associate and a joint venture *	2,556.70	2,176.27
(b)	Financial assets		
	(i) Loans	0.32	169.74
	Total non current assets	**2,557.02**	**2,346.01**
	Current assets		
(a)	Inventories	8,220.36	7,609.09
(b)	Financial assets		
	(i) Trade receivables	235.06	1,650.05
	(ii) Loans	5,834.91	6,080.00
(c)	Other current assets	1,853.67	1,938.36
	Total current assets	**16,144.00**	**17,277.50**
	Total assets	**18,701.02**	**19,623.51**
	Liabilities		
	Non-current liabilities		
(a)	Financial liabilities		
	(i) Borrowings	6,584.03	4,515.99
	(ii) Other financial liabilities	1.84	1.84
	Total non current liabilities	**6,585.87**	**4,517.83**
	Current liabilities		
(a)	Financial liabilities		
	(i) Trade payables	305.45	392.83
	(ii) Other financial liabilities	128.83	564.90
(b)	Other current liabilities	134.34	482.32
	Total current liabilities	**568.62**	**1,440.05**
	Total liabilities	**7,154.49**	**5,957.88**
	Net assets over liabilities transferred	**(11,546.53)**	**(13,665.63)**

Reconciliation of amount due to Nila Spaces Limited on 31 March 2017 (₹ in lakhs)

Particulars	Amount
Excess of assets transferred over liabilities as at 1 April 2016	13,665.63
Add : Profit for the year transferred to Nila Spaces Limited	788.99
	14,454.62
Less : Excess of assets transferred over liabilities as at 31 March 2017	11,546.53
Amount due to Nila Spaces Limited (refer note 23)	**2,908.09**

Investment in following entities are transferred to Nila Spaces Limited on account of Scheme of Demerger:

(₹ in lakhs)

Name of the entity	As at 31 March 2017	As at 1 April 2016
Fangadi Land Developers LLP - Joint Venture	205.10	205.10
Nila Projects LLP - Joint Venture	1,977.73	1,741.04
Nilsan Realty LLP - Joint Venture	151.81	8.07
Megacity Cinemalls Private Limited - Associate	222.06	222.06
Total	**2,556.70**	**2,176.27**

Note-42 Financial Instruments - Fair Value And Risk Measurements

A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:-

(₹ in lakhs)

As at 31 March 2018	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial asset								
Loan								
- Non-current	-	-	5,151.65	5,151.65	-	-	-	-
- Current	-	-	1,229.89	1,229.89	-	-	-	-
Investment (note a)	-	-	0.13	0.13	-	-	-	-
Trade receivables	-	-	3,474.47	3,474.47	-	-	-	-
Cash and cash equivalents	-	-	132.23	132.23	-	-	-	-
Other bank balance	-	-	524.15	524.15	-	-	-	-
Other financial assets				-				
- Non-current	-	-	727.64	727.64	-	-	-	-
- Current	-	-	2,562.71	2,562.71	-	-	-	-
	-	**-**	**13,802.87**	**13,802.87**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
- Non-current	-	-	6,074.76	6,074.76	-	-	-	-
- Current	-	-	663.34	663.34	-	-	-	-
Trade payables	-	-	4,090.69	4,090.69	-	-	-	-
Other financial liabilities								
- Non-current	-	-	90.61	90.61	-	-	-	-
- Current	-	-	3,725.87	3,725.87	-	-	-	-
	-	**-**	**14,645.27**	**14,645.27**	**-**	**-**	**-**	**-**

(₹ in lakhs)

As at 31 March 2017	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial asset								
Loan								
- Non-current	-	-	3,480.99	3,480.99	-	-	-	-
- Current	-	-	675.11	675.11	-	-	-	-
Investment (note a)	-	-	0.12	0.12	-	-	-	-
Trade receivables	-	-	3,002.19	3,002.19	-	-	-	-
Cash and cash equivalents	-	-	275.23	275.23	-	-	-	-
Other bank balance	-	-	449.50	449.50	-	-	-	-
Other financial assets								
- Non-current	-	-	1,214.61	1,214.61	-	-	-	-
- Current	-	-	1,000.51	1,000.51	-	-	-	-
	-	**-**	**10,098.25**	**10,098.25**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
- Non-current	-	-	5,793.29	5,793.29	-	-	-	-
- Current	-	-	550.05	550.05	-	-	-	-
Trade payables	-	-	2,544.73	2,544.73	-	-	-	-
Other financial liabilities				-				
- Non-current	-	-	373.88	373.88	-	-	-	-
- Current	-	-	1,686.85	1,686.85	-	-	-	-
	-	**-**	**10,948.80**	**10,948.80**	**-**	**-**	**-**	**-**

(₹ in lakhs)

As at 1 April 2016	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial asset								
Loan								
- Non-current	-	-	1,951.34	1,951.34	-	-	-	-
- Current	-	-	157.80	157.80	-	-	-	-
Investment (note a)	0.53	-	0.11	0.64	0.53	-	-	0.53
Trade receivables	-	-	580.33	580.33	-	-	-	-
Cash and cash equivalents	-	-	87.76	87.76	-	-	-	-
Other bank balance	-	-	223.05	223.05	-	-	-	-
Other financial assets								-
- Non-current	-	-	1,513.19	1,513.19	-	-	-	-
- Current	-	-	1,763.38	1,763.38	-	-	-	-
	0.53	**-**	**6,276.96**	**6,277.49**	**0.53**	**-**	**-**	**0.53**

(₹ in Lakhs)

As at 1 April 2016	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial liabilities								
Borrowings								
- Non-current	-	-	8,591.46	8,591.46	-	-	-	-
- Current	-	-	490.94	490.94	-	-	-	-
Trade payables	-	-	1,751.66	1,751.66	-	-	-	-
Other financial liabilities				-				
- Non-current	-	-	525.60	525.60	-	-	-	-
- Current	-	-	1,496.35	1,496.35	-	-	-	-
	-	**-**	**12,856.01**	**12,856.02**	**-**	**-**	**-**	**-**

* Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Note a: The Company has opted to measure its investments in subsidiaries, joint ventures and associate at deemed cost, i.e. previous GAAP carrying amount, except for its investment in one of the joint venture - Romanovia Industrial Park Private Limited, which has been measured at fair value at the date of transition. If an entity chooses to measure its investment at fair value at the date of transition than that is deemed cost of such investment for the Company and, therefore, it shall carry its investment in at that amount (i.e. fair value at the date of transition) after the date of transition. Since these are scope out of Ind AS 109 for the purpose of measurement, the same have not been disclosed in the tables above.

Fair value hierarchy

The fair value of financial instruments as referred above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I measurements) and lowest priority to unobservable inputs (Level III measurments).

The categories used are as follows:-

Input Level I (Directly Observable) : which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

Input Level II (Indirectly Observable) : which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

Input Level III (Unobservable): which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business, etc.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of the investment in quoted investment in equity shares is based on the current bid price of investment at balance sheet date

ii) Transfers between Levels I and II

There has been no transfer in between Level I and Level II

iii) Level III fair values

There are no items in Level III fair values.

C. **Financial risk management**

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk ; and
- Interest risk ;

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors evaluate and exercise independent control over the entire process of risk management. The board also recommends risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(i) **Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the company along with relevant mitigation procedures adopted have been enumerated below:

Trade and other receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. As per Company's policy only well established institution/corporates are approved as counterparties. Exposure per counterparty is continuously monitored.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The company reviews the receivables in light of their historical payment patterns and adjusts the same to estimate the expected loss on account of credit worthiness of the customer or delay in payments leading to loss of time value of money.

The Company does not have any concentration of credit risk as the customers / dealers are widely dispersed. Receivables from any single customer / dealer does not exceed 10% of the total sales.

Impairment

As at the end of the reporting periods, the ageing of trade and other receivables that were not impaired was as follows:

Age of receivables (₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not Due	722.94	497.94	218.70
0-3 Months	1,697.15	2,248.70	47.79
3-6 Months	431.72	33.46	8.90
6-12 Months	333.63	61.70	268.93
1-3 years	234.80	151.19	36.01
→ 3 years	54.23	9.20	-

The above receivables which are past due but not impaired are assessed on case-to-case basis. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired.

The movement in the provision for doutbful debts in respect of trade receivables during the year was as follows:-

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	-	-	-
Add:- Provision for doubtful debt recognised	35.77	-	-
Closing balance	35.77	-	-

Cash and bank balances

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

Other financial assets

Other financial assets includes loan to employees and related parties, security deposits, etc. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are group companies, banks. Banks have high credit ratings assigned by the international credit rating agencies.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Company's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In addition to the Company's own liquidity, it enjoys credit facilities with the reputed bank and financial institutions.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

31 March 2018	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	6,074.76	-	-	3,836.57	1,923.06	315.13
- Current	663.34	-	663.34	-	-	-
Trade payables	4,090.69	-	4,090.69	-	-	-
Other financial liabilities						
- Non-current	90.61	90.61	-	-	-	-
- Current	3,725.87	-	1,612.64	2,113.23	-	-

31 March 2017	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	5,793.29	-	-	3,132.05	2,640.62	20.62
- Current	550.05	-	550.05	-	-	-
Trade payables	2,544.73	-	2,544.73	-	-	-
Other financial liabilities						
- Non-current	373.88	373.88	-	-	-	-
- Current	1,686.85	-	1,686.85	-	-	-

1 April 2016	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	8,591.46	-	-	3,170.13	3,449.82	1,971.51
- Current	490.94	-	490.94	-	-	-
Trade payables	1,751.66	-	1,751.66	-	-	-
Other financial liabilities						
- Non-current	525.60	525.60	-	-	-	-
- Current	1,496.35	-	1,496.35	-	-	-

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The company does not have any transactions in foreign currency. And accordingly, company does not have currency risk.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's liquidity and borrowing are managed by professional at senior management level. The interest rate exposure of the Company is reduced by matching the duration of investments and borrowings. The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed-rate instrument			
Financial asset	4,492.72	3,261.89	1,814.55
Financial liability	-	-	-
Floating-rate instrument			
Financial asset	-	-	-
Financial liability	10,292.38	7,859.98	10,419.17

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in lakhs)

Particulars	Increase on profit/(loss) after tax
31-Mar-18	
Increase in 100 basis point	(102.93)
Decrease in 100 basis point	102.91
31-Mar-17	
Increase in 100 basis point	(78.61)
Decrease in 100 basis point	78.59
01-Apr-16	
Increase in 100 basis point	(104.20)
Decrease in 100 basis point	104.18

Note-43
Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'Debt' to 'Equity'. For this purpose, 'Debt' is meant to include long-term borrowings, short-term borrowings and current maturities of long-term borrowings. 'Equity' comprises all components of equity. The Company's debt to equity ratio as at the end of the reporting periods are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total debt	10,292.39	7,859.98	10,419.18
Less : Cash and bank balances	132.23	275.23	87.76
Adjusted net debt	**10,160.16**	**7,584.75**	**10,331.42**
Total equity	**10,781.78**	**6,071.42**	**4,071.26**
Debt to equity (net)	**0.94**	**1.25**	**2.54**

Note-44
Transition to Ind AS

The company has adopted Ind AS with effect from 1 April 2016 being the transition date (""transition date""). These financial statements, for the year ended 31 March 2018, are the first the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016.

In preparing the opening Ind AS balance sheet, the company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, estimates previously made under IGAAP have not been revised."

Exemption Applied

Mandatory Exceptions

Estimates:

An entity's estimates in accordance with Ind ASs at the transition date to Ind AS and end of the comparative period shall be consistent with estimates made Under the Previous GAAP unless there is objective evidence that those estimates were in error.Accordingly, the Company's Ind AS estimates as on the transition date as well as end of the comparative period are consistent with the estimates made Under the Previous GAAP on the respective dates.

Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Optional Exemptions

Deemed cost for property, plant and equipment (PPE), intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the previous GAAP carrying value for all of its property, plant and equipment as recognised in the financial statements as at the transition date to Ind AS and use that as the deemed cost after making necessary adjustments for de-commissioning liabilities (if any). This can also be used for investment properties covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to carry forward the IGAAP carrying value of all its property, plant and equipment and investment properties as the deemed cost on transition to Ind AS.

Deemed cost for Investment in subsidiaries, associate and arrangements

Ind AS 101 permits a first time adopter to determine the value of investments in subsidiaries, associate and joint arrangement as either of the below:

(i) Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)

(ii) Fair Value at the entity's date of transition to Ind AS

(iii) Previous GAAP carrying amount

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost."

If an entity chooses to measure its investment at fair value at the date of transition than that is deemed cost of such investment for the Company and, therefore, it shall carry its investment in at that amount (i.e. fair value at the date of transition) after the date of transition.

Accordingly, the Company has opted to measure its investments in subsidiaries, joint ventures and associates at deemed cost, i.e. previous GAAP carrying amount, except for its investment in joint venture - Romanovia Industrial Park Private Limited, which has been measured at fair value at the date of transition.

Business Combination

Ind AS 101 permits an entity to apply the requirements of Ind AS 103 - Business combinations (Ind AS 103) prospectively from the transition date or opt for retrospective application of Ind AS 103. Retrospective application could be either done since inception or from a date determined by the management. Accordingly, the Company has elected not to restate past business combinations with an acquisition date prior to the transition date. However, any consequential deferred tax adjustments as required by Ind AS have been duly considered.

Employees Stock Option Plan

Ind AS 101 permits first time adopter not to apply Ind AS 102 retrospectively to the equity instrument that are vested before the date of transition to Ind AS. Accordingly, the company has elected not to apply Ind AS 102, to the options that are vested before transition date.

Reconciliation of Equity as at the date of transition - 1 April 2016

(₹ in lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	R10	3,335.25	(2,600.76)	734.49
(b) Investment properties	R10	-	2,600.76	2,600.76
(c) Intangible assets under development		-	82.77	82.77
(d) Investment in subsidiary, associate and joint venture	R9	9.55	1,250.00	1,259.55
(e) Financial assets				
(i) Investments	R7	1.86	(1.22)	0.64
(ii) Loans		1,951.34	-	1,951.34
(iii) Other financial assets	R10	1,513.94	(0.75)	1,513.19
(f) Other non-current assets	R5	-	9.89	9.89
(g) Other tax assets (net)		8.65	-	8.65
Total non-current assets		**6,820.58**	**1,340.69**	**8,161.26**
Current assets				
(a) Inventories		5,710.15	-	5,710.16
(b) Financial assets				
(i) Trade receivables		605.75	(25.42)	580.33
(ii) Cash and cash equivalents		87.76		87.76
(iii) Bank balances other than (ii) above		223.05		223.05
(iv) Loans		157.80	-	157.80
(v) Other financial assets	R10	1,762.63	0.75	1,763.38

(₹ in lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
(c) Other current assets	R5	1,678.05	6.07	1,684.12
Total current assets		**10,225.20**	**(18.60)**	**10,206.60**
Total assets		**17,045.77**	**1,322.08**	**18,367.86**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		3,702.26	-	3,702.26
(b) Other equity		(367.42)	736.42	369.00
Total equity		**3,334.84**	**736.42**	**4,071.26**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	R2	8,632.44	(40.99)	8,591.46
(ii) Other financial liabilities	R6	624.35	(98.76)	525.60
(b) Provisions		32.92	-	32.92
(c) Deferred tax liabilities (net)	R11	(17.19)	1,132.53	1,115.34
Total non-current liabilities		**9,272.53**	**992.79**	**10,265.32**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		490.94	-	490.94
(ii) Trade payables		1,751.66	-	1,751.66
(iii) Other financial liabilities	R2 & R6	1,414.18	82.17	1,496.35
(b) Other current liabilities	R6	174.35	0.87	175.21
(c) Provisions	R1	496.51	(490.16)	6.35
(d) Current tax liabilities (net)		110.77	-	110.77
Total current liabilities		**4,438.40**	**(407.12)**	**4,031.28**
Total liabilities		**13,710.93**	**585.66**	**14,296.60**
Total equity and liabilities		**17,045.77**	**1,322.08**	**18,367.86**

* The previous GAAP figures have been reclassified to conform Ind AS presentation requirements for the purpose of this note. Further, Previous GAAP figures are after taking into impact on accoune of scheme of arrangement (refer note 41 for more details).

Reconciliation of Equity as at 31 March 2017

(₹ in lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	R10	3,462.64	(2,546.65)	915.99
(b) Investment properties	R10	-	2,546.65	2,546.65
(c) Intangible assets under development		-	2,229.69	2,229.69
(d) Investment in subsidiary, associate and joint venture	R9	15.08	1,250.00	1,265.08
(e) Financial assets				
(i) Investments		0.12	-	0.12
(ii) Loans	R10	3,481.74	(0.75)	3,480.99
(iii) Other financial assets		1,214.61	-	1,214.61

(₹ in lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
(f) Other non-current assets	R5	-	6.37	6.37
(g) Other tax assets (net)		10.46	-	10.46
Total non-current assets		**8,184.65**	**3,485.31**	**11,669.96**
Current assets				
(a) Inventories		5,999.43	-	5,999.43
(b) Financial assets				
(i) Trade receivables		3,235.70	(233.51)	3,002.19
(ii) Cash and cash equivalents		275.23	-	275.23
(iii) Bank balances other than (ii) above		449.50	-	449.50
(iv) Loans	R10	674.36	0.75	675.11
(v) Other financial assets		1,000.51	-	1,000.51
(c) Other current assets	R5	1,318.56	6.07	1,324.62
Total current assets		**12,953.28**	**(226.69)**	**12,726.59**
Total assets		**21,137.93**	**3,258.62**	**24,396.55**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		3,933.93	-	3,933.93
(b) Other equity		1,753.97	383.52	2,137.49
Total equity		**5,687.90**	**383.52**	**6,071.42**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	R2	5,820.77	(27.48)	5,793.29
(ii) Other financial liabilities	R6	472.03	(98.15)	373.88
(b) Provisions		62.49	-	62.49
(c) Deferred tax liabilities (net)	R11	(31.37)	1,249.46	1,218.09
Total non-current liabilities		**6,323.92**	**1,123.83**	**7,447.75**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		550.05	-	550.05
(ii) Trade payables		2,544.73	-	2,544.73
(iii) Other financial liabilities	R2 & R6	1,606.68	80.17	1,686.85
(b) Other current liabilities	R1	4,244.00	1,671.10	5,915.10
(c) Provisions		11.58	-	11.58
(d) Current tax liabilities (net)		169.07	-	169.07
Total current liabilities		**9,126.11**	**1,751.27**	**10,877.38**
Total liabilities		**15,450.03**	**2,875.10**	**18,325.13**
Total equity and liabilities		**21,137.93**	**3,258.62**	**24,396.55**

* The previous GAAP figures have been reclassified to conform Ind AS presentation requirements for the purpose of this note. Further, Previous GAAP figures are after taking into impact on accoune of scheme of arrangement. (refer note 41 for more details).

Reconciliation of total comprehensive income for the year ended 31 March 2017 (₹ in lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
Income				
Revenue from operations	R8 & R5	19,563.93	264.85	19,828.78
Other income	R7	697.62	1.22	698.84
Total income		**20,261.55**	**266.07**	**20,527.62**
Expenses				
Cost of material consumed and project expenses		16,451.88	-	16,451.88
Changes in inventories of building material, land and work in progress		(289.27)	-	(289.27)
Employee benefits expense	R3 & R4	387.89	34.75	422.64
Finance costs	R2 & R6	878.07	12.11	890.18
Depreciation		161.64	-	161.64
Other expenses		405.67	-	405.67
Total expenses		**17,995.89**	**46.86**	**18,042.74**
Profit before tax		**2,265.66**	**219.21**	**2,484.88**
Tax expense:				
Current tax		784.43	-	784.43
Deferred tax charge / (credit) (net)		(14.18)	121.58	107.40
Profit for the year		**1,495.41**	**97.63**	**1,593.05**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of post-employment benefit obligation	R4	-	(13.42)	(13.42)
Income tax relating to these items		-	4.64	4.64
Other comprehensive income for the year, net of tax		**-**	**(8.78)**	**(8.78)**
Total comprehensive income for the period		**1,495.41**	**88.86**	**1,584.27**

* The previous GAAP figures have been reclassified to conform Ind AS presentation requirements for the purpose of this note. Further, Previous GAAP figures are after taking into impact on accoune of scheme of arrangement (refer note 41 for more details).

Reconciliation of total comprehensive income for the year ended 31 March 2017 (₹ in lakhs)

Particulars	Note	As at 1 April 2016	As at 31 March 2017
Total equity (Shareholder's funds) under previous GAAP		**3,334.84**	**5,687.90**
Proposed dividend	R1	490.16	-
Transaction cost for loans and borrowings	R2	56.65	45.13
Straight lining of rent income	R5	15.96	13.02
Discounting of security deposit for leases	R6	(1.16)	(0.55)
Change in revenue recognition policy in line with Ind AS	R8	57.35	325.38
Fair valuation of investment in joint venture	R9	1,250.00	1,250.00
Deferred tax	R11	(1,132.54)	(1,249.46)
Total equity (shareholder's funds) as per Ind AS		**4,071.26**	**6,071.42**

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in lakhs)

Particulars	Note	As at 31 March 2017
Net profit after tax for the year ended 31 March 2017 as per previous GAAP		**1,495.41**
Transaction cost for loans and borrowings	R2	(11.50)
Fair value of Investments other than investments in subsidiaries, associate and joint venture	R7	1.22
Straight lining of rent income	R5	(2.94)
Discounting of security deposit for leases	R6	(0.60)
Acturial loss reduced from employee benefit expenses		13.42
Change in revenue recognition policy in line with Ind AS	R8	267.80
Employee benefit expenses	R3 & R4	(48.17)
Deferred tax impact on account of Ind AS	R11	(121.58)
Net profit before other comprehensive income for the year ended 31 March 2017 as per Ind AS		**1,593.05**
Acturial loss on employee benefit obligations		(13.42)
Deferred tax on Ind AS adjustments through other comprehensive income		4.64
Total other comprehensive income (net of tax)		**(8.78)**
Total comprehensive income (net of tax)		**1,584.27**

Cash flow statement

No significant effect on cash flow.

Notes to reconciliation:

R1 Proposed Dividend

Under previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company. Accordingly, the liability of proposed dividend of ₹ 490.16 lakhs (including tax on proposed dividend) included under provision has been reversed as at 1 April 2016. This has resulted in increase of equity by ₹ 490.16 lakhs.

R2 Transaction cost for loans and borrowings

Under the previous GAAP, transaction costs incurred in connection with interest bearing loans and borrowings were charged to profit or loss when incurred. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest rate method. This has resulted in increase of equity by ₹ 56.65 lakhs and ₹ 45.13 lakhs on 1 April 2016 and 31 March 2017 respectively.

R3 Fair valuation of Employee's Stock Option Plan

Under the previous GAAP, the cost of equity-settled employee shares-based plan were recognised using the intrinsic method. Under Ind AS, the cost of equity-settled share based payment plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share based payment reserve account increased by ₹ 185.30 lakhs and ₹ 184.38 lakhs as at 1 April 2016 and 31 March 2017. The profit for the year ended 31 March 2017 was decreased by ₹ 48.17 lakhs.

R4 Remeasurement of Defined Employee Benefit Plan

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year. However there is no total impact on equity.

R5 Staraightlining of lease rentals

Under previous GAAP, lease rental income is required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease rental income which is structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as income in line with its contractual term. However, as the structured increase in lease rentals are different than general inflation, it has resulted in increase in equity by ₹15.95 lakhs and ₹13.02 lakhs as at 1 April 2016 and 31 March 2017 respectively.

R6 Discounting of security deposit for leases

Under Previous GAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent income under 'other operating revenue'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest. This has resulted in decrease of equity by ₹ 1.16 Lakhs and ₹ 0.55 Lakhs as at 1 April 2016 and 31 March 2017 respectively.

R7 Fair value of Investments other than investments in subsidiaries, associate and joint venture

Under the Previous GAAP, investments in equity shares of entities not consolidated were classified as longterm investments measured at cost less provision for other than temporary diminution in the value. Under Ind AS, these investments have been fair valued through the Statement of Profit and Loss. This has decreased the equity by ₹ 1.22 lakhs as at 1 April 2016.

R8 Change in revenue recognition policy in line with Ind AS

Under Ind AS, contract revenue with respect to public private partnership arrangement for development of slum areas is recognised at fair value of the consideration received or receivables with a corresponding effect in to Land Rights and Transferrable Development Rights.

R9 Fair valuation of Investment in joint ventures

The Company has elected to measure investment in equity shares of Romanovia Industrial Park Private Limited at the date of transition at its fair value and use that fair value as its deemed cost as at that date. Accordingly investments in equity shares of joint venture has increased by ₹ 1,250 lakhs as at 1 April 2016 and 31 March 2017.

R10 Other miscellaneous adjustments not having an impact on equity

a Building in the nature of investment property as defined under Ind AS 40 - Investment Property has been disclosed separately in the Standalone Balance Sheet

b Loans and Advances to related parties which are repayable on demand have been disclosed in current loans and advances.

R11 Deferred tax **(₹ in lakhs)**

Particulars	Note	As at 31 March 2017	As at 1 April 2016
Transaction cost for loans and borrowing	R2	15.62	19.60
Straight Lining of Rent	R5	4.30	5.52
Discounting of security deposit for leases	R6	0.02	0.03
Fair value of Investments other than investments in subsidiaries, associate and joint venture	R7	-	-
Re-measurement of employee Benefit		(4.64)	-
Deferred tax liability on Depreciation		864.13	830.04
Land fair valuation		112.53	19.85
Fair valuation of Investment in Joint venture	R9	257.50	257.50
Total		**1,249.46**	**1,132.54**

Note-45

Events Occuring after Balance sheet date

Honourable National Company Law Tribunal ('NCLT') vide order dated 09 May 2018 approved the Scheme of Arrangement ("the Scheme") under section 230-233 and other provisions of the Companies Act, 2013, for transfer of Real Estate business. The same being Adjusting Event, the Company has adjusted the amounts reported in the Financial Statements to take into impact of the Order.

Note-46

Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year presentation

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 30 May 2018

For and on behalf of the Board of Directors
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Independent Auditors' Report

To the Members of Nila Infrastructures Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Nila Infrastructures Limited ('the Holding Company'), its subsidiary company (the Holding Company and its subsidiary company are together referred to as the 'Group'), its associate and its joint ventures, as listed in annexure I, which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated state of affairs, consolidated profit / loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 thereunder.

Auditor's Responsibility

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of the report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 reports of other auditors on separate financial statements of the subsidiary company, associate and joint ventures, the aforesaid consolidated Ind AS 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 and its associate and joint ventures as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

Other Matter

1. The comparative financial information of the Group, its associate and joint ventures for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements prepared in accordance with the accounting principles generally

accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014, audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 26 May 2017 and 26 May 2016 respectively expressed an unmodified opinion on those consolidated financial statements, are adjusted for the differences in the accounting principles adopted by the Group, its associates and joint ventures on transition to the Ind AS, which have been audited by us with respect to the Holding Company and by other auditors with respect to the subsidiary company, associate and joint ventures.

2. We did not audit the financial statements of one subsidiary, included in the consolidated Ind AS financial statements, whose annual financial statements reflect total assets of INR 85.59 lakhs as at 31 March 2018, total revenues of INR Nil and net cash inflows amounting to INR 1.11 lakhs for the year ended on that date, as considered in consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of profit (including other comprehensive income) of INR 77.49 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate and two joint ventures. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company, associate and joint ventures and our reports in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary company, associate and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1 As required by Section 143 (3) of the Act based on our audit and on the consideration of report of other auditors on separate financial statements of subsidiary, associate and joint ventures as noted in the 'Other matter' paragraph, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of other auditors;

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, associate and joint ventures, none of the directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to adequacy of the internal financial controls with reference to the financial statements of the Holding Company and one joint venture to which requirements of the Act are applicable and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's 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 and based on the consideration of the report of the other auditors, as noted in the 'Other Matters' paragraph:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 36 to the consolidated Ind AS financial statements;

ii. The Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company, associate and joint ventures during the year ended 31 March 2018; and

iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For, B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No:045754

Place: Ahmedabad
Date: 30 May 2018

Annexure 1

Sr. no.	Name of entity	Relationship
1	Nila Terminals (Amreli) Private Limited	Wholly owned subsidiary
2	Vyapnila Terminals (Modasa) Private Limited	Associate
3	Kent Residential and Industrial Park LLP	Joint venture
4	Romanovia Industrial Park Private Limited	Joint venture

Annexure "A" to the Independent Auditor's Report – 31 March 2018

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of Nila Infrastructures Limited ('the Holding Company') as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company and one joint venture, to which requirements of the Act are applicable as of date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and one joint venture, to which requirements of the Act are applicable, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and one associate, to which requirements of the Act are applicable based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of Internal Financial Controls With Reference To Financial Statements

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of joint venture to which requirements of the Act are applicable, in terms of their reports referred to in the other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and one associate.

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference To Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Holding Company and one joint venture to which requirements of the Act are applicable, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Holding Company and one associate to which requirements of the Act are applicable, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one joint venture to which requirements of the Act are applicable, is solely based on the corresponding report of the auditors of one associate.

For, B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No:045754

Place: Ahmedabad
Date: 30 May 2018

Consolidated Balance Sheet
as at 31 March 2018

(₹ in lakhs)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	898.75	915.99	734.49
(b) Investment properties	5	2,499.96	2,546.65	2,600.76
(c) Intangible assets under development	6	1,882.20	2,229.69	82.77
(d) Investment in joint venture and associate	7	641.34	958.33	1,120.27
(e) Financial assets				
(i) Investments	8	0.13	0.12	0.64
(ii) Loans	9	5,068.55	3,480.99	1,951.34
(iii) Other financial assets	10	761.26	1,214.61	1,513.18
(f) Other non-current assets	11	2.60	6.37	9.89
(g) Other tax assets (net)	15	10.59	10.46	8.65
Total non-current assets		**11,765.38**	**11,363.21**	**8,021.99**
Current assets				
(a) Inventories	12	6,402.09	5,999.43	5,710.16
(b) Financial assets				
(i) Trade receivables	13	3,474.46	3,002.19	580.33
(ii) Cash and cash equivalents	14	133.34	275.23	87.76
(iii) Bank balances other than (ii) above	14	524.16	449.50	223.05
(iv) Loans	9	1,229.89	675.11	157.80
(v) Other financial assets	10	2,562.71	1,000.50	1,763.38
(c) Other current assets	11	1,574.80	1,324.62	1,684.11
Total current assets		**15,901.45**	**12,726.58**	**10,206.59**
Total assets		**27,666.83**	**24,089.79**	**18,228.58**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	3,938.89	3,933.93	3,702.26
(b) Other equity	17	6,392.26	1,940.78	278.22
Total equity		**10,331.15**	**5,874.71**	**3,980.48**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	6,074.76	5,793.29	8,591.46
(ii) Other financial liabilities	19	90.61	373.88	525.60
(b) Provisions	20	112.46	62.49	32.92
(c) Deferred tax liabilities (net)	21	780.88	1,108.05	1,066.84
Total non-current liabilities		**7,058.71**	**7,337.71**	**10,216.82**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	663.34	550.05	490.94
(ii) Trade payables	22	4,092.26	2,544.72	1,751.66
(iii) Other financial liabilities	19	3,725.87	1,686.85	1,496.35
(b) Other current liabilities	23	1,509.58	5,915.10	175.21
(c) Provisions	20	39.18	11.58	6.35
(d) Current tax liabilities (net)	24	246.74	169.07	110.77
Total current liabilities		**10,276.97**	**10,877.37**	**4,031.28**
Total liabilities		**17,335.68**	**18,215.08**	**14,248.10**
Total equity and liabilities		**27,666.83**	**24,089.79**	**18,228.58**

The accompanying notes 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 30 May 2018

For and on behalf of the Board of Directors
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	25	20,224.96	19,464.77
Other income	26	549.52	588.10
Total income		**20,774.48**	**20,052.87**
Expenses			
Cost of material consumed and project expenses	27	15,994.67	16,160.29
Changes in inventories of building material, land and work in progress	28	(402.66)	(289.27)
Employee benefits expense	29	592.01	422.64
Finance costs	30	1,109.81	890.18
Depreciation	4 & 5	172.15	161.64
Other expenses	31	464.49	405.68
Total expenses		**17,930.47**	**17,751.16**
Profit before share in profit of joint ventures and associate and tax		**2,844.01**	**2,301.71**
Share in profit of joint ventures and associate (net of tax)		58.46	15.67
Profit before tax		**2,902.47**	**2,317.38**
Tax expense:			
Current tax	21	1,225.00	784.44
Adjustments of tax for earlier years	21	1.60	-
Deferred tax charge/(credit) (net)	21	(323.68)	45.84
Profit for the year		**1,999.55**	**1,487.10**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post-employement benefit obligation		(14.49)	(13.42)
Income tax relating to these items		3.48	4.64
Other comprehensive income for the year, net of tax		**(11.01)**	**(8.78)**
Total comprehensive income for the year		**1,988.54**	**1,478.32**
Earnings per equity share (Face value of ₹ 1 per share)			
Basic	32	0.51	0.38
Diluted	32	0.51	0.38

The accompanying notes 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No:116231W/W-100024

For and on behalf of the Board of Directors
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Jeyur Shah
Partner
Membership No. 045754

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Place : Ahmedabad
Date : 30 May 2018

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Consolidated Statement of Changes in Equity
for the year ended 31 March 2018

Equity Share Capital

(₹ in lakhs)

Particulars	Note	Amount
Balance as at 1 April 2016		3,702.26
Changes during the year		231.67
Balance as at 31 March 2017	**16**	**3,933.93**
Changes during the year		4.96
Balance as at 31 March 2018	**16**	**3,938.89**

Other Equity

(₹ in lakhs)

Particulars	Note	Reserves and Surplus					Total
		Employee Stock Option	Retained Earnings	General Reserve	Securities premium account	Money Received Against Share Warrants	
Balance as at 1 April 2016 (refer note 42)		**51.63**	**(579.43)**	**524.77**	**-**	**281.25**	**278.22**
Total comprehensive income for the year ended 31 March 2017							
Profit for the year		-	1,487.10	-	-	-	1,487.10
Items of other comprehensive income							
Remeasurement of post-employment benefit obligation (net of tax)	17	-	(8.78)	-	-	-	(8.78)
Issue of equity shares	17	-	-	-	938.51	-	938.51
Changes on account of scheme of arrangement (refer note 42)	17	-	938.51	-	(938.51)	-	-
Share based transaction	17	47.25	-	-	-	-	47.25
Issue of equity shares	17	-	-	-	-	(281.25)	(281.25)
Total comprehensive income for the year		**-**	**2,416.84**				**2,416.84**
Payment of dividends	17	-	(432.27)	-	-	-	(432.27)
Tax on dividends	17	-	(88.00)	-	-	-	(88.00)
Balance as at 31 March 2017		**98.88**	**1,317.13**	**524.77**	**-**	**-**	**1,940.78**
Total comprehensive income for the year ended 31 March 2017							
Profit for the year		-	1,999.55	-	-	-	1,999.55
Items of other comprehensive income							
Remeasurement of post-employment benefit obligation (net of tax)	17	-	(11.01)	-	-	-	(11.01)
Total comprehensive income for the year		**-**	**1,988.54**	**-**	**-**	**-**	**1,988.55**
Issue of equity shares	17	-	-	-	33.71	-	33.71
Share based transaction	17	(98.88)	141.50	-	-	-	42.62
Changes on account of scheme of arrangement (refer note 42)	17	-	2,908.09	-	-	-	2,908.09
Payment of dividends	17	-	(433.28)	-	-	-	(433.28)
Tax on dividends	17	-	(88.21)	-	-	-	(88.21)
Balance as at 31 March 2018		**-**	**5,833.78**	**524.77**	**33.71**	**-**	**6,392.26**

The accompanying notes 1 to 48 form an integral part of these consolidated financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No:116231W/W-100024

Jeyur Shah
Partner
Membership No. 045754

Place : Ahmedabad
Date : 30 May 2018

For and on behalf of the Board of Directors
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Consolidated Statement of Cash Flow
for the year ended 31 March 2018

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	2,902.47	2,317.38
Adjustments for:		
Depreciation	172.15	161.64
Employee benefit (ESOP) expense	42.61	47.25
Finance cost	1,109.81	890.18
Liabilities no longer required written back	(34.46)	(1.01)
Loss / (profit) on sale of property, plant and equipment	4.18	(2.18)
Interest income	(510.61)	(584.25)
Rent income from investment properties	(299.84)	(301.56)
Provision for doubtful debts	35.77	-
Share of profit from LLP	(19.03)	(4.51)
Operating profit before working capital changes	**3,403.06**	**2,522.94**
Changes in working capital adjustments		
(Increase) in loans	(438.30)	(83.08)
(Increase) in trade receivables	(508.04)	(1,006.87)
(Increase)/decrease in other financial assets	(1,249.88)	1,389.26
(Increase)/decrease in other assets (current and non-current)	(246.41)	447.71
(Increase) in inventories	(402.66)	(900.54)
Increase in trade payables	1,186.00	685.77
(Decrease) in other financial liabilities	(282.99)	(565.42)
Increase in other current liabilities	41.73	1,601.77
Increase in provisions	63.07	21.38
Cash generated from / (used in) operations	**1,565.60**	**4,112.92**
Less: Income taxes paid (net)	**(1,149.05)**	**(727.94)**
Net cash flow from operating activities [A]	**416.53**	**3,384.98**
Cash flow from investing activities		
Purchase of property, plant and equipment, investment properties and intangible assets under development	(133.02)	(289.83)
(Purchase) / sale of investments	316.98	(217.96)
Share of profit from LLP	19.03	4.51
Loans (given) to related parties (net)	(1,147.73)	(1,447.35)
Loans (given) to others (net)	(556.32)	(102.04)
Proceeds from sale of property, plant and equipment	20.61	2.97
(Purchase) of intangible assets under development	(795.68)	(475.87)
(Purchase) / sale of investments in bank deposits (net)	67.45	(545.06)
Rent income from investment properties	299.84	301.56
Interest income	510.61	584.25
Net cash flow (used in) investing activities [B]	**(1,398.23)**	**(2,184.82)**
Cash flow from financing activities		
Proceeds from issue of equity shares	38.68	888.92
Proceeds from short term borrowings (net)	2,150.96	2,307.00
Proceeds from / (repayment) of long term borrowings (net)	281.47	(2,798.17)
Interest expense	(1,109.81)	(890.18)
Dividend paid (incluiding corporate dividend tax)	(521.47)	(520.26)
Net cash flow (used in) financing activities [C]	**839.81**	**(1,012.69)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(141.89)**	**187.47**
Cash and cash equivalents at beginning of the year	**275.23**	**87.76**
Cash and cash equivalents at end of the year (see note 2)	**133.34**	**275.23**

Consolidated Statement of Cash Flow
for the year ended 31 March 2018

Notes:

1 The above statement of Cash Flows has been prepared under "Indirect method" as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

2 Reconciliation of cash and cash equivalents as per the Standalone Statement of Cash Flows.

Cash and cash equivalents as per above comprise of the following:

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash on hand	3.87	7.68
Balance with banks	129.47	267.55
	133.34	**275.23**

3 Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

Reconciliation of liabilities arising from financing activities

(₹ in lakhs)

Particulars	As at 1 April 2017	Changes as per Standalone Statement of Cash Flows	Acquisition	Non cash changes Changes from losing control of subsidiaries	Fair value changes	As at 31 March 2018
Long term borrowings	5,793.29	281.47	-	-	-	6,074.76
Short term borrowings (Including current maturities of long term borrowings and current borrowings)	2,066.68	2,150.94	-	-	-	4,217.62
Dividend including corporate dividend tax	-	(521.47)	-	-	-	-

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Jeyur Shah
Partner
Membership No. 045754

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Place : Ahmedabad
Date : 30 May 2018

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31 March 2018

Note-1 Group overview

Nila Infrastructures Limited ('the Company') is based in Ahmedabad, Gujarat with its Registered Office situated at 1st Floor, Sambhav House, Opp. Chief Justice Bungalow, Bodakdev, Ahmedabad - 380015. Nila Infrastructures Limited is a public company incorporated on 26th February, 1990 and listed on BSE (Bombay Stock Exchange of India Limited) and NSE (National Stock Exchange of India Limited). The Company, together with its subsidiaries, joint ventures and associate, collectively referred to as ('the Group') is involved in the construction as well as development infrastructures project. Pursuant to the scheme of arrangement under the provisions of Companies Act, 2013, which became effective on April 1, 2017, the Company has transferred Real Estate business to Nila Spaces Limited (refer note 42 for more details).

These consolidated financial statements comprise the financial statements of the Company, its subsidiary, joint ventures and the associate.

Note-2 Basis of preparation and measurement

2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements for the year ended 31 March 2017were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and Cash flows of the Group is provided in note 43.

The consolidated financial statements for the year ended 31 March 2018 have been reviewed by audit committee and subsequently approved by Board of Directors at its meetings held on 30 May 2018.

Details of the Group's significant accounting policies are included in note 3.

2.2. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional currency. All the amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3. Basis of Measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Investment in equity shares of certain joint venture entity	Fair value
Net defined benefit plans	Fair value of plan assets less present value of defined benefit obligation using key actuarial assumptions
Share based payments	Fair value

2.4. Use of estimates and judgements

In preparing this consolidated financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and the assumptions that have most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

Note 25 – Evaluation of percentage completion for the purpose of revenue recognition

Note 5 - Identification of the building as an investment property

Note 4, 5 and 6 – Useful life used for the purpose of depreciation and amortization on property, plant and equipment, investment properties and intangible assets

Note 40 – Impairment of financial and non-financial assets

Note 37 - Lease classification

Note 34 – Recognition and measurement of defined benefit obligations, key actuarial assumptions

Note 39 – Share based payments

Note 40 – Fair value measurement of financial instruments

Note 21 – Current / deferred tax expense and recognition and evaluation of recoverability of deferred tax assets

Note 36 – Provisions and contingencies

2.5. Measurement of fair values

The Group's accounting policies and disclosures requires the measurement of fair values for financial instruments.

The Group has established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices(unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entity in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 - Investment property

Note 7 and 8 – Investments

Note 40 – Financial instruments

Note-3 Significant Accounting Policies

a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time start of the project to their realization in cash or cash equivalents.

b) Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The financial statement of the subsidiaries are included in the consolidated financial statements from the date on which control is transferred/acquired to/by the group and they are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with policies adopted by the group.

ii) Joint ventures and associate

The Group's interest in equity accounted investees comprises interest in joint ventures and associate.

An associate is an entityin which the Group has significant influence but not control or joint control. A joint venture is an arrangement in which the Group has joint control and has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit and loss and other comprehensive income of equity accounted investees until the date on which the significant influence or joint control ceases.

When the Group's share of losses in any equity accounted investments equals or exceeds its interest in an entity; the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of other entity.

iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of loss in equity-accounted investment equals or excess its interest in the entity, including any other unsecured long term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Groups interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Deferred tax asset or liability is created on any temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowingcosts, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

b) **Transition to Ind AS**

On transition to Ind AS, the Group has opted to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as deemed cost of such property, plant and equipment.

Subsequent measurement

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with theexpenditure will flow to the Group.

Depreciation

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 Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other non-current assets.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use of disposal. The consequential gain or loss is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss.

d) **Intangible assets and amortisation**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

The Group has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Land and Transferable Development Rights (TDR) received as a part of Public Private Partnership arrangement for development of slum areas are accounted as an intangible asset at the value at which corresponding revenue is recognized when right is established on fulfillment of conditions attached to it.

Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognized in the Statement of Profit and Loss as incurred

Amortisation

Intangible assets are amortized on a straight - line basis (pro-rata from the date of additions) over estimated useful life of four years.

Land Rights and Transferable Development Rights (TDR) are considered as Intangible Assets under development until the underlying project is completed on which they are received.

Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of intangible assets and is recognized in the Statement of Profit and Loss account. Land Rights and Transferable Development Rights (TDR) is derecognized when agreement to sale is entered.

e) **Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Recognition and measurement

Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognized as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such investment properties.

Depreciation

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 Part C of Schedule II to the Companies Act, 2013. The residual values, useful lives and methods of depreciation of investment properties equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Fair value disclosure

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Any gain or loss on disposal of an investment property is recognized in Statement of Profit and Loss.

f) **Impairment of non-financial assets**

Non-financial assets of the Group, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment loss recognized in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

g) Business Combination

The acquisition method of accounting is used to account for all the business combinations, regardless of whether equity instruments or other assets are acquired. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at the fair values at the acquisition date. The Group recognizes any non – controlling interest in the acquired entity on an acquisition by acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Transition to Ind AS

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2016. As such, Indian GAAP balances relating to business combination entered into before the date of transition have been carried forward.

Common control business combinations

Business combinations involving entities that are controlled by the Group are accounted for using the pooling of interest method as follows:

a. The assets and liabilities transferred are derecognized at their book value

b. No adjustments are made to reflect the fair value

c. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

h) Employee benefits

Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted expenses and are expensed as the related services are provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards government administered schemes. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the periods during which the services are rendered by the employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group , the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

Share-based payments

Employees of the Group receive remuneration in the form of share based payments in consideration of the services rendered.

Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognized as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independentvaluer on the basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

Cancellation of Share based payment is accounted as an acceleration of vesting, and therefore recognize immediately the amount that otherwise would have been recognized for services received over the remainder vesting period. The amount that would have been recognized is based on an estimate on the date of cancellation – i.e. estimating how many instruments are expected to vest at the original vesting date.

i) Revenue recognition

Construction contracts

Contract revenue is recognized as revenue in the Statement of Profit and Loss in the accounting periods in which the work is performed as per Ind AS 11. If the outcome of the contractual contract can be reliably measured, revenue associated with the construction contract is recognized reference to the stage of completion of the contract activity at the year-end (the percentage of completion method).

The stage of completion on a project is measured on the basis of proportion of the contract work/based upon the contracts/agreements entered into by the Group with the customers. In case of contracts under Public Private Partnership Model, Lease hold land right and Land Development rights provided by the government which forms part of consideration for the services provided is recognized as an intangible assets at fair value at the time of initial recognition.

Contract costs are recognized as an expense in the Statement of Profit and Loss in the accounting period in which the work to which they relate is performed. In the case of contracts with defined milestones and assigned price for each milestone, the Group recognizes revenue on transfer of significant risks and rewards which coincides with achievement of milestone and its acceptance by its customer.

Contract revenue includes the initial amount agreed in the contract plus any variation in contract work and claims payment, to the extent that it is probable that they will result in revenue and can be measured reliably. The Group recognizes bonus/incentive revenue on early completion of the project based on the confirmation received from the customer.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognized in the Statement of Profit andLoss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contact costs are recognized as expenses as incurred unless they create an asset is related to future contract activity. An expected loss on a contract is recognized immediately in the Statement of Profit andLoss.

Lease rental income

Lease income from operating leases shall be recognized in income on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Income from leasing of commercial complex is recognized on an accrual basis.

Other income

Interest income is accounted on accrual basis at effective interest rate.

Dividend income and share of profit in LLP is recognized when the right to receive the same is established.

j) Financial instrument

Financial assets

Classification

The Group classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through the Statement of Profit and Loss (FVTPL), its transaction cost are recognized in the Statement of Profit and Loss. In other case, the transaction costs are attributed to the acquisition value of the financial asset.

Subsequent measurement and gains and losses

Financial assets are subsequently classified as measured at

- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognized in the Statement of Profit and Loss. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.
- Fair value through profit and loss (FVTPL): These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the Statement of Profit and Loss.
- Fair value through other comprehensive income (FVOCI): These assets are subsequently measured at fair value. Dividends are recognized as income in the Statement of Profit andLoss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in OCI and are not reclassified to the Statement of Profit andLoss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

Trade receivables and loans

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Equity instrument

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognized as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognized in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of the financial asset) is primarily derecognized when:

a) The right to receive cash flows from the asset have expired; or

b) The Group has transferred substantially all the risks and rewards of the asset; or

c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Group recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognized in Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognized at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through Statement of Profit andLoss are measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet date if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle them on net basis or to realize the assets and settle the liabilities simultaneously.

k) Income taxes

Income tax comprises of current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it is relates to an item recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

Minimum Alternate Tax (MAT) eligible for set off in subsequent years (as per tax laws), is recognized as an asset by way of credit to the restated standalone summary Statement of Profit and Loss only if there is convincing evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the Group. At each balance sheet date, the carrying amount of deferred tax in relation to MAT credit entitlement receivable is reviewed to reassure realization.

l) Inventories

Inventory comprises of land and transferable development rights. Land and transferable development 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 Group.

Project inventories

Inventories of project materials are valued at cost or net realizable value whichever is less. Cost is arrived at on weighted average method (WAM) basis.

Work-in-progress

Construction and development of Infrastructure project:

Cost incurred for the contract that relate to future activity of the contract, such contract cost are recognized as an asset provided it is probable that they will be recovered. Such costs represent an amount due from the customer and are often classified as Contract work in progress which is valued at cost or net realizable value whichever is less.

m) Provisions and contingencies

A provision is recognized if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed in the Notes to the Consolidated Financial Statements. Contingent liabilities are disclosed for:

i. possible obligations which will be confirmed only by future events not wholly within the control of the Group, or

ii. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

n) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings to the extent they are regarded as an adjustment to the interest cost.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. For the disclosure on reportable segments see Note 35.

p) Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances,demand deposits with banks where the original maturity is three months or less and other short term highly liquid.

q) Leases

Asset given under lease

In respect of assets provided on finance leases, amount due from lessees are recorded as receivables at the amount of the Group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

Asset held under lease

Leases of property, plant and equipment that transfer substantially all the risks and rewards of ownership ae classified as finance leases. All the other leases are classified as operating leases. For finance lease, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to the initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under operating leases are neither recognized in (in case the Group is lessee) nor derecognized (in case the Group is lessor) from the Group's balance sheet.

Lease payments

Payments made under operating leases are generally recognized in the Statement of Profit and Loss on a straight line basis over the term of lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognized as an integral part of the total lease expense over the term of lease.

r) **Earnings per share**

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events such as bonus shares, other than conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

In a capitalization or bonus issue or share split, ordinary shares are issued to equity shareholders for no additional consideration. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

s) **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates as at the date of transaction or at an average rate if the average rate approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognized in the Statement of Profit and Loss.

t) **Recent accounting pronouncement**

Ind AS 115- Revenue from Contract with Customers: Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue and Ins AS 11 Construction Contracts. The core principle of the new standard that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This Standard permits two possible methods of transition i.e. retrospective approach and modified retrospective method.

Based on the preliminary assessment, the Group does not expect any significant impacts on transition to Ind AS 115. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options to be considered.

Amendments to existing Ind AS

- Ind AS 40 - Investment Property – The amendment lays down the principle regarding the transfer of asset to, or from, investment property.
- Ind AS 21 - The Effects of Changes in Foreign Exchange Rates – The amendment lays down principles to determine the date of transaction when a Company recognizes a non-monetary prepayment asset or deferred income liability.
- Ind AS 12 – Income Taxes – The amendments explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps.

Note-4
Property, plant and equipment

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2017	Additions	Sale	As at 31 March 2018	As at 1 April 2017	For the year	Adjustment/ Deduction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Freehold land	10.73	-	-	10.73	-	-	-	-	10.73	10.73
Building	90.95	40.85	0.03	131.77	1.66	1.74	-	3.40	128.37	89.29
Plant and machinery	246.42	15.93	1.65	260.69	15.57	20.99	-	36.56	224.13	230.85
Furniture and fixtures	57.78	-	0.03	57.75	11.31	9.11	-	20.42	37.34	46.47
Computer equipment	8.97	2.18	1.07	10.08	3.12	2.58	-	5.70	4.38	5.85
Vehicles	584.09	69.63	22.58	631.14	69.75	85.69	0.85	154.60	476.54	514.33
Electrification	5.71	-	0.01	5.70	1.21	1.22	-	2.43	3.29	4.50
Office equipments	18.88	4.43	0.30	23.01	4.91	4.14	-	9.05	13.97	13.97
Total	**1,023.53**	**133.03**	**25.67**	**1,130.89**	**107.53**	**125.47**	**0.85**	**232.15**	**898.75**	**915.99**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Deemed Cost as at 1 April 2016*	Additions	Sale	As at 31 March 2017	As at 1 April 2016	For the year	Adjustment/ Deduction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Freehold land	10.73	-	-	10.73	-	-	-	-	10.73	10.73
Building	90.95	-	-	90.95	-	1.66	-	1.66	89.29	90.95
Plant and machinery	124.40	122.02	-	246.42	-	15.57	-	15.57	230.85	124.40
Furniture and fixtures	57.35	0.43	-	57.78	-	11.31	-	11.31	46.47	57.35
Computer equipment	6.17	2.80	-	8.97	-	3.12	-	3.12	5.85	6.17
Vehicles	429.26	155.58	0.76	584.09	-	69.75	-	69.75	514.33	429.26
Electrification	5.71	-	-	5.71	-	1.21	-	1.21	4.50	5.71
Office equipments	9.91	9.00	0.03	18.88	-	4.91	-	4.91	13.97	9.91
Total	**734.49**	**289.83**	**0.79**	**1,023.53**	**-**	**107.53**	**-**	**107.53**	**915.99**	**734.49**

Refer note 18 - For information on property, plant and equipment pledged as security by the Company

* The Group has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of 1 April 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101. Refer below table for the gross block value and the accumulated depreciation on 1 April 2016 under Indian GAAP (IGAAP):

(₹ in lakhs)

Particulars	Gross Block (at Cost) as at 1 April 2016	Depreciation / Amortisation as at 1 April 2016	Net Block as at 1 April 2016
Freehold land	10.73	-	10.73
Building	104.49	13.55	90.95
Plant and machinery	138.11	13.71	124.40
Furniture and fixtures	98.52	41.17	57.35
Computer equipment	34.39	28.22	6.17
Vehicles	562.18	132.92	429.26
Electrification	10.17	4.45	5.71
Office equipments	36.68	26.76	9.92
Total of property, plant and equipment	**995.37**	**260.78**	**734.49**

Note-5
Investment property

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2017	Addit-ions	Sale	As at 31 March 2018	As at 1 April 2017	For the year	Adjust-ment/ Dedu-ction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Building	2,600.76	-	-	2,600.76	54.11	46.69	-	100.80	2,499.96	2,546.65
Total	**2,600.76**	**-**	**-**	**2,600.76**	**54.11**	**46.69**	**-**	**100.80**	**2,499.96**	**2,546.65**

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Deemed Cost As at 1 April 2016*	Addit-ions	Sale	As at 31 March 2017	As at 1 April 2016	For the year	Adjust-ment/ Dedu-ction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Building*	2,600.76	-	-	2,600.76	-	54.11	-	54.11	2,546.65	2,600.76
Total	**2,600.76**	**-**	**-**	**2,600.76**	**-**	**54.11**	**-**	**54.11**	**2,546.65**	**2,600.76**

Information regarding income and expenditure of Investment properties

(₹ in lakhs)

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Rental income derived from investment properties	299.84	301.56
Direct operating expenses	9.16	9.16
Profit arising from investment properties	**290.68**	**292.40**
Less : depreciation	46.69	54.11
Profit arising from investment properties before indirect expense	**243.99**	**238.29**

*The Group has elected to continue with the carrying value of its Investment Property recognized as of 1 April 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101. Refer below table for the gross block value and the accumulated depreciation on 1 April 2016 under Indian GAAP (IGAAP):

(₹ in lakhs)

Particulars	Gross Block (at Cost)	Accumulated depreciation	Net Block
Building	2,949.46	348.70	2,600.76

Fair value of the investment properties are as under: (₹ in lakhs)

Fair Value	Building
Balance as at 1 April 2016	5,442.41
Fair value increase during the year	272.12
Balance as at 31 March 2017	5,714.53
Fair value increase during the year	285.73
Balance as at 31 March 2018	6,000.26

Fair valuation Technique

Particulars	Valuation Technique
Building	Market Approach

Measurement of fair value of investment properties:

A. **Fair value hierarchy:**

The fair value of investment properties has been determined by external independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of properties being valued.

The fair value measurement of the investment properties has been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

B. **Fair valuation technique**

Particulars	Valuation technique
Building	Market Approach

The fair value of investment properties has been determined by external independent property valuers, having appropriate recognised professional qualification and recent expreience in the loaction and catergory of properties being valued.

Refer note 16 - For information on investment properties pledged as security by the Group.

Refer note 35 - For details of operating lease.

Note-6

Intangible assets under development

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2017	Additions	Sale	As at 31 March 2018	As at 1 April 2017	For the year	Adjust-ment/ Dedu-ction	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Intangible Asset - Land Rights *	1,995.01	3,172.36	3,892.00	1,275.37	-	-	-	-	1,275.37	1,995.01
Intangible Asset - Transferrable Development Right *	234.68	2,278.16	1,906.01	606.83	-	-	-	-	606.83	234.68
Total	**2,229.69**	**5,450.52**	**5,798.01**	**1,882.20**	**-**	**-**	**-**	**-**	**1,882.20**	**2,229.69**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1 April 2016	Additions	Sale	As at 31 March 2017	As at 1 April 2017	For the year	Adjust-ment/ Dedu-ction	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Intangible asset - land rights *	82.77	1,912.24	-	1,995.01	-	-	-	-	1,995.01	82.77
Intangible asset - transferrable development right *	-	234.68	-	234.68	-	-	-	-	234.68	-
Total	**82.77**	**2,146.92**	**-**	**2,229.69**	**-**	**-**	**-**	**-**	**2,229.69**	**82.77**

* Land Rights and Transferable Development Rights(TDR) received as a part of public private partnership arrangement for development of slum areas are accounted as an intangible assets under development at the value at which corresponding revenue is recognised when right is established on fulfillment of conditions attached to it.

Note-7
Investment in joint venture and associate

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unquoted:			
Investments in joint ventures and associate (at cost)			-
Nil (31 March 2017 : 5,000; 1 April 2016 : 5,000) equity shares of Sarthi Industrial Parks Pvt. Ltd. of ₹ 10/- each fully paid up	-	0.50	0.50
Kent Residential & Industrial Park LLP (50% share of profit)	-	-	2.89
3400 (31 March 2017: NIL, 1 April 2016: Nil) equity shares of Vyapnila Terminals (Modasa) Pvt. Ltd. of ₹ 10/- each	-	-	-
5,000 (31 March 2017 : 5,000; 1 April 2016 : 5,000) equity shares of Romanovia Industrial Park Pvt. Ltd. of ₹ 10/- each fully paid up	641.34	957.83	1,116.88
Total	**641.34**	**958.33**	**1,120.27**

Refer note 42 - For the detail of investment transferred on account of Scheme of Demerger

Note-8
Investments

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments in quoted shares of other companies - (Fair Value through profit and loss)			
Nil (31 March 2017 : Nil; 1 April 2016 : 50,000) Equity shares of Visu International Ltd.of ₹10/-	-	-	0.53
Other investments			
National saving certificate	0.13	0.12	0.11
Total	**0.13**	**0.12**	**0.64**

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Aggregate value of unquoted investment	-	-	0.11
Aggregate value of quoted investment	0.13	0.12	0.53
Total of non-current investments	**0.13**	**0.12**	**0.64**
Aggregate market value of quoted investment	0.13	0.12	0.53

Note-9
Loans

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current Loans			
Loans to related party (refer note 33)			
- Unsecured, considered good	4,409.62	3,261.89	1,847.52
Security and other deposits	658.93	219.10	103.82
	5,068.55	**3,480.99**	**1,951.34**
Current Loans			
Loans to employees			
- Unsecured, considered good	23.78	25.31	14.54
Loans to others			
- Unsecured, considered good	1,205.36	649.05	132.51
Security and other deposits	0.75	0.75	10.75
	1,229.89	**675.11**	**157.80**
Total	**6,298.44**	**4,156.10**	**2,109.14**

Refer note 40 - Financial instruments, fair values and risk measurement

Note-10
Other financial assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other non-current financial assets			
Margin money deposits with bank	667.98	809.00	481.18
Fixed deposit with banks	33.62	-	-
Retention money Receviable	59.66	405.61	1,032.00
	761.26	**1,214.61**	**1,513.18**
Other current financial assets			
Unbilled revenue	2,562.71	1,000.50	1,763.38
	2,562.71	**1,000.50**	**1,763.38**
Total	**3,323.97**	**2,215.11**	**3,276.56**

Refer note 40 - Financial instruments, fair values and risk measurement

Note-11
Other Assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Lease equalisation	2.60	6.37	9.89
	2.60	**6.37**	**9.89**
Current			
Advance to vendors	1,125.30	1,157.58	1,176.33
Prepaid expenses	110.73	30.46	425.15
Balances with government authorities			
- Goods and service tax receivable	310.78	-	-
- Service tax receivable	-	33.95	27.49
- VAT receivable	12.95	96.56	49.08
- Others	8.97	-	-
Lease equalisation	6.07	6.07	6.07
	1,574.80	**1,324.62**	**1,684.11**
Total	**1,577.40**	**1,330.99**	**1,694.01**

Note-12
Inventories

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Construction material on hand	380.90	180.26	152.56
Work in progress	1,841.54	1,626.88	1,366.44
Land and land development rights	4,179.65	4,192.29	4,191.16
Total	**6,402.09**	**5,999.43**	**5,710.16**

Refer note 3(l) for accounting policy on inventories.
During the year ended 31 March 2018, the Company has inventorised borrowing cost of ₹ 200.49 in lakhs (31 March 2017: ₹ 198.55 lakhs and 1 April 2016: ₹ 793.15 lakhs)

Note-13
Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
To related parties			
- Unsecured, considered good	89.75	-	-
To other than related parties			
- Unsecured, considered good	3,384.72	3,002.19	580.33
- Unsecured, considered doubtful	35.77	-	-
Less:- provision for doubtful debts	(35.77)	-	-
Total	**3,474.47**	**3,002.19**	**580.33**

Refer note 40 - Financial instruments, fair values and risk measurement
Includes retention money receivable amounting to ₹ 1,323.36 lakhs (31 March 2017: ₹ 738.99 lakhs, 1 April 2016: ₹ 366.08 lakhs)

Note-14
Cash and Bank balances

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Balance in current account	129.47	267.55	81.99
Cash on hand	3.87	7.68	5.77
	133.34	**275.23**	**87.76**
Other bank balances			
Deposits with original maturity over 3 months but less than 12 months	447.92	383.34	166.09
Margin money deposit	8.98	-	-
Unpaid dividend account *	67.26	66.16	56.96
	524.16	**449.50**	**223.05**
Total	**657.50**	**724.73**	**310.80**

Refer note 40 - Financial instruments, fair values and risk measurement
* The Group can utilise these balances only towards payment of dividend

Note-15
Other Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance payment of tax (net of provision for tax)	10.59	10.46	8.65
Total	**10.59**	**10.46**	**8.65**

Note-16
Equity share capital

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised share capital 500,000,000 (31 March 2017 : 500,000,000 ; 1 April 2016 : 500,000,000) Equity shares of 1/- each	5,000.00	5,000.00	5,000.00
Issued, Subscribed and Paid-up Capital 393,889,200 (31 March 2017 : 393,392,700; 1 April 2016 : 370,226,200) Equity shares of 1/- each fully paid	3,938.89	3,933.93	3,702.26
Total	**3,938.89**	**3,933.93**	**3,702.26**

A. Reconciliation of number of equity shares

(₹ in lakhs)

Name of Shareholders	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Balance as at the beginning of the year	**39,33,92,700**	**3,933.93**	**37,02,26,200**	**3,702.26**	**37,02,26,200**	**3,702.26**
Issued during the year	-	-	2,25,00,000	225.00	-	-
Exercise of options - proceeds received	4,96,500	4.96	6,66,500	6.67	-	-
Balance as at the end of the year	**39,38,89,200**	**3,938.89**	**39,33,92,700**	**3,933.93**	**37,02,26,200**	**3,702.26**

B. **Terms / rights attached to Equity shares**

The company has single 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 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Numbers	% Holding	Numbers	% Holding	Numbers	% Holding
Equity shares of ₹ 1/- each fully paid						
Mr. Manoj B. Vadodaria	5,31,54,712	13.49	5,31,54,712	13.51	4,41,54,712	11.93
Mrs. Nila M. Vadodaria	4,39,55,267	11.16	4,39,55,267	11.17	4,39,55,267	11.87
Mrs. Alpa K. Vadodaria	3,68,00,000	9.34	3,68,00,000	9.35	3,68,00,000	9.94
Mr. Kiran B. Vadodaria	3,86,08,100	9.80	3,86,08,100	9.81	3,18,58,100	8.61
Mr. Deep S. Vadodaria	3,17,52,108	8.06	3,17,52,108	8.07	2,50,02,108	6.75
Ms. Shobha I Desai	62,43,657	1.59	1,90,96,436	4.85	2,00,96,436	5.43

Information relating to Nila Infrastructures Limited - ESOP, including details of options issued, exercised, lapsed and cancelled during the year and options outstanding at the end of year is set out in note 39.

Note-17
Other equity

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Reserves & Surplus			
(i) Retained earnings	5,833.78	1,317.13	(579.43)
(ii) Equity security premium	33.71	-	-
(iii) General reserve	524.77	524.77	524.77
(iv) Deferred employees stock option compensation reserves	-	(85.50)	(133.67)
(v) Employees stock option outstanding reserve	-	184.38	185.30
Money received against share warrants	-	-	281.25
Total	**6,392.26**	**1,940.78**	**278.22**

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(i) Retained earnings			
Profit and loss opening balance	1,317.13	(579.43)	-
Changes on account of scheme of arrangement (refer note 42)	2,908.09	938.51	(579.43)
Profit during the year	1,999.55	1,487.10	-
Changes on account of discontinuation of employee's stock option plan	141.50	-	-
	6,366.27	**1,846.18**	**(579.43)**
Appropriation			
Final equity dividend [(dividend per share ₹ 0.11) (P.Y.. ₹ 0.10)]	(433.28)	(432.27)	-
Tax on equity dividend	(88.21)	(88.00)	-
	(521.49)	**(520.26)**	**-**
Items of other comprehensive income (net of tax)			
Remeasurement of post-employment benefit obligation (net of tax)	(11.01)	(8.78)	-
	(11.01)	**(8.78)**	**-**
Total	**5,833.78**	**1,317.13**	**(579.43)**

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(ii) Equity security premium			
Opening balance	-	-	-
Addition during the year	33.71	938.51	-
Less: changes on account of scheme of arrangement	-	(938.51)	
Total Equity security premium	**33.71**	**-**	**-**
(iii) General Reserve	**524.77**	**524.77**	**524.77**
(iv) Deferred employees stock option compensation reserves			
Opening balance	(85.50)	(133.67)	(133.67)
Expense recognised during the year	48.32	40.48	-
Changes on account of scheme of arrangement	9.53	7.69	-
Cancellation of employee's stock option plan (refer note 39)	27.65	-	-
Total	**-**	**(85.50)**	**(133.67)**
(v) Employees stock option outstanding reserve			
Opening balance	184.38	185.30	185.30
Exercise of options during the year	-	(0.92)	
Cancellation of employee's stock option plan (refer note 39)	(184.38)	-	
Total	**-**	**184.38**	**185.30**
Money received against share warrants	-	-	281.25
Total reserves and surplus	**6,392.26**	**1,940.78**	**278.22**

General Reserve - The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve is not reclassified subsequently to the Statement of Profit and Loss.

Equity Security Premium - Securities premium reserve is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

Deferred ESOP compensation reserve and ESOP outstanding Reserve are created pursuant to the scheme of Employee's Stock Option Plan.

Note-18
Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non current borrowings			
Secured loans			
Indian rupee loan from			
Banks	1,884.87	3,191.32	4,835.12
Financial institution	3,009.98	-	-
Vehicle loan from			
Banks	128.55	214.12	163.93
Financial institution	6.90	-	1.59
Unsecured loans			
Indian rupee loan from			
Financial institution	1,044.46	2,387.85	3,590.82
	6,074.76	**5,793.29**	**8,591.46**
Current borrowings			
Secured loans			
Indian rupee loan from			
Bank	663.34	550.05	490.94
	663.34	**550.05**	**490.94**
Total	**6,738.10**	**6,343.34**	**9,082.40**

* Current maturities of long term borrowings is reported under other current financial liabilities.
Refer note 40 - Financial instruments, fair values and risk measurement

Security Details of Borrowings -

	Loan Amount outstanding as at			Rate of Interest as at			Installment Details			
	31 Mar 2018	31 Mar 2017	31 Mar 2016	31 Mar 2018	31 Mar 2017	31 Mar 2016	Start Date	End Date	Nos	Period
(A)	Secured Loans from banks									
(A.1)	Term Loans									
	Secured by hypothecation of immovable properties situated at 3rd, 4th & 5th Floor Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad owned by Company									
(i)	645.22	738.90	815.19	9.10%	11.75%	11.85%	Jul-2013	Oct-2023	123	Monthly
(ii)	628.31	-	-	9.10%			Feb-2018	Jan-2028	120	Monthly
	Dropped Down OD facility secured by way of (a) registered equitable mortgage of industrial land at Vinzol and Bavla owned by Company (b) Personal guarantee of Shri Manoj Vaodaria & Shri Kiran Vadodaria									
(iii)	2,835.40	2,661.65	4,121.17	11.20%	11.60%	11.80%	Dec-2015	Mar-2023	27	Quarterly
	Overdraft Facility secured by way of (a) registered equitable mortgage of properties owned by the company held at 2nd & 6th Floor Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad (b) 11 flats owned by Company and (c) Personal Guarantee of Shri Manoj Vadodaria & Shri Kiran Vadodaria									
(iv)	-	-	-	12.69%	12.31%	-				Annual Review
Total (A.1)	**4,108.93**	**3,400.55**	**4,936.36**							

(A.2) Vehicle Loans

Secured by way of hypothecation of commercial vehicles

(i)	8.02	20.72	32.21	10.01%	10.01%	10.01%	Dec-2014	Oct-2018	47	Monthly
(ii)	11.27	26.83	40.91	10.01%	10.01%	10.01%	Jan-2015	Nov-2018	47	Monthly
Secured by way of hypothecation of commercial equipment										
(iii)	9.51	22.64	34.52	10.01%	10.01%	10.01%	Jan-2015	Nov-2018	47	Monthly
(iv)	57.17	76.02	-	9.80%	9.80%		Oct-2016	Oct-2020	48	Monthly
Secured by way of hypothecation of vehicles under this loan										
(v)	1.50	5.86	9.80	10.00%	10.00%	10.00%	Aug-2015	Jul-2018	36	Monthly
(vi)	5.91	9.21	-	9.50%	9.50%	-	Nov-2016	Oct-2019	36	Monthly
(vii)	5.29	8.10	-	9.50%	9.50%	-	Dec-2016	Nov-2019	36	Monthly
(viii)	11.70	30.74	48.05	10.00%	10.00%	10.00%	Nov-2015	Oct-2018	36	Monthly
(ix)	33.33	48.68	-	8.75%	8.75%	-	Apr-2017	Mar-2020	36	Monthly
(x)	17.98	26.00	-	8.50%	8.50%	-	Apr-2017	Mar-2020	36	Monthly
(xi)	24.98	-	-	8.75%	-	-	May-2017	Apr-2020	36	Monthly
(xii)	12.37	-	-	8.75%	-	-	Sep-2017	Aug-2020	36	Monthly
(xiii)	-	-	13.26	-	-	10.25%	Mar-2014	Feb-2017	36	Monthly
(xiv)	-	-	3.06	-	-	10.52%	Feb-2014	Jan-2017	36	Monthly
(xv)	-	-	3.06	-	-	10.52%	Feb-2014	Feb-2017	36	Monthly
(xvi)	-	14.19	29.95	-	10.01%	10.01%	Feb-2015	Jan-2018	36	Monthly
(xvii)	1.11	3.59	5.84	9.81%	9.81%	9.81%	Sep-2015	Aug-2018	36	Monthly
(xviii)	17.40	25.70	33.27	9.40%	9.40%	9.40%	Mar-2016	Jan-2020	47	Monthly
(xix)	-	-	1.58	-	-	11.25%	Apr-2012	Mar-2015	36	Monthly
Total (A.2)	**217.53**	**318.27**	**255.51**							

(A.3) Overdraft facilities

Overdraft Facility secured by way of (a) registered equitable mortgage of property owned by the company held at 7th, 8th & 9th floor Sambhaav House, Judges Bungalow, Bodakdev, Ahmedabad. (b) Personal Guarantee of Shri Manoj Vadodaria & Shri Kiran Vadodaria

i)	658.80	550.18	490.94	10.80%	12.20%	-				Annual Review
Overdraft Facility secured by way of Personal Guarantee of Shri Manoj Vadodaria and Shri Kiran Vadodaria										
(ii)	(0.71)	(0.14)	-	10.65%	11.80%	-				Annual Review
(iii)	5.26	-	-	11.60%	-	-				Annual Review
Total (A.3)	**663.34**	**550.05**	**490.94**							
Total (A)	**4,989.80**	**4,268.87**	**5,682.81**							

(B)	**Secured Loans from Financial Institutions**									
(B.1)	**Term Loans**									
	Secured by way of (a) Personal Guarantee provided by Promoters (b) DSRA for 3 months Principal and Interest repayment									
(i)	1,148.04	1,997.68	2,497.71	11.70%	13.50%	14.95%	May-2016	Jan-2021	57	Monthly
	Secured by way of Personal Guarantee provided by Promoters									
(ii)	-	599.34	900.00	-	13.00%	13.00%	May-2016	Feb-2019	12	Quarterly
(iii)	1,398.71	-	-	11.00%	-	-	Jan-2018	Dec-2020	36	Monthly
(iv)	241.50	455.00	659.00	12.25%	12.25%	12.25%	Oct-2014	Sep-2019	60	Monthly
(v)	390.50	537.50	660.00	11.70%	11.70%	11.70%	Nov-2015	Oct-2018	54	Monthly
Total (B.1)	**3,178.75**	**3,589.52**	**4,716.71**							
(B.2)	**Vehicle Loans**									
	Secured by way of hypothecation of vehicles under this loan									
(i)	-	1.59	19.65	-	10.25%	10.25%	May-2014	Apr-2017	36	Monthly
(ii)	10.60	-	-	8.50%	-	-	Dec-2017	Nov-2020	36	Monthly
Total (B.2)	**10.60**	**1.59**	**19.65**							
(B.3)	**Line of Credit**									
	Secured by way of (a) Equitable Mortgage of Vejalpur land owned by company (b) Personal Guarantee of promoter family members and (c) escrow of revenue of certain infrastructure projects.									
(i)	2,113.23	-	-	11.00%	13.10%	14.25%	Oct-2014	Sep-2019	60	Monthly
Total (B.3)	**2,113.23**	**-**	**-**							
Total (B)	**5,302.58**	**3,591.12**	**4,736.36**							
Total	**10,292.38**	**7,859.99**	**10,419.17**							

*Total represents details of securities, interest rate and repayment terms related to non-current borrowings, current maturities of non-current borrowings and current borrowings.

Note-19
Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Other non current financial liabilities			
Security deposits	90.61	373.88	525.60
	90.61	**373.88**	**525.60**
Other current financial liabilities			
Current maturities of long term borrowings	1,441.04	1,516.63	1,336.77
Loans from financial institution (1)	2,113.23	-	-
Security deposits	97.83	97.82	97.83
Employee related liabilities	6.57	6.29	4.84
Unclaimed dividend (2)	67.20	66.11	56.91
	3,725.87	**1,686.85**	**1,496.35**
Total	**3,816.48**	**2,060.73**	**2,021.95**

Refer note 40 - Financial instruments, fair values and risk measurement

(1) To implement the Scheme of Arrangement for Demerger (the "Scheme") of Real Estate (RE) Undertaking of Nila Infrastructures Ltd (the "Demerged Company") into Nila Spaces Ltd (the "Resultant Company") under section 230 to 232 and other applicable provisions of the Companies Act, 2013 with Appointed Date of 1 April 2017; GRUH Finance Ltd (GRUH) has to reassess the total/combined (i.e. Nila Infrastructures Ltd + Nila Spaces Ltd) sanctioned limit of ₹ 9,500.00 lakhs, wherein the total/combined outstanding at 31 March 2018 is ₹ 6,871.65. As per the letter received from GRUH dated 19 March 2018; the said total/combined exposure is to be bifurcated amongst Nila Infrastructures Ltd and Nila Spaces Ltd as ₹ 3,000.00 lakhs and ₹ 6,500.00 lakhs respectively. Hence, the corresponding outstanding ₹ 2,113.23 lakhs is considered for Nila Infrastructures Ltd and the rest for Nila Spaces Ltd. Pending such (re)assessment by GRUH, the said outstanding ₹ 2,113.23 lakhs is classified as other current financial liability.

(2) There is no amount due to be transfer to Investor Education and Protection Fund as at 31 March 2018

Note-20
Provisions

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current provisions			
Provision for gratuity	59.03	42.73	20.81
Provision for leave encashment	53.43	19.76	12.11
	112.46	**62.49**	**32.92**
Current provisions			
Provision for gratuity	32.63	2.77	2.31
Provision for leave encashment	6.55	8.81	4.04
	39.18	**11.58**	**6.35**
Total	**151.64**	**74.07**	**39.27**

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuation service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Leave Encashment

Provision for leave encashment cover the Company's liability for earned leave.

Note-21
Tax expense

(A) Income tax expense recognised in the Statement of Profit and Loss (₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current tax		
Current tax on profit for the year	1,225.00	784.44
Adjustments of tax for earlier years	1.60	-
Deferred tax		
Attributable to–		
Origination and reversal of temporary differences (refer note E)	(323.68)	45.84
	902.92	**830.28**

(B) Income tax expense / (income) recognised in other comprehensive income (₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax : (refer note E)		
Deferred tax /benefit on remeasurements of defined benefit liability (asset)	(3.48)	(4.64)
	(3.48)	**(4.64)**

(C) Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Profit before tax	**2,902.47**	**2,317.38**
Tax using the Company's statutory tax rate at 34.608% (31 March 2017: 33.454%)	1,004.49	775.26
Effect of :		
Effect of tax rate change	(123.25)	(1.30)
Non deductible expenses	54.04	22.48
Income exempt from tax	(6.59)	(2.35)
Others	(25.77)	36.20
Tax expense	**902.92**	**830.29**

(D) Recognised deferred tax assets and liabilities

Movement in temporary differences

(₹ in lakhs)

Particulars	Deferred tax (assets)			Deferred tax liabilities			Net deferred tax (assets) / liabilities		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Expenditure allowed on payment basis/ doubtful debts	(45.76)	(27.46)	(14.92)	-	-	-	(45.76)	(27.46)	(14.92)
Accelerated depreciation for tax purpose	-	(3.92)	(2.27)	-	-	-	-	(3.92)	(2.27)
Straight lining of rent	-	(1.32)	(0.30)	-	-	-	-	(1.32)	(0.30)
Demerger expense	(7.88)	-	-	-	-	-	(7.88)	-	-
Elimination of revenue from subisidiary/ joint venture/associate	(201.18)	(110.04)	(48.50)	-	-	-	(201.18)	(110.04)	(48.50)
Provision for doubtful debt	(10.42)	-	-	-	-	-	(10.42)	-	-
Prepaid finance charges	-	-	-	8.12	15.62	19.60	8.12	15.62	19.60
Rent deposit	-	-	-	-	0.02	0.02	-	0.02	0.02
Fair valuation of asset (Property, plant and equipment)	-	-	-	-	0.30	0.30	-	0.30	0.30
Straight lining of rent	-	-	-	2.53	5.31	5.53	2.53	5.31	5.53
Fair valuation Of investment in joint venture	-	-	-	257.50	257.50	257.50	257.50	257.50	257.50
Fair valuation of revenue accounted under intangible asset	-	-	-	94.68	112.53	19.85	94.68	112.53	19.85
Re-measurement of employee benefit	(8.13)	(4.64)	-	-	-	-	(8.13)	(4.64)	-
Depreciation	-	-	-	691.42	864.14	830.03	691.42	864.14	830.04
Net deferred tax (assets) / liabilities	**(273.37)**	**(147.38)**	**(65.99)**	**1,054.25**	**1,255.42**	**1,132.82**	**780.88**	**1,108.05**	**1,066.84**

(E) Recognised deferred tax (assets) and liabilities
Movement in temporary differences

(₹ in lakhs)

Particulars	Balance as at 1 April 2016	Recognised in profit or loss during 2016-17	Recognised in OCI during 2016-17	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018
Expenditure allowed on payment basis/ doubtful debts	(14.92)	(12.54)	-	(27.46)	(18.30)	-	(45.76)
Accelerated depreciation for tax purpose	(2.27)	(1.64)	-	(3.92)	-	-	(3.92)
Straight lining of rent	(0.30)	(1.02)	-	(1.32)	1.32	-	-
Demerger expense	-	-	-	-	(7.88)	-	(7.88)
Elimination of revenue from subisidiary / joint venture/associate	(48.49)	(61.56)	-	(110.05)	(91.13)	-	(201.18)
Provision for doubtful debt	-	-	-	-	(10.42)	-	(10.42)
Prepaid finance charges	19.60	(3.98)	-	15.62	(7.50)	-	8.12
Rent deposit	0.02	-	-	0.02	(0.02)	-	-
Fair valuation of asset (Property, plant and equipments)	0.30	-	-	0.30	(0.30)	-	-
Straight lining of rent	5.52	(0.21)	-	5.31	(2.79)	-	2.53
Fair valuation of investment in joint venture	257.50	-	-	257.50	-	-	257.50
Fair valuation of revenue accounted under intangible asset	19.85	92.68	-	112.53	(17.85)	-	94.68
Re-measurement of employee benefit	-	-	(4.64)	(4.64)		(3.48)	(8.13)
Depreciation	830.04	34.11	-	864.15	(168.80)	-	695.35
Net deferred tax (assets) / liabilities	**1,066.85**	**45.84**	**(4.64)**	**1,108.04**	**(323.67)**	**(3.48)**	**780.88**

Note-22
Trade payables

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to Micro & Small Enterprises (as per the intimation received from vendors)	-	-	-
A. Principal and interest amount remaining unpaid	-	-	-
B. Interest due thereon remaining unpaid	-	-	-
C. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to supplier beyond the appointed day	-	-	-
D. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
E. Interest accrued and remaining unpaid	-	-	-
F. Interest remaining due and payable even in the suceeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-	-
Dues to others			
Trade payables[1]	4,092.26	2,544.72	1,751.66
Total	**4,092.26**	**2,544.72**	**1,751.66**

Refer note 40 - Financial instruments, fair values and risk measurement

1. Includes retention money payable amounting to ₹ 1,011.78 lakhs (31 March 2017: ₹ 373.93 lakhs; 1 April 2016: ₹ 133.93)

Note-23
Other current liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Payables on account of demerger	-	2,908.09	-
Advance from contractors	263.59	154.55	105.23
Advance from customer	1,186.21	2,787.19	0.43
Deferred revenue	-	0.29	0.87
Statutory dues payable			
Service tax payable	-	16.86	36.00
TDS payable	59.02	31.20	23.34
Works contract tax payable	-	16.49	9.34
Other statutory obligations	0.76	0.43	-
Total	**1,509.58**	**5,915.10**	**175.21**

Note-24
Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current tax liabilities (net of advance tax)	246.74	169.07	110.77
Total	**246.74**	**169.07**	**110.77**

Note-25
Revenue from Operations

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Sales of products and Services		
Construction and development of infrastructure projects	19,906.09	19,158.70
	19,906.09	**19,158.70**
B. Other operating revenue		
Rent income (refer note 37)	299.84	301.56
Share of profit from LLP	19.03	4.51
	318.87	**306.07**
Total	**20,224.96**	**19,464.77**

Note-26
Other Income

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit on sale of property, plant and equipment	-	2.18
Interest from others	424.15	503.60
Interest from bank	86.46	80.65
Liabilities no longer required to pay written back	34.46	1.01
Other non-operating income	4.45	0.66
Total	**549.52**	**588.10**

Note-27
Cost of material consumed and project expenses

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Consumption of materials	4,332.29	4,642.52
Power and fuel	51.50	29.26
Repair and maintenance expense	4.65	0.77
Freight charges	119.10	348.70
Civil, electrical, contracting, labour work etc.	10,491.73	10,192.74
Electricity expenses	96.23	45.10
Insurance expenses	13.87	8.21
Security service charges	24.96	25.72
Sales, promotion and marketing expense	2.50	3.68
Value added tax	20.23	76.48
Service tax expenses	4.29	122.82
Welfare cess	57.92	119.66
Travelling expenses	13.83	0.55
Project interest and finance charges	64.09	27.52
Legal and professional expenses	48.28	37.56
Other direct expense	649.20	479.00
Total	**15,994.67**	**16,160.29**

Note-28
Changes in inventories of building material, land and work in progress

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening inventories		
Construction material on hand	180.26	152.56
Work in progress	1,626.88	1,366.44
Land and land development rights	4,192.29	4,191.16
	5,999.43	**5,710.16**
Closing inventories		
Construction material on hand	380.90	180.26
Work in progress	1,841.54	1,626.88
Land and land development rights	4,179.65	4,192.29
	6,402.09	**5,999.43**
Changes in inventories	**(402.66)**	**(289.27)**

Note-29
Employee benefit expense

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, allowances and bonus	434.98	319.55
Contribution to provident and other fund (refer note 34)	4.92	4.84
Gratuity expenses (refer note 34)	31.67	7.53
Leave encashment expenses (refer note 34)	31.40	10.43
Remuneration and perquisites to directors (refer note 33)	46.00	30.25
Employee benefit (ESOP) expenses (refer note 39)	42.61	47.25
Staff welfare expenses	0.43	2.79
Total	**592.01**	**422.64**

Note-30
Finance costs

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on borrowings		
- To banks & financial institution	1,119.02	914.65
- To others	52.29	22.32
	1,171.31	**936.97**
Less:- transfer to work-in-progress (inventories)	(200.49)	(198.55)
	970.82	**738.42**
Other borrowing costs		
- Bank charges	89.53	74.59
- Processing fees	49.46	77.17
Total	**1,109.81**	**890.18**

Note-31
Other expenses

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Legal and professional charges	206.62	172.41
Office rent (refer note 37)	10.70	13.48
Repairs and maintenance expenses	11.54	12.90
Insurance	12.73	15.15
Power and fuel expenses	33.04	46.29
Travelling and conveyance	31.45	32.91
CSR expenses	53.64	37.44
Printing and stationery	12.41	14.75
Rates and taxes	0.94	5.75
Payment to auditors (exclusive of service tax/GST)		
- Audit fees	8.25	1.42
- Tax audit fees	1.00	0.13
Loss on sale of property, plant and equipment	4.18	-

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Advertisement and business promotion expense	16.44	10.99
Provision for doubtful debts	35.77	-
Director's sitting fees (refer note 33)	0.58	0.30
Miscellaneous expenses	25.20	41.76
Total	**464.49**	**405.68**

Note-32
Earning per share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity share holders :		
Basic earnings (₹ in lakhs)	1,999.55	1,487.11
Adjusted for the effect of dilution (₹ in lakhs)	1,999.55	1,487.11
Weighted average number of equity shares for:		
Basic	39,36,62,034	39,33,92,700
Adjusted for the effect of dilution	39,36,62,034	39,33,92,700
Earning per share		
Basic (₹)	0.51	0.38
Diluted (₹)	0.51	0.38

Note-33
Related Party Transactions

(A) Joint venture :	Kent Residential and Industrial Park LLP
	Romanovia Industrial Park Private Limited
(B) Associate	Vyapnila Terminals (Modasa) Private Limited
(C) Enterprise in which Key Managerial Personnel have significant influence	Sambhaav Media Limited

Disclosure of transactions between the Company and Related Parties (Other than Key - managerial personnel)

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2018	31 March 2017
Rent paid		
Sambhaav Media Limited	10.49	9.36
Sale of land		
Romanovia Industrial Park Private Limited	-	60.71
Sales infrastructure project		
Kent Residential and Industrial Park LLP	51.48	1,184.21
Romanovia Industrial Park Private Limited	2,399.08	634.51
Sambhaav Media Limited (Including Service Tax/ GST)	41.24	63.31

(₹ in lakhs)

Particulars	Transaction Value	
	31 March 2018	31 March 2017
Loans and advances given		
Kent Residential and Industrial Park LLP	1,096.00	2,823.21
Romanovia Industrial Park Private Limited	3,997.10	3,419.41
Vyapnila Terminals (Modasa) Private Limited	123.86	-
Advertisement given		
Sambhaav Media Limited (Including Service Tax/ GST)	8.43	32.25
Interest received		
Kent Residential and Industrial Park LLP (Interest on capital)	1.69	1.03
Kent Residential and Industrial Park LLP	207.21	271.37
Romanovia Industrial Park Private Limited	314.55	214.64
Share of profit		
Kent Residential and Industrial Park LLP	19.03	4.51
Re-payment of loans and advances given		
Kent Residential and Industrial Park LLP	413.49	2,429.07
Romanovia Industrial Park Private Limited	4,138.47	2,854.59
Investment		
Vyapnila Terminals (Modasa) Private Limited	0.34	-
Expense reimbursement		
Kent Residential and Industrial Park LLP	13.15	0.29

Disclosure of transactions between the Company and Related Parties (Other than Key - managerial personnel) and the status of outstanding balances as at 31 March 2018

(₹ in lakhs)

Particulars	Outstanding Balance		
	31 March 2018	31 March 2017	1 April 2016
Rent Paid			
Sambhaav Media Limited	-	0.20	-
Joint ventures and associate			
Kent Residential and Industrial Park LLP	2,316.58	1,434.44	768.93
Romanovia Industrial Park Private Limited	1,969.18	1,827.45	1,045.62
Vyapnila Terminals (Modasa) Private Limited	123.86	-	-
Advertisement given			
Sambhaav Media Limited (Including Service Tax/ GST)	-	-	0.25
Rent deposit receivable			
Sambhaav Media Limited	0.96	0.96	0.96
Retention money receivable			
Romanovia Industrial Park Private Limited	89.75	-	-

Note: The transactions and outstanding balances with joint ventures and associate are before consolidation adjustments.

Disclosure of transactions between the Company and Key - managerial personnel and the status of outstanding balances as at 31st March, 2018

(₹ in lakhs)

Particulars	Transaction Value		
	31 March 2018	31 March 2017	1 April 2016
Share warrant application	-	590.63	-
Share allotment	-	157.50	-
Share premium	-	630.00	-
Short-term employee benefits	46.00	36.05	-
Director's sitting fees (refer note 31)	0.58	0.30	-
Post-employment benefits	39.33	17.69	-
Outstanding balance of guarantee obtained	8,790.72	68,012.20	9,328 .82

Note-34
Employee benefits

A. Defined benefit plans:

Gratuity

The Group operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and tenure of employment.The liability in respect of gratuity being defined benefit schemes, payable in future, are determined by actuarial valuation as on balance sheet date.

In activity of valuation for gratuity following assumptions were used:

Particulars	31 March 2018	31 March 2017	1 April 2016
Mortality rate	100.00%	100.00%	100.00%
Disability rate	0.00%	0.00%	0.00%
Withdrawal rate	"For attained age upto 30 years: 15%, For attained age above 30 upto 35 years: 10%, For attained age above 35 upto 45 years: 5%, For attained age above 45 upto 55 years: 3%, For attained age above 55 years: 1%"	1.00%	1.00%
Retirement age	58 Years	58 Years	58 Years
Discount rate	7.86%	7.50%	8.00%
Salary escalation	9.00%	5.00%	5.00%

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Group's consolidated financial statements as at 31 March 2018, 31 March 2017 and 1 April 2016:

The following tables set out status of gratuity plan under Indian Accounting Standard 19 on "Employee benefit". **(₹ in Lakhs)**

Particulars	31 March 2018	31 March 2017	1 April 2016
Changes in present value of defined benefit obligation			
Present value of defined benefit obligation as at the beginning of the year	45.50	23.13	19.02
Interest cost	3.41	1.85	1.52
Current service cost	28.26	7.11	5.49
Actuarial loss due to change in financial assumptions	19.48	1.92	-
Actuarial (gain) due to change in demographic assumptions	(1.48)	-	-
Actuarial loss/(gain) due to experience adjustments	(3.51)	11.50	(2.91)
Present value of defined benefit obligation as at the end of the year	**91.65**	**45.50**	**23.12**
Amount recognised in the balance sheet			
Fair value of plan assets as at the end of the year	-	-	-
Present value of defined benefit obligaiton as at the end of the year	91.65	45.50	23.12
Net obligation as at end of year	**91.65**	**45.50**	**23.12**

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Non current	59.02	42.73	20.81
Current	32.63	2.77	2.31
Expenses recognised in the statement of profit and loss under the head Employee benefit expenses			
Service cost	28.26	1.50	-
Interest cost	3.41	6.02	-
Net expense recognised in employee benefit expenses	**31.67**	**7.52**	**-**
Expenses recognised in other comprehensive income for the year			
Remeasurment due to:			
Acturial loss on obligations - due to change in financial assumptions	19.48	1.92	-
Acturial (gain) on obligations - due to change in demographic assumptions	(1.48)	-	-
Acturial loss/(gain) on obligations - due to experience adjustments	(3.51)	11.50	-
Net expense recognised in other comprehensive income	**14.49**	**13.42**	**-**

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Sensitivity analysis				
Discount rate (1% movement)	(4.90)	5.71	(3.70)	4.38
Salary growth rate (1% movement)	16.55	3.29	3.91	(3.64)
Withdrawal rate (1% movement)	0.62	5.71	0.81	(0.97)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

Expected future cash flows:

The expected future cash flows in respect of gratuity as at balance sheet date will be as follows:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
1st following year	32.63	2.77
2nd following year	3.06	17.25
3rd following year	2.52	0.54
4th following year	2.99	0.91
5th following year	2.82	0.66
Sum of years 6 to 10	33.84	16.29

B. **Other long term employee benefits**

Compensated absences

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the edmployees at the year end. The value of such leave balances that are eligible for carry forward is determined by an acturial valuation as at the end of the year and acturial gains and losses are charged to the statement of profit and loss. Amount of ₹31.40 lakhs (31 March 2017: ₹ 10.43 lakhs) towards leave benefits is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss.

Acturial assumptions

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
Discount rate	7.86%	7.50%
Salary growth rate	9.00%	5.00%
Withdrawal rates	For attained age upto 30 years: 15%, For attained age above 30 upto 35 years: 10%, For attained age above 35 upto 45 years: 5%, For attained age above 45 upto 55 years: 3%, For attained age above 55 years: 1%	1.00%

C. **Defined contribution**

Contribution to provident fund and employee state insurance contribution

Amount of ₹ 4.92 lakhs (31 March 2017: ₹ 4.84 lakhs) paid towards contribution to provident funds (including administration charges) and Employee state insurance contribution is recognised as an expense and included in "Employee benefits expense" in the Statement of Profit and Loss.

Note-35

Operating Segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Managing Director (CMD) to make decisions about resources to be allocated to the segments and assess their performance. The group operations fall under single segment namely "Infrastructure Business", taking into account the risks and returns, the group structure and the internal reporting systems. Board of Directors are Chief Operating Decision Maker (CODM) of the Group. Further there are no export sales and hence there is not reportable secondary segment. All assets are located in the group's country of domicile

Note-36

Contingent liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax demands for A. Y. 2009 - 10 matter before Gujarat high court - Ahmedabad	2.77	-	-
Income tax demands for A. Y. 2011 - 12 matter before ITAT - Ahmedabad	75.94	75.94	75.94

Note-37

Operating Lease

A. **Leases as lessor**

The group significant lease arrangements are in respect of lease for building. These leasing arrangements are cancellable by mutual consent after lock-in-period. The aggregate lease rental income of ₹ 299.84 lakhs is accounted in the Statement of Profit and Loss (refer note 25)

The future minimum lease payments under non-cancellable operating leases are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Not later than one year	-	29.55
Later than one year and not later than five years	-	-
Later than five years	-	-

There are no contingent rents which are recognised in Profit and Loss

B. **Leases as lessee**

The Group has taken office premises on lease. The terms of lease includes terms of renewals, increase in rent in future periods, terms of cancellation, etc. The agreement is executed for a period of 3 years with a renewable clause and also provide for termination at will by either party giving a prior notice of 3 months at any time during the lease term.

Lease rental expense debited to statement of profit and loss is ₹ 10.70 lakhs (31 March 2017: ₹ 13.48 lakhs).

Note-38

Disclosure pursuant to Indian Accounting Standard (Ind AS)- 11 "Construction Contract"

(₹ in lakhs)

Particulars	31 March 2018	31 March 2017
For ongoing and completed projects during the year		
Contract revenue recognised during the year	19,906.09	19,158.70
For ongoing projects at the year end		
Gross amount due from customers for contract work	2,234.30	962.11
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up-to the Balance sheet date for all contracts in progress as at that date	21,861.42	34,878.98
Amount of customer advances outstanding for contracts in progress as at Balance Sheet date	1,069.34	2,787.19
Retention amounts due from customers for contract in progress	819.50	964.89

Note-39

Employee stock option plan

Nila Infrastructures Limited ESOP-2014

Under the scheme, the Parent Company had granted 11,000,000 and 2,580,000 equity - settled options to the employees on 28 November 2014 and 8 February 2016 respectively. The ESOP scheme included tenure and trade performance based option awards. However, having analyzing the compensation cost vis a vis benefits and due to corporate restructuring, the Board of Directors in the meeting held on 13 February 2018, decided to terminate the scheme and to cancel all the outstanding, vested and unvested stock options held by the employees as at 27 November 2017.

Detail of the scheme is given in the below table:

Scheme	Nila Infrastructures Limited ESOP - 2014	
Date of Grant	28 November 2014	8 February 2016
No. of options granted	110.00	25.80
Exercise price per option	6.64	11.85
Vesting period	1 to 5 years	3 to 5 years
Fair value of the options:		
Options to be vested within 1 year	0.93	Nil
Options to be vested within 2 year	1.15	Nil
Options to be vested within 3 year	1.24	2.21
Options to be vested within 4 year	1.26	2.26
Options to be vested within 5 year	1.26	2.24
Exercise Period	Within 3 years from the date of vesting	

The following table sets forth a summary of the activity of options: (₹ in Lakhs)

Particulars	2017 - 18	2016 - 17
Options Outstanding at start of the year	14.20	14.20
Options granted during the year	NIL	NIL
Options not vested at the start of the year	116.64	129.94
Options Lapsed during the year on account of non-exercise of option	NIL	NIL
Options exercised during the year	4.97	6.67
Options vested but not exercised at the end of the year	-	12.50
Options not vested at the end of the year	-	116.64
Total Options Granted	135.80	135.80
Weighted Average Exercise Price Per Option	7.63	7.63

Note-40

Financial Instruments - Fair Value And Risk Measurements

A. Accounting classification and fair values

The carrying amounts and fair values of financial instruments by class are as follows:- (₹ in Lakhs)

As at 31 March 2018	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial asset								
Loan								
- Non-current	-	-	5,068.55	5,068.55	-	-	-	-
- Current	-	-	1,229.89	1,229.89	-	-	-	-
Investment (note a)	-	-	0.13	0.13	-	-	-	-
Trade receivables	-	-	3,474.46	3,474.46	-	-	-	-
Cash and cash equivalents	-	-	133.34	133.34	-	-	-	-
Other bank balance	-	-	524.16	524.16	-	-	-	-
Other financial assets				-				
- Non-current	-	-	761.26	761.26	-	-	-	-
- Current	-	-	2,562.71	2,562.71	-	-	-	-
			13,754.50	**13,754.50**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

As at 31 March 2018	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial liabilities								
Borrowings								
- Non-current	-	-	6,074.76	6,074.76	-	-	-	-
- Current	-	-	663.34	663.34	-	-	-	-
Trade payables	-	-	4,092.26	4,092.26	-	-	-	-
Other financial liabilities								
- Non-current	-	-	90.61	90.61	-	-	-	-
- Current	-	-	3,725.87	3,725.87	-	-	-	-
	-	**-**	**14,646.83**	**14,646.83**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

As at 31 March 2017	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial asset								
Loan								
- Non-current	-	-	3,480.99	3,480.99	-	-	-	-
- Current	-	-	675.11	675.11	-	-	-	-
Investment (note a)	-	-	0.12	0.12	-	-	-	-
Trade receivables	-	-	3,002.19	3,002.19	-	-	-	-
Cash and cash equivalents	-	-	275.23	275.23	-	-	-	-
Other bank balance	-	-	449.50	449.50	-	-	-	-
Other financial assets								
- Non-current	-	-	1,214.61	1,214.61	-	-	-	-
- Current	-	-	1,000.50	1,000.50	-	-	-	-
	-	**-**	**10,098.25**	**10,098.25**	**-**	**-**	**-**	**-**
Financial liabilities								
Borrowings								
- Non-current	-	-	5,793.29	5,793.29	-	-	-	-
- Current	-	-	550.05	550.05	-	-	-	-
Trade payables	-	-	2,544.72	2,544.72	-	-	-	-
Other financial liabilities				-				
- Non-current	-	-	373.88	373.88	-	-	-	-
- Current	-	-	1,686.85	1,686.85	-	-	-	-
	-	**-**	**10,948.79**	**10,948.79**	**-**	**-**	**-**	**-**

(₹ in Lakhs)

As at 1 April 2016	Carrying amount				Fair value			Total
	Fair Value Through Profit and Loss	Fair Value through Other Comprehensive Income	Amortized Cost*	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial asset								
Loan								
- Non-current	-	-	1,951.34	1,951.34	-	-	-	-
- Current	-	-	157.80	157.80	-	-	-	-
Investment (note a)	0.53	-	0.11	0.64	0.53	-	-	0.53
Trade receivables	-	-	580.33	580.33	-	-	-	-
Cash and cash equivalents	-	-	87.76	87.76	-	-	-	-
Other bank balance	-	-	223.05	223.05	-	-	-	-
Other financial assets								-
- Non-current	-	-	1,513.19	1,513.19	-	-	-	-
- Current	-	-	1,763.38	1,763.38	-	-	-	-
	0.53	**-**	**6,276.96**	**6,277.49**	**0.53**	**-**	**-**	**0.53**
Financial liabilities								
Borrowings								
- Non-current	-	-	8,591.46	8,591.46	-	-	-	-
- Current	-	-	490.94	490.94	-	-	-	-
Trade payables	-	-	1,751.66	1,751.66	-	-	-	-
Other financial liabilities				-				
- Non-current	-	-	525.60	525.60	-	-	-	-
- Current	-	-	1,496.35	1,496.35	-	-	-	-
	-	**-**	**12,856.01**	**12,856.01**	**-**	**-**	**-**	**-**

* Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Note a: The group has opted to measure its investments in subsidiaries, joint ventures and associate at deemed cost, i.e. previous GAAP carrying amount, except for its investment in one of the joint venture - Romanovia Industrial Park Private Limited, which has been measured at fair value at the date of transition. If an entity chooses to measure its investment at fair value at the date of transition than that is deemed cost of such investment for the Company and, therefore, it shall carry its investment in at that amount (i.e. fair value at the date of transition) after the date of transition. Since these are scope out of Ind AS 109 for the purpose of measurement, the same have not been disclosed in the tables above.

Fair value hierarchy

The fair value of financial instruments as referred above have been classified into three categories depending on the inputs used in valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I measurements) and lowest priority to unobservable inputs (Level III measurments).

The categories used are as follows:-

Input Level I (Directly Observable) : which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges.

Input Level II (Indirectly Observable) : which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses, etc.

Input Level III (Unobservable): which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business, etc.

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The fair value of the investment in quoted investment in equity shares is based on the current bid price of investment at balancesheet date

ii) Transfers between Levels I and II

There has been no transfer in between Level I and Level II

iii) Level III fair values

There are no items in Level III fair values.

C. Financial risk management

The group has a well-defined risk management framework. The Board of Directors of the group has adopted a Risk Management Policy. The group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk and
- Interest risk ;

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors evaluate and exercise independent control over the entire process of risk management. The board also recommends risk management objectives and policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group activities. The group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(i) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the group. The potential activities where credit risks may arise include from cash and cash equivalents and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the group along with relevant mitigation procedures adopted have been enumerated below:

Trade and Other Receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. As per group's policy only well established institution/corporates are approved as counter parties. Exposure per counter party is continuously monitored.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The group reviews the receivables in light of their historical payment patterns and adjusts the same to estimate the expected loss on account of credit worthiness of the customer or delay in payments leading to loss of time value of money.

The group does not have any concentration of credit risk as the customers / dealers are widely dispersed. Receivables from any single customer / dealer does not exceed 10% of the total sales.

Impairment

As at the end of the reporting periods, the ageing of trade and other receivables that were not impaired was as follows:

Age of receivables (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Not Due	722.92	497.94	218.70
0-3 Months	1,697.15	2,248.70	47.79
3-6 Months	431.72	33.46	8.90
6-12 Months	333.63	61.70	268.93
1-3 years	234.80	151.19	36.01
→ 3 years	54.23	9.20	-

The above receivables which are past due but not impaired are assessed on case-to-case basis. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired.

The movement in the provision for doutbful debts in respect of trade receivables during the year was as follows:-

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening balance	-	-	-
Add:- Provision for doubtful debt recognised	35.77	-	-
Closing balance	35.77	-	-

Cash and bank balances

The Company is also exposed to credit risks arising on cash and cash equivalents and term deposits with banks. The Company believes that its credit risk in respect to cash and cash equivalents and term deposits is insignificant as funds are invested in term deposits at pre-determined interest rates for specified period of time. For cash and cash equivalents and other bank balances, only high rated banks are accepted.

Other financial assets

Other financial assets includes loan to employees and related parties, security deposits, cash and cash equivalents, other bank balance, etc. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counter parties are group companies, banks. Banks have high credit ratings assigned by the international credit rating agencies.

(ii) Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. In addition to the group's own liquidity, it enjoys credit facilities with the reputed bank and financial institutions.

Management monitors the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The group's liquidity management policy involves periodic reviews of cash flow projections and considering the level of liquid assets necessary, monitoring balance sheet, liquidity ratios against internal and external regulatory requirements.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)

31 March 2018	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	6,074.76	-	-	3,836.56	1,923.06	315.13
- Current	663.34	-	663.34	-	-	-
Trade payables	4,092.26	-	4,092.26	-	-	-
Other financial liabilities						
- Non-current	90.61	90.61	-	-	-	-
- Current	3,725.87	-	1,612.64	2,113.23	-	-

31 March 2017	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	5,793.29	-	-	3,132.04	2,640.62	20.63
- Current	550.05	-	550.05	-	-	-
Trade payables	2,544.73	-	2,544.73	-	-	-
Other financial liabilities						
- Non-current	373.88	373.88	-	-	-	-
- Current	1,686.85	-	1,686.85	-	-	-

1 April 2016	Carrying amount	Contractual maturities				
		Not Due	Less than 12 months	1-2 years	2-5 years	More than 5 years
Borrowings						
- Non-current	8,591.46	-	-	3,170.13	3,449.82	1,971.51
- Current	490.94	-	490.94	-	-	-
Trade payables	1,751.66	-	1,751.66	-	-	-
Other financial liabilities						
- Non-current	525.60	525.60	-	-	-	-
- Current	1,496.35	-	1,496.35	-	-	-

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and debt. The group does not have any transactions in foreign currency. And accordingly, group does not have currency risk.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's liquidity and borrowing are managed by professional at senior management level. The interest rate exposure of the Group is reduced by matching the duration of investments and borrowings. The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed-rate instrument			
Financial Asset	4,409.62	3,261.89	1,847.52
Financial Liability			
Floating-rate instrument			
Financial Asset			
Financial Liability	10,292.38	7,859.98	10,419.17

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(₹ in Lakhs)

Particulars	Increase on profit/(loss) after tax
31-Mar-18	
Increase in 100 basis point	(102.93)
Decrease in 100 basis point	102.91
31-Mar-17	
Increase in 100 basis point	(78.61)
Decrease in 100 basis point	78.59
01-Apr-16	
Increase in 100 basis point	(104.20)
Decrease in 100 basis point	104.18

Note-41
Capital management

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The group monitors capital using a ratio of 'Debt' to 'Equity'. For this purpose, 'Debt' is meant to include long-term borrowings, short-term borrowings and current maturities of long-term borrowings. 'Equity' comprises all components of equity. The group's debt to equity ratio as at the end of the reporting periods are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total Debt	10,292.37	7,859.98	10,419.18
Less : Cash and bank balances	133.34	275.23	87.76
Adjusted net debt	**10,159.03**	**7,584.74**	**10,331.42**
Total equity	**10,331.15**	**5,874.71**	**3,980.48**
Debt to equity (net)	**0.98**	**1.29**	**2.60**

Note-42

Demerger of Nila Infrastructures Limited:

Pursuant to the approval of the Honorable National Company Law Tribunal ('NCLT') vide order dated 9 May 2018 to the Scheme of Arrangement ("the Scheme") under section 230-233 and other provisions of the Companies Act, 2013, the assets and liabilities pertaining to real estate undertaking of the Company, were transferred to and vested in the Nila Spaces Limited ('wholly owned subsidiary of the Company') with effect from the appointed date viz., 1 April 2017 in accordance with the Scheme so sanctioned. The Scheme has been filed with Registrar of the Companies ('ROC') on 11 May 2018 and has, accordingly, been given effect in these financials statements.

Following is the accounting treatment made in the books of the Demerged Company i.e. Nila Infrastructures Limited pursuant to the approved Scheme and in accordance with applicable accounting standard.

1) The assets and liabilities pertaining to the Real Estate Undertaking of the Demerged Company being transferred to Nila Spaces Limited, at book value as on the Appointed Date since the shareholders before and after the scheme remain unchanged.
2) Upon the Scheme being effective, the inter-company balances, if any, appearing in the books of accounts of the Demerged Company pertaining to the Real Estate Undertaking and the Resulting Company shall stand cancelled.
3) The aggregate of excess assets over the liabilities of the Real Estate Undertaking transferred to the Resulting Company and the cancellation of the equity shares held by the Demerged Company in the paid-up share capital of the Resulting Company, shall be debited to equity in the sequence as mentioned in the approved scheme and hence the differential amount of ₹ 13,665.63 lakhs as at 1 April 2016 and ₹ 14,454.62 lakhs as at 31 March 2017, has been debited in securities premium and the surplus in profit and loss account respectively of the Demerged Company.
4) The financial information in respect of prior periods have been restated as if the scheme has been given effect from the beginning of the preceding period in the financial statements, irrespective of the actual date as per the requirement of applicable accounting standard.

The assets and liabilities of the real estate undertakings as on respective dates are as follows:

(₹ in Lakhs)

Particulars	Real Estate Business	
	As at 31 March 2018	As at 31 March 2017
Assets		
1 Non-current assets		
(a) Investment in joint venture and associate	2,556.70	2,176.27
(b) Financial assets		
(i) Loans	0.32	169.74
Total non current assets	**2,557.02**	**2,346.01**
Current assets		
(a) Inventories	8,220.36	7,609.09
(b) Financial assets	-	-
(i) Trade receivables	235.06	1,650.05
(ii) Loans	5,834.91	6,080.00
(c) Other current assets	1,853.67	1,938.36
Total current assets	**16,144.00**	**17,277.50**
Total assets	**18,701.02**	**19,623.51**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	6,584.03	4,515.99
(ii) Other financial liabilities	1.84	1.84
Total non current liabilities	**6,585.87**	**4,517.83**

(₹ in Lakhs)

Particulars	Real Estate Business	
	As at 31 March 2018	As at 31 March 2017
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	305.45	392.83
(ii) Other financial liabilities	128.83	564.90
(b) Other current liabilities	134.34	482.32
Total current liabilities	**568.62**	**1,440.05**
Total liabilities	**7,154.49**	**5,957.88**
Net assets over liabilities transferred	**(11,546.53)**	**(13,665.63)**

Reconciliation of amount due to Nila Spaces Limited on 31 March 2017

(₹ in Lakhs)

Particulars	Amount
Excess of assets transferred over liabilities as at 1 April 2016	13,665.63
Add : Profit for the year transferred to Nila Spaces Limited	788.99
	14,454.62
Less : Excess of assets transferred over liabilities as at 31 March 2017	11,546.53
Amount due to Nila Spaces Limited (refer note 23)	**2,908.09**

*Investment in subsidiary, associate and a joint venture

Investment in following entities are transferred to Nila Spaces Limited on account of Scheme of Demerger:

(₹ in Lakhs)

Name of the entity	As at 31 March 2017	As at 1 April 2016
Fangadi Land Developers LLP - Joint venture	205.10	205.10
Nila Projects LLP - Joint venture	1,977.73	1,741.04
Nilsan Realty LLP - Joint venture	151.81	8.07
Megacity Cinemalls Pvt. Ltd. - Associate	222.06	222.06
Total	**2,556.70**	**2,176.27**

Note-43

Transition to Ind AS

The group has adopted Ind AS with effect from 1 April 2016 being the transition date (""transition date""). These financial statements, for the year ended 31 March 2018, are the first the group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the group prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April, 2016.

In preparing the opening Ind AS balance sheet, the group has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, estimates previously made under IGAAP have not been revised.

Exemption Applied

Mandatory Exceptions

Estimates:

An estimates in accordance with Ind ASs at the transition date to Ind AS and end of the comparative period shall be consistent with estimates made Under the Previous GAAP unless there is objective evidence that those estimates were in error. Accordingly, the group's Ind AS estimates as on the transition date as well as end of the comparative period are consistent with the estimates made Under the Previous GAAP on the respective dates.

Classification and measurement of financial assets:

Ind AS 101 requires a group to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Optional Exemptions

Deemed cost for property, plant and equipment (PPE), intangible assets and investment properties

Ind AS 101 permits a first-time adopter to elect to continue with the previous GAAP carrying value for all of its property, plant and equipment as recognised in the financial statements as at the transition date to Ind AS and use that as the deemed cost after making necessary adjustments for de-commissioning liabilities (if any). This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the group has elected to carry forward the IGAAP carrying value of all its property, plant and equipment and investment properties as the deemed cost on transition to Ind AS.

Deemed cost for Investment in subsidiaries, associate and arrangements

Ind AS 101 permits a first time adopter to determine the value of investments in subsidiaries, associate and joint arrangement as either of the below:

(i) Cost determined in accordance with Ind AS 27 (i.e. retrospective application of Ind AS 27)

(ii) Fair Value at the entity's date of transition to Ind AS

(iii) Previous GAAP carrying amount

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

If an entity chooses to measure its investment at fair value at the date of transition than that is deemed cost of such investment for the group and, therefore, it shall carry its investment in at that amount (i.e. fair value at the date of transition) after the date of transition.

Accordingly, the group has opted to measure its investments in subsidiaries, joint ventures and associates at deemed cost, i.e. previous GAAP carrying amount, except for its investment in joint venture - Romanovia Industrial Park Private Limited, which has been measured at fair value at the date of transition.

Business Combination

Ind AS 101 permits an entity to apply the requirements of Ind AS 103 - Business combinations (Ind AS 103) prospectively from the transition date or opt for retrospective application of Ind AS 103. Retrospective application could be either done since inception or from a date determined by the management.

Accordingly, the Group has elected not to restate past business combinations with an acquisition date prior to the transition date. However, any consequential deferred tax adjustments as required by Ind AS have been duly considered.

Employees Stock Option Plan

Ind AS 101 permits first time adopter not to apply Ind AS 102 retrospectively to the equity instrument that are vested before the date of transition to Ind AS.

Accordingly, the group has elected not to apply Ind AS 102, to the options that are vested before transition date.

Reconiliation of Equity as at the date of transition **(₹ in Lakhs)**

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	R10 & R12	3,335.25	(2,600.76)	734.49
(c) Investment properties	R10	-	2,600.76	2,600.76
(d) Intangible assets under development			82.77	82.77
(e) Investment in joint venture and associate	R9	1.00	1,119.27	1,120.27
(f) Financial assets				
(i) Investments	R7	1.86	(1.22)	0.64
(ii) Loans		1,184.16	767.18	1,951.34
(iii) Other financial assets	R10	1,513.93	(0.75)	1,513.18
(h) Other non-current assets	R5 & R12	-	9.89	9.89
(i) Other tax assets (net)		8.65	-	8.65
Total non-current assets		**6,044.85**	**1,977.14**	**8,021.99**

(₹ in Lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
Current assets				
(a) Inventories	R12	5,731.35	(21.20)	5,710.16
(b) Financial assets				
(i) Trade receivables	R6 & R12	605.75	(25.42)	580.33
(ii) Cash and cash equivalents	R12	89.56	(1.80)	87.76
(iii) Bank balances other than (iii) above		223.05	-	223.05
(iv) Loans		816.42	(658.62)	157.80
(v) Others financial assets	R10	1,762.63	0.75	1,763.38
(d) Other current assets	R5	1,678.24	5.87	1,684.11
Total current assets		**10,907.00**	**(700.42)**	**10,206.59**
Total assets		**16,951.85**	**1,276.71**	**18,228.58**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		3,702.26		3,702.26
(b) Other equity		(367.43)	645.64	278.22
Total equity		**3,334.83**	**645.64**	**3,980.48**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	R2 & R12	8,514.04	77.41	8,591.46
(ii) Other financial liabilities	R6	624.35	(98.76)	525.60
(b) Provisions		32.92	-	32.92
(c) Deferred tax liabilities (Net)	R11	(17.19)	1,084.03	1,066.84
Total non-current liabilities		**9,154.12**	**1,062.68**	**10,216.82**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	R12	490.94	-	490.94
(ii) Trade payables		1,751.76	(0.10)	1,751.66
(iii) Other financial liabilities	R2 & R6	1,436.68	59.67	1,496.35
(b) Other current liabilities	R6 & R12	174.34	0.87	175.21
(c) Provisions	R1 & R12	498.40	(492.05)	6.35
(d) Current tax liabilities (net)		110.77	-	110.77
Total current liabilities		**4,462.89**	**(431.61)**	**4,031.28**
Total liabilities		**13,617.03**	**631.07**	**14,248.10**
Total equity and liabilities		**16,951.87**	**1,276.72**	**18,228.58**

*The previous GAAP figures have been reclassified to confirm Ind AS presentation requirements for the purpose of this note. Further, Previous GAAP figures are after taking into impact on account of scheme of arrangement. (refer note 42 for more details)

Reconiliation of equity as at 31 March 2017

(₹ in Lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	R10 & R12	3,629.57	(2,713.58)	915.99
(c) Investment properties	R10	-	2,546.65	2,546.65
(d) Intangible assets under development		-	2,229.69	2,229.69
(e) Investment in joint ventures and associate	R9	3.56	954.77	958.33
(f) Financial assets		-	-	-
(i) Investments	R7	0.12	-	0.12
(ii) Loans		2,765.34	715.65	3,480.99
(iii) Other financial assets	R10	1,214.61	-	1,214.61
(h) Other non-current assets	R5 & R12		6.37	6.37
(i) Other tax assets (net)		10.46	(0.00)	10.46
Total non-current assets		**7,623.66**	**3,739.55**	**11,363.21**
Current assets				
(a) Inventories	R12	6,589.14	(589.72)	5,999.43
(b) Financial assets		-	-	-
(i) Trade receivables	R6 & R12	3,236.35	(234.16)	3,002.19
(ii) Cash and cash equivalents	R12	285.79	(10.56)	275.23
(iii) Bank balances other than (ii) above		449.50	-	449.50
(iv) Loans		1,274.88	(599.77)	675.11
(v) Others financial assets	R10	1,000.50	-	1,000.50
(d) Other current assets	R5	2,297.51	(972.88)	1,324.62
Total current assets		**15,133.67**	**(2,407.09)**	**12,726.58**
Total assets		**22,757.33**	**1,332.46**	**24,089.79**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		3,933.93		3,933.93
(b) Other Equity		1,588.49	352.29	1,940.78
Total equity		**5,522.42**	**352.29**	**5,874.71**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	R2 & R12	7,539.03	(1,745.73)	5,793.29
(ii) Other financial liabilities	R6	472.03	(98.15)	373.88
(b) Provisions		62.49	-	62.49
(c) Deferred tax liabilities (net)	R11	(31.37)	1,139.42	1,108.05
Total non-current liabilities		**8,042.17**	**(704.46)**	**7,337.71**

(₹ in Lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	R12	550.05	-	550.05
(ii) Trade payables		2,562.63	(17.91)	2,544.72
(iii) Other financial liabilities	R2 & R6	1,658.72	28.13	1,686.85
(b) Other current liabilities	R6 & R12	4,244.00	1,671.10	5,915.10
(c) Provisions	R1 & R12	8.27	3.31	11.58
(d) Current tax liabilities (net)		169.07	-	169.07
Total current liabilities		**9,192.74**	**1,684.63**	**10,877.37**
Total liabilities		**17,234.91**	**980.17**	**18,215.08**
Total equity and liabilities		**22,757.33**	**1,332.46**	**24,089.79**

*The previous GAAP figures have been reclassified to conform Ind AS presentation requirements for the purpose of this note. Further, Previous GAAP figures are after taking into impact on account of scheme of arrangement. (refer note 42 for more details)

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Note	Previous GAAP*	Adjustment	Ind AS
Income				
Revenue from operations	R8, R5 & R12	18,990.47	474.30	19,464.77
Other income	R7	770.83	(182.73)	588.10
Total income		**19,761.30**	**291.57**	**20,052.87**
Expenses				
Cost of material consumed and project expenses		16,032.94	127.35	16,160.29
Changes in inventories of building material, land and work in progress		(289.27)	-	(289.27)
Employee benefits expenses	R3, R4 & R12	387.90	34.75	422.64
Finance costs	R2, R6 & R12	943.84	(53.66)	890.18
Depreciation	R12	173.86	(12.21)	161.64
Other expenses	R12	409.58	(3.91)	405.67
Total expenses		**17,658.85**	**92.31**	**17,751.16**
Profit before share in profit of joint ventures and associate and tax		**2,102.45**	**199.26**	**2,301.71**
Share in profit of joint ventures and associate (net of tax)			15.67	15.67
Profit before tax		**2,102.45**	**214.92**	**2,317.38**
Tax expense:				
Current tax		786.73	(2.29)	784.44
Adjustments of tax for earlier years		-	-	-
Deferred tax		(14.18)	60.03	45.84
Profit for the year		**1,329.91**	**157.19**	**1,487.10**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of post-employement benefit obligation	R4	-	(13.42)	(13.42)
Income tax relating to these items		-	4.64	4.64
Other comprehensive income for the year, net of tax		**-**	**(8.78)**	**(8.78)**
Total comprehensive income for the period		**1,329.91**	**148.41**	**1,478.32**

* The previous GAAP figures have been reclassified to conform Ind AS presentation requirements for the purpose of this note. Further, Previous GAAP figures are after taking into impact on account of scheme of arrangement. (refer note 42 for more details)

Reconciliation of total equity as at 31 March 2017 and 1 April 2016 (₹ in Lakhs)

Particulars	Note	As at 1 April 2016	As at 31 March 2017
Total equity (Shareholder's funds) under previous GAAP		3,334.84	5,522.42
Entities accounted under equity method		(139.27)	(141.27)
Proposed Dividend	R1	490.16	
Transaction cost for loans and borrowings	R2	56.65	45.13
Straight Lining of Rent	R5	15.96	13.02
Discounting of security deposit for leases	R6	(1.16)	(0.55)
Change in Revenue recognition policy in line with Ind AS	R8	57.35	325.38
Fair valuation of Investment in Joint venture	R9	1,250.00	1,250.00
Deferred tax	R11	(1,084.05)	(1,139.42)
Total equity (Shareholder's funds) as per Ind AS		**3,980.48**	**5,874.71**

Reconciliation of total comprehensive income for the year ended 31 March 2017 (₹ in Lakhs)

Particulars	Note	31 March 2017
Net profit after tax for the year ended 31 March 2017 as per previous GAAP		**1,329.91**
Entities accounted under equity method	R1	(2.00)
Transaction cost for loans and borrowings	R2	(11.51)
Fair value of Investments other than investments in subsidiaries, associate and joint venture	R7	1.22
Straight Lining of Rent	R5	(2.94)
Discounting of security deposit for leases	R6	(0.60)
Acturial Gain & Loss of Gratuity reduce from expense		13.42
Change in Revenue recognition policy in line with Ind AS	R8	267.79
Employee Benefit Expenses	R3 & R4	(48.17)
Deferred tax impact on account of Ind AS	R11	(60.01)
Net profit before other comprehensive income for the year ended 31 March 2017 as per Ind AS		**1,487.09**
Acturial loss on employee benefit obligations		(13.42)
Deferred tax on Ind AS adjustments through other comprehensive income		4.64
Total other comprehensive income (net of tax)		**(8.78)**
Total comprehensive income (net of tax)		**1,478.31**

Cash flow statement

No significant effect on cash flow.

Notes to reconciliation:

R1 Proposed Dividend

Under previous GAAP, proposed dividends and related dividend distribution tax was recognised as a provision in the year to which they relate, irrespective of when they are declared. Under Ind AS, dividends and related dividend distribution tax are recognised as a liability in the year in which it is approved by the shareholders in the Annual General Meeting of the Company. Accordingly, the liability of proposed dividend of ₹ 490.16 lakhs (including tax on proposed dividend) included under provision has been reversed as at 1 April 2016. This has resulted in increase of equity by ₹ 490.16 lakhs.

R2 Transaction cost for loans and borrowings

Under the previous GAAP, transaction costs incurred in connection with interest bearing loans and borrowings were charged to profit or loss when incurred. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest rate method. This has resulted in increase of equity by ₹ 56.64 lakhs and ₹ 45.13 lakhs on 1 April 2016 and 31 March 2017 respectively.

R3 Fair valuation of Employee's Stock Option Plan

Under the previous GAAP, the cost of equity-settled employee shares-based plan were recognised using the intrinsic method. Under Ind AS, the cost of equity-settled share based payment plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share based payment reserve account increased by ₹ 185.30 lakhs and ₹ 184.38 lakhs as at 1 April 2016 and 31 March 2017. The profit for the year ended 31 March 2017 was decreased by ₹ 48.17 lakhs.

R4 Remeasurement of Defined Employee Benefit Plan

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year. However there is no total impact on equity.

R5 Staraightlining of Lease Rentals

Under previous GAAP, lease rental income is required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease rental income which is structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as income in line with its contractual term. However, as the structured increase in lease rentals are different than general inflation, it has resulted in increase in equity by ₹15.96 lakhs and ₹13.02 lakhs as at 1 April 2016 and 31 March 2017 respectively.

R6 Discounting of security deposit for leases

Under Previous GAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent income under 'other operating revenue'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest. This has resulted in decrease of equity by ₹ 1.16 Lakhs and ₹ 0.55 Lakhs as at 1 April 2016 and 31 March 2017 respectively.

R7 Fair value of Investments other than investments in subsidiaries, associate and joint venture

Under the Previous GAAP, investments in equity shares of entities not consolidated were classified as longterm investments measured at cost less provision for other than temporary diminution in the value. Under Ind AS, these investments have been fair valued through the statement of profit or loss. This has decreased the equity by ₹ 1.22 lakhs as at 1 April 2016.

R8 Change in Revenue recognition policy in line with Ind AS

Under Ind AS, contract revenue with respect to public private partnership arrangement for development of slum areas is recognised at fair value of the consideration received or receivables with a corresponding effect in to Land Rights and Transferrable Development Rights.

R9 Fair valuation of Investment in Joint venture

The Group has elected to measure investment in equity shares of Romanovia Industrial Park Private Limited at the date of transition at its fair value and use that fair value as its deemed cost as at that date. Accordingly investments in equity shares of joint venture has increased by ₹ 1,250 lakhs as at 1 April 2016 and 31 March 2017

R10 Other Miscellaneous Adjustments not having an impact on equity

a Building in the nature of investment property as defined under Ind AS 40 - Investment Property has been disclosed separately in the Standalone Balance Sheet

b Loans and Advances to related parties which are repayable on demand have been disclosed in current loans and advances.

R11 Deferred tax

(₹ in Lakhs)

Particulars	Note	As at 31 March 2017	As at 1 April 2016
Transaction cost for loans and borrowings	R2	15.62	19.60
Straight lining of rent	R5	4.30	5.52
Discounting of security deposit for leases	R6	0.02	0.02
Re-measurement of employee benefit		(4.64)	-
Deferred tax liability on depreciation		864.14	830.04
Land fair valuation		112.53	19.85
Fair valuation of investment in joint venture	R9	257.50	257.50
Entities accounted under equity method		(110.05)	(48.48)
Total		**1,139.42**	**1,084.05**

R12 First time adoption for consolidation of Joint Venture

Under previous GAAP, Kent residential and Industrial Park LLP was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under IndAS, Kent residential and industrial park LLP has been classified as a joint venture and accounted for using the equity method. The parties to the arrangement do not have direct rights to the assets and liabiities of Kent residential and Industrial Park LLP

For the purposes of applying the equity method, the investment in Kent residential and industrial park LLP at the date of transition has been measured as the aggregate of the carrying amounts of the assets and liabilitites that the group had previously proportionately consolidated. An impariment assessment has been performed as at 1 April 2016 and no impairment provision is considered necessary (i). The following assets and liabilities of Kent Residential and Industrial Park LLP were previously proportionately consolidated under previous GAAP

(₹ in Lakhs)

Particulars	Proportionate share of assets and liabilities	
	As at 31 March 2018	As at 31 March 2017
Non current assets		
Property, plant and equipment	166.93	-
Other non current assets	848.37	(546.29)
Total non-current assets	**1,015.30**	**(546.29)**
Current assets		
Inventories	589.72	21.20
Trade receivable	-	0.65
Cash and cash equivalents	10.55	1.80
Total current assets	**600.27**	**23.65**
Total assets	**1,615.57**	**(522.64)**
Non current liabilities		
Borrowings	1,718.26	(118.40)
Total Non current liabilities	**1,718.26**	**(118.40)**
Current liabilities		
Borrowings	-	-
Trade payables	150.09	0.10
Other current liabilities	55.34	24.39
Total Current liabilities	**205.43**	**24.49**
Total liabilities	**1,923.69**	**(93.91)**
Net assets derecognised	**(308.12)**	**(428.73)**
Share of assets recongnised under equity method	**-**	**-**

(ii). The following items of income and expenditure were previously proportionately consolidated under previous GAAP

(₹ in Lakhs)

Name of the entity	31 March 2017
Revenue	(502.81)
Expense	
Project expenses	(418.94)
Employee benefit expense	-
Depreciation and amortisation expense	12.21
Finance cost	65.77
Other expenses	3.91
Current tax expenses	2.29
Profit after tax	**(168.05)**

(iii) Summarised statement of cash flows for the year ended 31 March 2017 not considered under Ind AS in the consolidated statement of cash flows

(₹ in Lakhs)

Name of the entity	31 March 2017
Opening cash and cash equivalents 1 April 2016	3.61
Cash flow from operating activities	486.04
Cash flow from investing activities	(618.87)
Cash flow from financing activities	150.33
Closing cash and cash equivalents 31 March 2017	**21.11**

Note-44

Interest in other entities

1 **Subsidiaries**

Group has only one subsidiary at 31 March 2018. It's share capital comprises solely of equity shares held by the group and proportion of ownership interest held equals the voting rights held by group.

(₹ in Lakhs)

Name of entity	Ownership interest held by group			Fair value			Principal Activities
	31 March 2018 %	31 March 2017 %	1 April 2016 %	31 March 2018 %	31 March 2017 %	1 April 2016 %	
Nila Terminals (Amreli) Private Limited	100	-	-	-	-	-	Special Purpose Vehicle created for Construction of bus terminal at Amreli

2 **Interest in associate & joint ventures**

Below is the list of associate and joint ventures as at 31 March 2018. Their Share capital comprise solely of equity shares and/or as partners capital held by the group and proportion of ownership interest held equals the voting rights held by the group

Name of entity	% of ownership interest	Relationship	Method of Accounting	Quoted Fair value			Carrying Amount		
				31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Kent Residential & Industrial Park LLP	50%	Joint Venture	Equity method	-	-	-	-	-	2.89
Romanovia Industrial Park Private Limited	50%	Joint Venture	Equity method	-	-	-	582.49	957.83	1,116.88
Vyapnila Modasa Private Limited	34%	Associate	Equity method	-	-	-	-	-	-

(a) Summarised financial statements of Joint ventures

1 The table below shows summarised financial statements for both joint ventures which are material to the group.

Summarised balance sheet **(₹ in Lakhs)**

Particulars	Kent Residential & Industrial Park LLP			Romanovia Industrial Park Private Limited		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Total Non-current assets	474.38	467.79	3.50	1,566.29	717.52	0.25
Current assets other than cash and cash equivalents	6,394.60	4,550.11	1,360.03	5,929.39	3,845.11	2,091.79
Cash and cash equivalents	4.32	21.11	3.61	5.98	5.56	2.36
(A)	**6,873.30**	**5,039.01**	**1,367.14**	**7,501.66**	**4,568.18**	**2,094.40**
Non-current financial liabilities	6,701.73	4,870.95	1,301.05	6,276.76	2,966.41	1,383.09
Current financial liabities (excluding trade payable and provisions)	98.96	104.07	48.79	1,057.87	1,542.23	706.18
Current liabilities other than current financial liabities (including trade payables and provisions)	2.99	35.82	0.20	15.06	25.17	2.11
(B)	**6,803.68**	**5,010.84**	**1,350.04**	**7,349.69**	**4,533.81**	**2,091.38**
Net assets (A-B)	**69.62**	**28.17**	**17.10**	**151.97**	**34.37**	**3.02**
Group's share in %	50%	50%	50%	50%	50%	50%
Group's share in INR	34.81	14.08	8.55	75.99	17.18	1.51

Reconciliation to Carrying Amount **(₹ in Lakhs)**

Particulars	Kent Residential & Industrial Park LLP			Romanovia Industrial Park Private Limited		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Group share in opening net assets	-	2.89		957.83	1,116.88	0.50
Profit for the year - share of group	20.72*	5.54	8.55	58.85**	16.03	0.85
Opening net assets	-	8.43	8.55	957.83	1,132.91	1.35
Add:- Ind AS adjustment						1,250.00
Less:- Unrealised gain & losses eliminated against the investement accounted for using equity method	(20.72)	(8.43)	(5.66)	(375.34)	(175.08)	(134.46)
Closing net assets	**-**	**-**	**2.89**	**582.49**	**957.83**	**1,116.89**

*Amount of ₹ 19.03 lakhs (31 March 2017 ₹4.51 lakhs and 31 March 2016 ₹ 8.55 lakhs) represents share of profit from Kent Residential & Industrial Park LLP - refer note 25 and also includes amount of ₹ 1.69 lakhs (31 March 2017 ₹ 1.03 lakhs and 31 March 2016 ₹ Nil) regarding interest on capital.

** The same includes amount of ₹ 58.80 lakhs (31 March 2017 ₹ 15.67 and 31 March 2016) as share of profit from Romanovia Industrial Park Private Limited and also includes amount of ₹ 0.04 lakhs (31 March 2017 ₹ 0.36 lakhs and 31 March 2016 ₹ Nil) as Ind AS adjustments.

Summarised statement of profit and loss of material joint venture

(₹ in Lakhs)

Particulars	Kent Residential & Industrial Park LLP			Romanovia Industrial Park Private Limited		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
Revenue	70.87	37.29	-	289.33	685.31	
Other income	171.51	150.33	24.13	365.36	219.92	35.75
Total income	**242.38**	**187.62**	**24.13**	**654.69**	**905.23**	**35.75**
Project exp	2.47	-		79.22	610.50	(45.32)
Finance cost	134.86	131.53	14.79	367.52	243.55	66.01
Depreciation	50.47	24.43		33.19	2.61	
Other expense	1.13	18.06		14.79	3.29	12.10
Total expense	**188.93**	**174.02**	**14.79**	**494.72**	**859.95**	**32.79**
Profit before tax	**53.46**	**13.60**	**9.34**	**159.97**	**45.28**	**2.96**
Tax expense	(15.40)	(4.58)	(2.81)	(22.70)	(13.95)	(0.93)
Profit after tax	**38.06**	**9.02**	**6.53**	**137.27**	**31.33**	**2.03**

2 Information for assoicate that is not material to the group is as under

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017	1 April 2016
Carrying amount of individually immaterial associate	0.34	NA	NA
Summarised statement of profit and loss			
(Loss) for the year	(1.34)	NA	NA
Other comprehensive income for the year	-	NA	NA
Total comprehensive income	(1.34)	NA	NA
Group's share of total comprehensive income	(0.46)	NA	NA

Note-45

Additional Information as per Schedule III

(₹ in Lakhs)

As at 31 March 2018	Net Assets (Total assets minus Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Nila Infrastructures Limited								
31 March 2018	93.05%	9,613.22	96.17%	1,922.89	100.00%	(11.01)	96.15%	1,911.89
31 March 2017	83.69%	4,916.38	98.64%	1,466.92	100.00%	(8.78)	98.64%	1,458.15
1 April 2016	71.86%	2,860.20						

(₹ in Lakhs)

As at 31 March 2018	Net Assets (Total assets minus Total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehen-sive income	Amount	As % of consolidated total comprehen-sive income	Amount
Subsidiary								
Nila Terminals (Amreli) Private Limited								
31 March 2018	0.74%	76.60	-0.04%	(0.84)	-	-	-0.04%	(0.84)
31 March 2017	0.00%	-	0.00%	-	-	-	0.00%	-
1 April 2016	0.00%	-	-	-	-	-		
Joint Ventures								
Kent Residential & Industrial Park LLP								
31 March 2018	0.00%	-	0.95%	19.03	-	-	0.96%	19.03
31 March 2017	0.00%	-	0.30%	4.51	-	-	0.31%	4.51
1 April 2016	0.07%	2.89	-	-	-	-		
Romanovia Industrial Park Private Limited								
31 March 2018	6.21%	641.34	2.94%	58.80	-	-	2.96%	58.80
31 March 2017	16.30%	957.83	1.05%	15.67	-	-	1.06%	15.67
1 April 2016	28.06%	1,116.88			-	-		
Associate								
Vyapnila Modasa Private Limited								
31 March 2018	0.00%	-	-0.02%	(0.34)	-	-	-0.02%	(0.34)
31 March 2017	0.00%	-	0.00%	-	-	-	0.00%	-
1 April 2016	0.00%	-	0.00%	-	-	-	0.00%	-
Sarathi Industrial Park Private Limited								
31 March 2018	0.00%	-	0.00%	-	-	-	0.00%	-
31 March 2017	0.01%	0.50	0.00%	-	-	-	0.00%	-
1 April 2016	0.01%	0.50	0.00%	-	-	-	0.00%	-
Total								
31 March 2018	**100.00%**	**10,331.16**	**100%**	**1,999.55**	**100.00%**	**(11.01)**	**100.00%**	**1,988.54**
31 March 2017	100.00%	5,874.71	100%	1,487.10	100.00%	(8.78)	100.00%	1,478.32
1 April 2016	100.00%	3,980.48						

Note: The above figures are after eliminating intra group transactions and intra group balances as at 31 March 2018, 31 March 2017 and 1 April 2016.

Note-46

Specified bank notes

During the 2016 - 17, company had specified bank notes or other denomination note as defined in the MCA notification G.SR. 308 (E) dated 30 March 2017 on the details of Specified bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, denomination wise SBNs and other notes as per the notification is given below :

(₹ in Lakhs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on November 8 2016	-	6,30,325	6,30,325
(+) Permitted receipts	-	1,86,193	1,86,193
(-) Permitted payments	-	4,99,664	4,99,664
(-) Amount deposited in banks	-	-	-
Closing cash in hand on December 30 2016	-	3,16,854	3,16,854

*For the purpose of this clause, the term ' Specified bank notes' shall have same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.0 3407(E), dated 8 November 2016.

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made for the financial year 2017-18 since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

Note-47

Events Occuring after Balance sheet date

Honourable National Company Law Tribunal ('NCLT') vide order dated 09 May 2018 approved the Scheme of Arrangement ("the Scheme") under section 230-233 and other provisions of the Companies Act, 2013, for transfer of Real Estate business. The same being Adjusting Event, the Company has adjusted the amounts reported in the Financial Statements to take into impact of the Order.

Note-48

Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year presentation

---

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors
Nila Infrastructures Limited
CIN No. : L45201GJ1990PLC013417

Jeyur Shah
Partner
Membership No. 045754

Manoj B.Vadodaria
Managing Director
DIN : 00092053

Kiran Vadodaria
Joint Managing Director
DIN : 00092067

Place : Ahmedabad
Date : 30 May 2018

Prashant Sarkhedi
Chief Finance Officer

Dipen Parikh
Company Secretary

Abbreviations

NILA/the Company/ your Company/ Demerged Company	Nila Infrastructures Limited
ADANI	Adani Infrastructure And Developers Private Limited
AH	Affordable Housing
AMC	Ahmedabad Municipal Corporation
AMRUT	ATAL MISSION FOR REJUVENATION AND URBAN TRANSFORMATION
APSEZ	Adani Ports And Special Economic Zone Limited
AS	Accounting Standard
ASSOCHAM	The Associated Chambers Of Commerce And Industry Of India
ATNW	Adjusted Tangible Networth
BOOT	Build Own Operate Transfer
BOT	Build Operate Transfer
BPS	Basis Points
BRTS	Bus Rapid Transit System
BSE	BSE Ltd
BTF	Bus Terminal Facility
CA	Current Assets
CAD	Current Account Deficit
CF	Commercial Facility
CIN	Corporate Identity Number
CL	Current Liabilities
CMJAY	Chief Minister's Jan Awas Yojana
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DBFOT	Design, Build, Finance, Operate And Transfer
DMIC	Delhi-Mumbai Industrial Corridor
EPC	Engineering, Procurement And Construction
EPCM	Engineering, Procurement And Construction Management
EPIL	Engineering Projects (India) Limited
ERP	Enterprise Resource Planning
EWS	Economically Weaker Sections
FSI	Floor To Space Index
FY2017	Financial Year 2016-2017
FY2018	Financial Year 2017-2018
GDP	Gross Domestic Product
GIFT	Gujarat International Finance Tec-City
GOG	Government Of Gujarat
GOR	Government Of Rajasthan
G-SEC	Government Security
GSRTC	Gujarat State Road Transport Corporation
GST	Goods And Service Tax
HFA	Housing For All By 2022
HR	Human Resource
IMF	International Monetary Fund
INR	Indian Rupee
ISO	International Organization For Standardization
KPMG	Klynveld Peat Marwick Goerdeler
LIG	Low Income Group
LLP	Limited Liability Partnership
LSG	Local Self Government
LSTK	Lump Sum Turnkey
LTD	Long Term Debt
MCI	Medical Council Of India
MEGA	Metro-Link Express For Gandhinagar And Ahmedabad
MHT	Mahila Housing SEWA Trust
MHUPA	Ministry Of Housing And Urban Poverty Alleviation
MLP	Multi Level Parking At Navrangpura, Ahmedabad
MMTPA	Million Metric Ton Per Annum
MNC	Multinational Corporation
MOU	Memorandum Of Understanding
MPC	Monetary Policy Committee
MTPA	Metric Tonnes Per Annum
NBC	National Building Code Of India
NCLT	National Company Law Tribunal
NSE	The National Stock Exchange Of India Limited
NSL/Resultant Company	Nila Spaces Limited
NWC	Net Working Capital
PBG	Performance Bank Guarantee
PMAY	Pradhan Mantri Awas Yojana
PMC	Project Management Consultant
PMI	Purchasing Manager's Index
PPP	Public Private Partnership
PSPL	Pearl Stockholdings Private Limited
QMS	Quality Management System
RAVIL	Rajasthan Avas Vikas And Infrastructure Limited
RD	Regional Director
RE	Real Estate
RE Undertaking	Real Estate Business
REIT	Real Estate Investment Trusts
RERA	Real Estate Regulatory Act
ROC	Registrar Of Companies
RRPS	Resurgent Rajasthan Partnership Summit – 2015
RUDSICO	Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation Limited
SBI	State Bank Of India
SCHEME	Scheme Of Arrangement For Demerger
SEBI	Securities And Exchange Board Of India
SEWA	Self Employed Women's Association
SIR	Special Investment Region
SOP	Standard Operating Procedures
SPV	Special Purpose Vehicle
ST	Short Term
STD	Short Term Debt
TD	Total Debt
TDR	Transferable Development Rights
TNW	Tangible Networth
TOI	Total Operating Income
TOL	Total Outside Liabilities
UDUHD	Urban Development And Urban Housing Department
UIT	Urban Improvement Trust
UK	United Kingdom
USA	United States Of America
VUDA	Vadodara Urban Development Authority
WPI	Wholesale Price Index
WSS	Water Supply And Sanitation

Company Details

BOARD OF DIRECTORS

Mr. Manoj B Vadodaria	Chairman & Managing Director
Mr. Kiran B Vadodaria	Joint Managing Director
Mr. Dilip D Patel	Director
Mr. Shyamal S Joshi	Director
Mr. Ashok R Bhandari	Director
Mr. Harcharansingh P Jamdar	Director
Ms. Foram B Mehta	Director

CHIEF FINANCE OFFICER
Mr. Prashant H Sarkhedi

COMPANY SECRETARY
Mr. Dipen Y Parikh

BANKERS
Axis Bank Limited
Central Bank of India
Corporation Bank
DCB Bank Ltd.
Oriental Bank of Commerce
HDFC Bank Ltd.
ICICI Bank Ltd.
State Bank of India
Yes Bank Ltd.

FINANCIAL INSTITUTIONS
Gruh Finance Ltd.
IFCI Ltd.
SIDBI
Tata Capital Financial Services Ltd.

AUDITORS
B S R & Associates LLP
Chartered Accountants
Ahmedabad

SECRETARIAL AUDITOR
Umesh Ved & Associates
Practicing Company Secretary
Ahmedabad

COST AUDITOR
Dalwadi & Associates
Cost Accountant
Ahmedabad

REGISTERED OFFICE AND CONTACT DETAILS
First Floor, "Sambhaav House",
Opp. Chief Justice's Bungalow, Bodakdev,
Ahmedabad - 380015
Tel: +91 79 4003 6817 / 26870258
Website : www.nilainfra.com

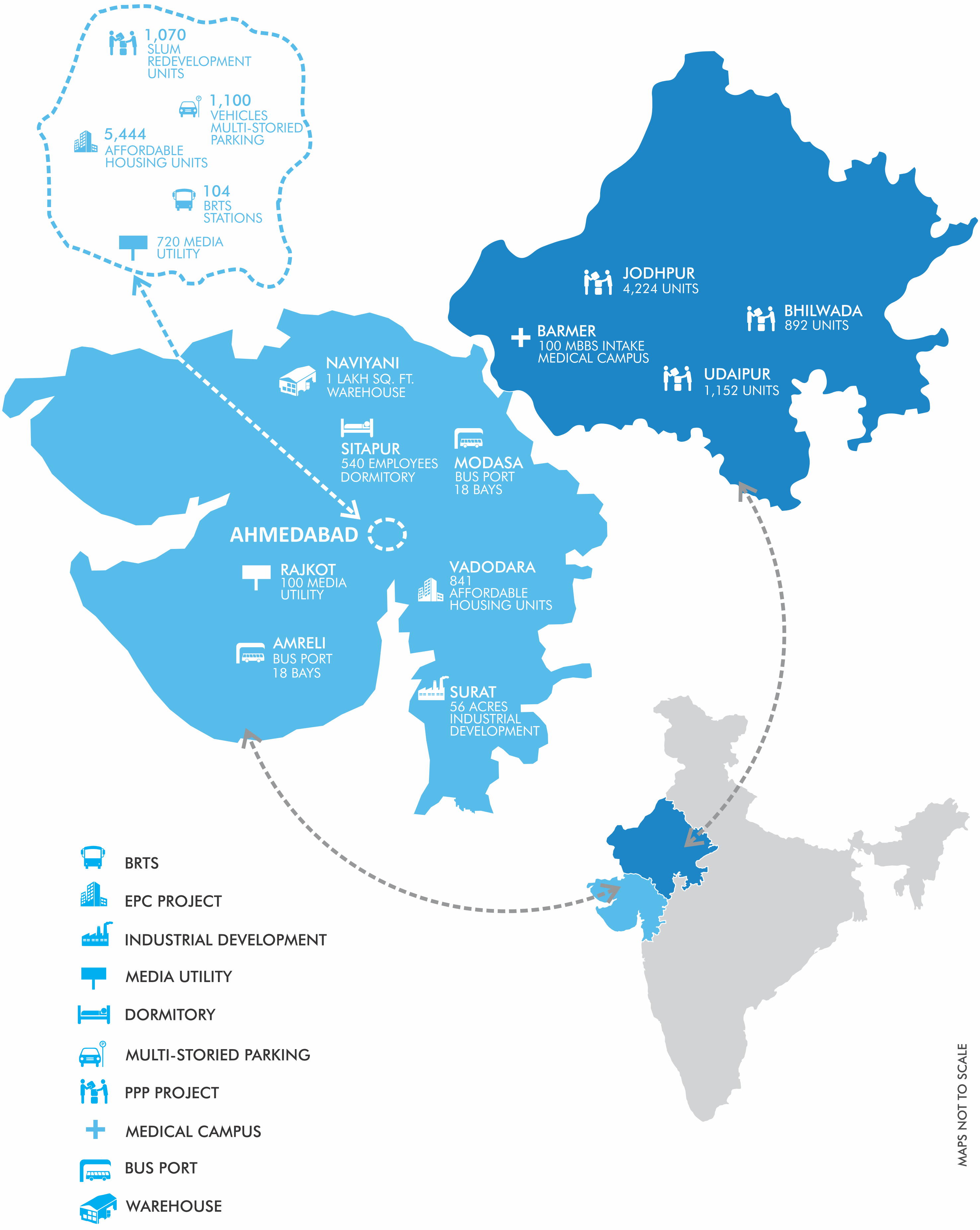
RAJASTHAN OFFICE
E-297, Lal Kothi,
Abhay Path,
Jaipur - 302015
Tel: +91 141 491 1342

CORPORATE IDENTIFICATION NUMBER
L45201GJ1990PLC013417

REGISTRAR & SHARE TRANSFER AGENT
MCS Share Transfer Agent Ltd.
201, Second Floor, Shatdal Complex,
Opp. Bata Showroom, Ashram Road,
Ahmedabad- 380009
Phone : +91 79-26580461/62

NOTES

PROJECTS AND GEOGRAPHIC DIVERSITY



BOOK POST

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

CONCEPT : MANOS BARUAH 8780 448004
DESIGNER : ASHISH SHAH 96648 50982