

TRANSFORM



NILA
INFRASTRUCTURES
LIMITED



Annual Report
2014 - 15



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GO TO

CORPORATE

PERFORM

The Performance Lesson	1
Financial snapshot	5
Business snapshot	6

CONFORM

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

REFORM

The Reform Agenda	13
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INFORM

The Wonder of Information	17
Green Shoots of Growth (Industry overview)	21
Turning Point of Turnover (Company overview)	24

STATUTORY

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

THE PULSE OF TRANSFORMATION

HOW A TRANSPLANT OPERATION AND A TOYOTA CAR ARE THE SAME

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

VISION TO TRANSFORM

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

CLEAR GOAL TO PERFORM

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

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

SIMPLE PROCEDURES TO CONFORM

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



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

DETERMINATION TO REFORM

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

COMMITMENT TO INFORM

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

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

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

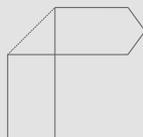
THE PERFORMANCE LESSON

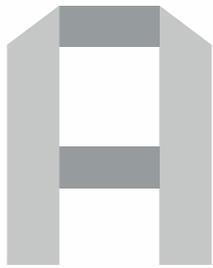
THE RELATION BETWEEN A FRIENDLY
"HELLO" AND A STUDENT'S GRADES

PERFORM TO TRANSFORM

PERFORM

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





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

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

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



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

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

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

TO PERFORM IS SIMPLY TO DO MORE OF WHAT IS WORKING

Soon Murphy had some concrete answers:

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

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

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

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

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

PAST PERFORMANCE IS SIMPLY THAT - THE PAST

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

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

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

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

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

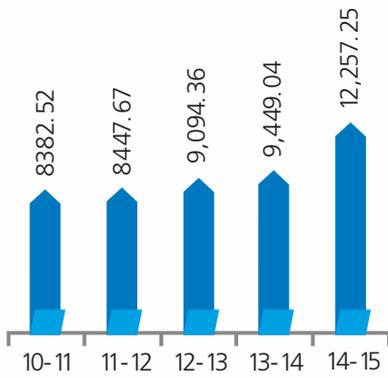
VALUE AND TIME: TWO PIVOTS OF OUR PERFORMANCE

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

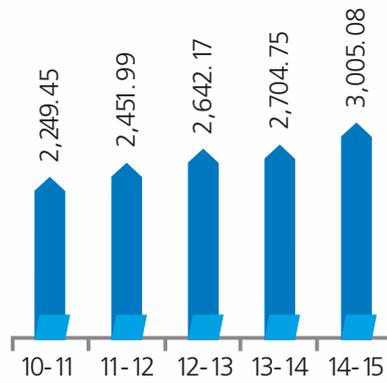
This year, our infrastructure segment has been an outstanding performer with ₹ 80.68 crore turnover making for 61.24% of our total revenue. Growth in the segment has been of the order of 200.82% over the previous fiscal's figure of ₹ 26.82 crore. With a bulging order book of confirmed projects on hand,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

Financial snapshot

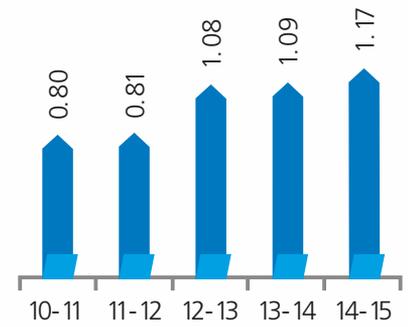
Turnover (₹ Lacs)



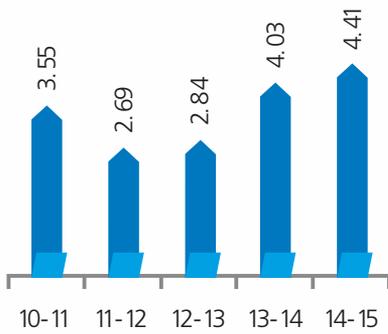
EBITDA (₹ Lacs)



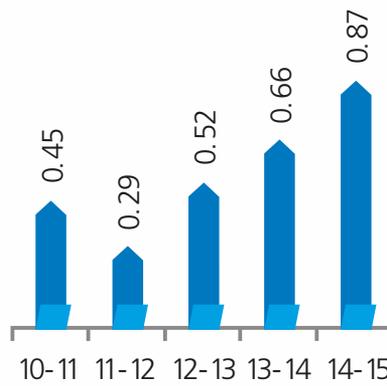
TOL/TNW Ratio (₹ Lacs)



Current Ratio



Debt Equity Ratio



Interest Coverage Ratio

