





What indicates good performance of a company?

- Its vision and vigour.
- Vision of promoters.
- Vigour of people and processes.

All built into Nila Infrastructures

The following pages attempt to bring out such vital signs of the company

contents

02 chairman's perspective

about nila infrastructures 03

03 vision, values

performance in a nutshell 05

08 industry overview

company: performance and prospects 13

17 notice

directors' report 19

23 management discussion and analysis

corporate governance report 27

37 corporate governance compliance certificate

secretarial audit report 38

40 ceo and cfo certification

auditor's report & annexure 41

44 balance sheet

profit and loss account 45

46 schedule

balance sheet abstract 59

60 cash flow statement

company details 62

chairman's perspective

The economy may rise or fall. But, performance is a constant at Nila Infrastructures. It is our preoccupation with performance that has seen us rising above the industry. Posting decent growth amidst the downturn; promising higher returns in the future.

We are sure our novel infrastructure and housing projects will help build a brighter future for all our stakeholders like our shareholders, Ahmedabad Municipal Corporation, BRTS (Bus Rapid Transit System) commuters, homeowners, suppliers and employees.

Manoj B. Vadodaria
Chairman & Managing Director

about nila infrastructures

Nila Infrastructures is an Ahmedabad-based company operating broadly in the real estate and infrastructure sectors. Part of the Sambhaav Group, Nila is a public limited company incorporated on 26th February, 1990 and listed on India's premier bourse, the Bombay Stock Exchange (BSE), in the year 1995.

Astute identification of profitable business projects and more efficient work practices have seen the company's turnover shoot up by 384.3% - from Rs. 9.15 crore during 2007-08 to Rs. 44.31 crore during 2008-09, and the Profit After Tax jump by 41.4% - from Rs. 1.98 crore during 2007-08 to Rs. 2.80 crore during 2008-09.

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

values

Passion | Reliability | Dedication

Passion for ideas and innovations

Reliability of processes and practices

Dedication to goals and targets



performance in a nutshell

financial highlights

Turnover (Rs. Lac)

2006-07	653.17
2007-08	914.61
2008-09	4430.91

Profit Before Tax (Rs. Lac)

2006-07	254.96
2007-08	319.47
2008-09	438.29

Profit After Tax (Rs. Lac)

2006-07	141.42
2007-08	197.72
2008-09	279.72

TOL / TNW Ratio

2006-07	0.78
2007-08	1.4
2008-09	0.84

Current Ratio

2006-07	2.01
2007-08	1.69
2008-09	2.85

Debt Equity Ratio

2006-07	0.004
2007-08	0.002
2008-09	0.44

performance in a nutshell

business highlights

Projects

- In the real estate space, Nila is presently developing a 325-flat residential scheme in the affordable housing category with capital value of Rs. 15-20 lac per unit
- The above scheme, christened Asmaakam, has been a runaway success with 76% of flats booked in just 65 days for the first phase of 180 flats (as at 20th Apr '09)
- In an infrastructure project awarded by Ahmedabad Municipal Corporation, Nila Infrastructures is setting up 28 BRTS (Bus Rapid Transit System) Bus Shelters
- Seeing the fast pace of progress of 28 BRTS Bus Shelters, another contract has been awarded by Ahmedabad Municipal Corporation for an additional 40 BRTS Bus Shelters, which are likely to be commissioned in 2009-10
- The company is also developing landscaping, parking, tree guard and railing project on BRTS route at Ahmedabad
- Nila Infrastructures has developed 100 Decorative Bus Shelters in Rajkot, Gujarat

Processes

- Quality system and processes at Nila Infrastructures certified with ISO 9001:2000 by UKAS Quality Management
- Enterprise-wide Integrated System, Financial Accounting System (FAS), covering Booking (of flats), Projects and Purchases being implemented in phases
- Booking module already operational and being used productively to help customers choose and book flats under the Asmaakam housing scheme



The core businesses of Nila Infrastructures are in real estate and infrastructure. Within their broad contours, the company has identified and developed specific niches. This article is an attempt to throw light on the scope and prospects for such segments, especially in the company's operational region - Gujarat.

Signs of recovery

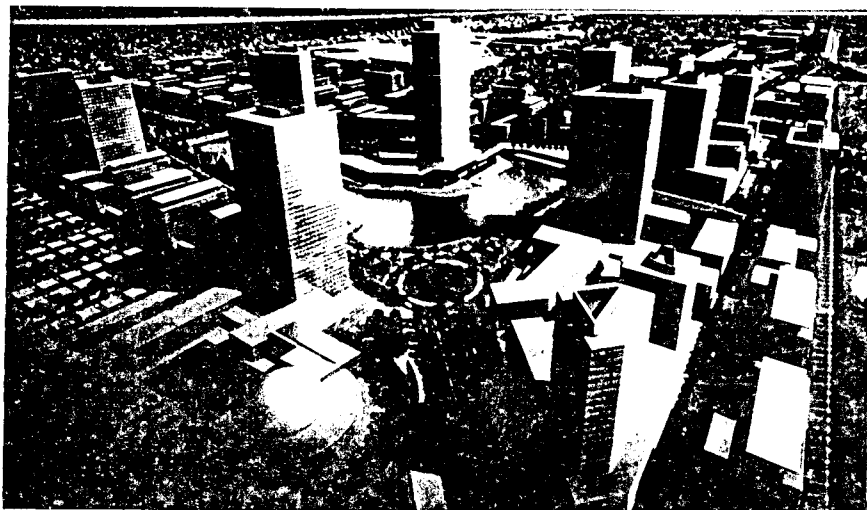
Given the worldwide slump of recent times, there could be widespread misgivings about India's growth prospects. Before surrendering to the fear and hysteria, it would be prudent to consider certain facts.

1. India has grown on an average at a sustained pace of over 9% for three consecutive years for the first time. Such a high growth does not lose steam so fast. Some estimates,⁽¹⁾ including

that of RBI and Planning Commission, peg India's growth for 2008-09 at about 6%. This is much above IMF's estimate for global growth in 2009, -1% to -0.5%⁽²⁾. In fact, India's Interim Budget for 2009-10 expects growth for 2008-09 to be of the order of 7.1%. This would make India the second fastest growing economy in the world⁽³⁾.

2. The economy seems to be on the upswing. Bellwether sectors like cement and steel, which indicate macroeconomic activity, have grown 9% and 3.8% respectively in the last quarter of 2008-09 due to increased government spending on infrastructure. Consumption of petroleum products jumped 6.9% in March '09⁽⁴⁾. If such a spurt in core sectors continues throughout the year, the country could very well post higher growths than currently projected.
3. Indian investors are more upbeat about their country, according to a survey by Dutch financial services firm, ING. India's score in the ING

Investor Dashboard Sentiment Index for the Jan-Mar '09 quarter was the highest in Asia Pacific⁽⁵⁾. As recession is a socio-psychological phenomenon, such a positive sentiment, if sustained, could put the economy on a higher growth trajectory.



Gujarat: India's growth engine

Gujarat is the fastest growing state in India with an average annual growth rate of 16.5% in the last five years, higher than that of any other state in the country.⁽⁶⁾ No wonder, it is the most preferred destination for entrepreneurs nationwide, according to a perception survey titled 'Entrepreneurial India' by KPMG International and The Indus Entrepreneurs (TiE).

In fact, Gujarat is being seen as an 'island of growth.' Despite the global contraction, foreign and domestic investors flocked to the Vibrant Gujarat Global Investors' Summit held during January '09 and inked investment MoUs worth a staggering Rs. 12 Lac Crore - an amount more than double the investments drawn by the three earlier editions of the Summit⁽⁸⁾.

Real estate: long-term prospects

Globally, real estate investments are expected to go up substantially in 2009, according to the latest annual survey of Association of Foreign Investors in Real Estate (AFIRE), a pre-eminent global real estate organisation. The survey, conducted among foreign real estate investors in the US during the October '08 to December '08 quarter, brings out their actual and expected investments in the US and the rest of the world. Thus, it is considered an accurate barometer of global real estate trends.

India features prominently in the plans of such real estate investors. The country was ranked 5th among countries that offered the best

opportunity for capital appreciation in 2008.

India was ranked 1st among preferred investment destinations ahead of the United States.

Most of India's real estate action is happening in the housing segment.



Urban housing

shortage was calculated to the extent of 24.71 million units in 2007.

The total housing requirement during the 11th Five Year Plan Period (2007-12) is expected to be 26.53 million units⁽⁹⁾.

Gujarat's realty: happy reality

Gujarat's urban housing shortage in 2007 was among the highest in the country with 1.66 million units⁽¹⁰⁾. Add to that, greater employment resulting from big-ticket investments happening in the state, increased nuclearisation of families, much higher share of urban population (37.4%)⁽⁶⁾, more convenient home loans and government initiatives like abolition of service tax on sale of new houses⁽¹¹⁾ and the growth potential of Gujarat's real estate sector becomes clear.

Being a critical hub of Gujarat, the current