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SEVENTEENTH ANNUAL REPORT
2006-07

NILA INFRASTRUCTURES LIMITED

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NILA INFRASTRUCTURES LIMITED

BOARD OF DIRECTORS

Shri Manoj B. Vadodaria	:	Chairman & Managing Director
Smt Nila M. Vadodaria	:	Director
Shri Hiren Pandit	:	Director
Shri Yagnesh Vyas	:	Director

BANKERS

IndusInd Bank Ltd.
Ellisbridge, Ahmedabad-380 006

The Kalupur Commercial Co-op. Bank Ltd.,
Swastik Char Rasta,
Ahmedabad-380 009

AUDITORS

O.P.Bhandari & Co.
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

MCS Limited
101, Shatdal Complex 1st Floor,
Opp Bata Show Room,
Ashram Road,
Ahmedabad - 380 009

The ISIN of the Company's
Equity Shares is **INE937C01029**

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N O T I C E

NOTICE is hereby given that the **17th Annual General Meeting** of the Members of the Company will be held on Saturday, **28th July, 2007, at 10.00 a.m. at Reg. Office of the Company at Sambhaav House, Bodakdev, Ahmedabad - 380 015**, to transact the following business: -

Ordinary Business :

1 To receive, consider and adopt the Balance Sheet as at 31st March, 2007 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of the Auditors and Directors thereon.

2 To appoint a Director in place of Shri Hiren Pandit, who retires by rotation and being eligible offers himself for re-appointment.

3 To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

Place: Ahmedabad **For & on behalf of Board**

Manoj B. Vadodaria

Date :25-06-2007 **Chairman**

NOTES :

1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. Proxies in order to be effective should be lodged with the Company at the Registered Office of the Company atleast 48 hours before the commencement of the Meeting.

2 The Register of Members and Share Transfer Books of the Company will remain closed from 23th July, 2007 to 27th July,2007 (both days inclusive).

3 A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least 7 days prior to the Meeting so that the required information can be made available at the Meeting.

4 Members are requested to immediately notify any change in their address with pin code and to quote their Folio Nos. in all correspondence with the Company.

5. Members are requested to bring their copy of Annual report at the meeting, as no extra copies will be distributed at the meeting hall as a measure of economy.

6. Members are requested to be in their seat at the meeting before the meeting commences to avoid interruption in the proceedings.

DIRECTORS' REPORT

To,
The Members,
NILA INFRASTRUCTURES LIMITED

Your Directors have pleasure in presenting herewith the Seventeenth Annual Report alongwith the Audited Accounts of the Company for the year ended 31st March, 2007.

FINANCIAL RESULTS: *(Rs. in lacs)*

Particulars	Current Year ended 31-03-07	Previous Year ended 31-03-06
Income from Operations	799.14	510.33
Less : Total Expenditure	472.80	32.41
Less : Interest	60.93	190.32
Profit Before Tax & Depreciation	265.41	287.60
Less : Depreciation	10.44	2.96
Profit Before Taxation	254.97	284.64
Add: Excess Provision w/ back	4.08	00
Less :Provisions for IT/FBT	49.87	12.74
Add : Deferred Tax Assets	(63.67)	58.46
Net Profit	145.51	330.36
Paid-up Equity Share Capital	1232.26	1232.26
Reserves (Excluding Revaluation Reserves)	784.20	638.69

DIVIDEND:

Directors of your Company are of the opinion that for building up the sound and strong economic base of the company and in order to conserve the resources, it will not be possible to recommend any dividend for the current year.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by Section 217(2AA) of the Companies Act, 1956, the Directors state:

1 That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

2 That the directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the company for that period.

3 That the directors had 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 and for preventing and detecting fraud and other irregularities

4 That the directors had prepared the annual accounts on a going concern basis

DIRECTORATE:

Pursuant to provisions of Section 256 of the Companies Act, 1956, Shri Hiren Pandit, Director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

PUBLIC DEPOSITS:

During the year under review, your Company has not accepted / renewed any deposits covered under the provisions of Section 58A of the Companies Act, 1956.

INSURANCE:

All the existing properties including plant & machinary, Building and stocks etc. are adequately insured.

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LISTING AND DEMATERIALISATION OF EQUITY SHARES

The Equity Shares of the Company are presently listed at the Bombay Stock Exchange Ltd **(BSE), Mumbai.** The annual listing fee for the financial year 2006-07 have been duly paid to the Stock Exchange.

The Company's Equity Shares are under 'Compulsory Demat Mode'. The Company has entered into Tripartite Agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s MCS Limited, Registrars and Transfer Agents appointed by the Company, for dematerialization of Equity Shares of the Company. The ISIN allotted to the Company is INE937C01029. As required by the SEBI's Circular, the Company has appointed M/s MCS Limited as its Share Transfer Agent also to undertake transfer of physical share besides acting as Electronic Registrars.

CORPORATE GOVERNANCE:

The Company has implemented the adequate procedure and adopted practices in conformity with the Code of Corporate Governance as enunciated in Clause 49 of the Listing Agreement with the Stock Exchange. The Management Discussion & Analysis and Corporate Governance Report are made part of the Annual Report. A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance is attached and forms part of the Directors' Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The provisions of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956 relating to disclosure of particulars of energy conservation, technology, absorption and foreign exchange earnings and outgo read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company.

EMPLOYEES:

There was no employee during the year drawing remuneration in excess of the ceilings prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

AUDITORS:

The present Auditors, M/s O P Bhandari & Co., Chartered Accountants, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them that their appointment if approved by shareholders, would be within the ceiling prescribed under section 224(1B) of the Companies Act, 1956. The members are requested to appoint the auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

ACKNOWLEDGMENT:

The Directors sincerely express their gratitude to the Company's Shareholders, Bankers, Employees at all levels and customers for the help and co-operation extended during the year and hope that the same be continued in future also.

Place: Ahmedabad **For and on behalf of the Board**

Manoj B Vadodaria

Date :25-06-2007 **Chairman**

MANAGEMENT DISCUSSION & ANALYSIS

PERFORMANCE:

During the year under review the positive scenario has emerged and realities markets are under improved trend. Looking to the highly competitive scenario in the real estate / construction industry in the last couple of years, the company has been focusing on managing the assets of other players in the industry. The move has ensured good income and cash flow to the Company. The Company is also ensuring its presence in the industry and would undertake projects at the most opportunate time.

OPPORTUNITIES AND THREATS:

The Company is looking for opportunity to develop huge plots in the vicinity of Ahmedabad as more and more players and many top companies are planning to set-up SEZ, Mega Malls, Mega townships in-between Ahmedabad and Gandhinagar. In future, the company is envisanging for more lucrative business from the reality market. The improved market trend will create better opportunities for the company and resultant effect will be in the better operational results in the coming period.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper, independent and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The internal control systems are also designed to ensure that the financial and other records are reliable for reporting financial statements and other data, and for maintaining accountability of assets.

HUMAN RESOURCES :

Considering the nature of business undertaken by the Company, it is the practice of the Company to apoint the persons required on a assignment basis as per the needs and requirement of the Company from time to time. The industrial relationship with all its employees has been cordial during the year under operation.

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