



**NILA
INFRASTRUCTURES
LIMITED**



GROUND IMPACT

**27TH ANNUAL REPORT
2016-17**

IS RETURN THE ONLY MEASURE OF SUCCESS?

Isn't impact as important as return?

Isn't what good we do as significant as how well we do?

In a departure from usual, we are turning the spotlight away from us – to focus on the ground impact our projects have had on end-users and primaries. In their words, you will find our projects coming alive.

Our projects have helped stakeholders

UPlift...

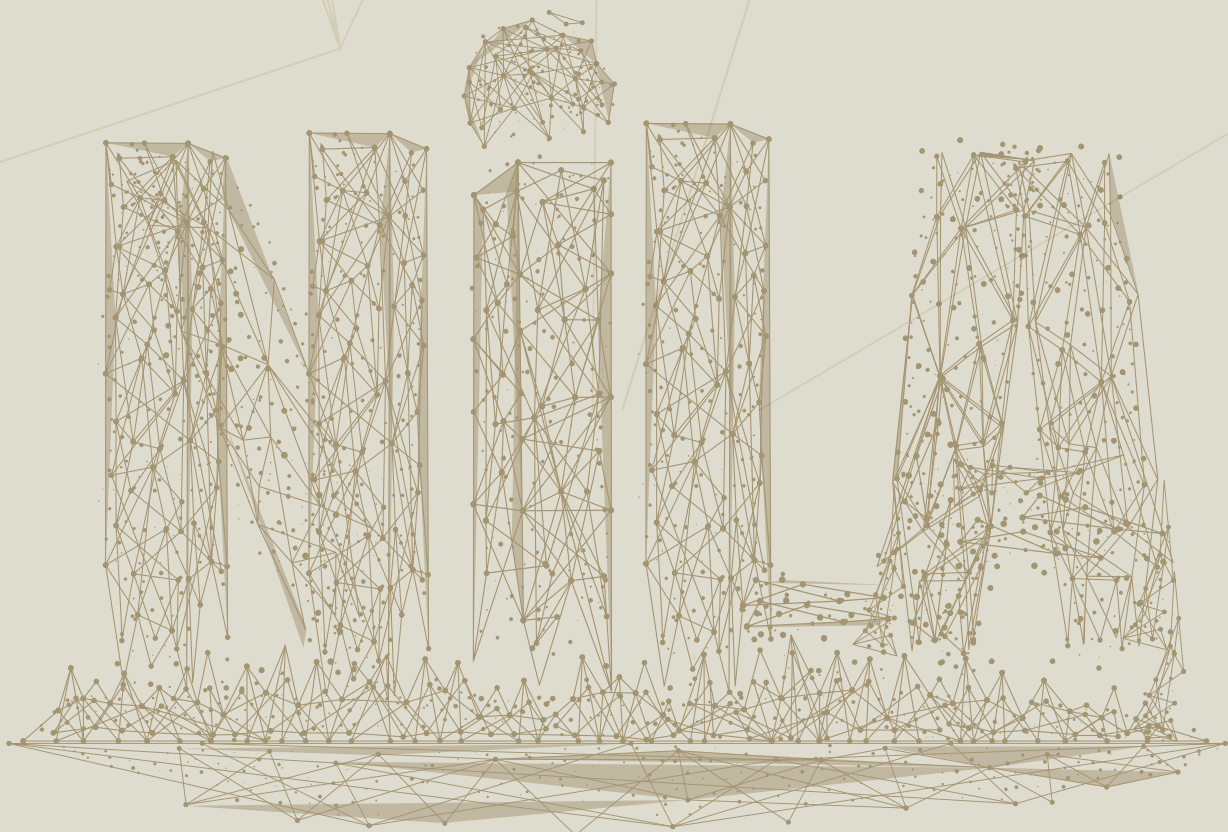
UPgrade...

UPsize...

Things start looking UP from the ground – for everyone.

That's exactly what we want.

Ground Impact.



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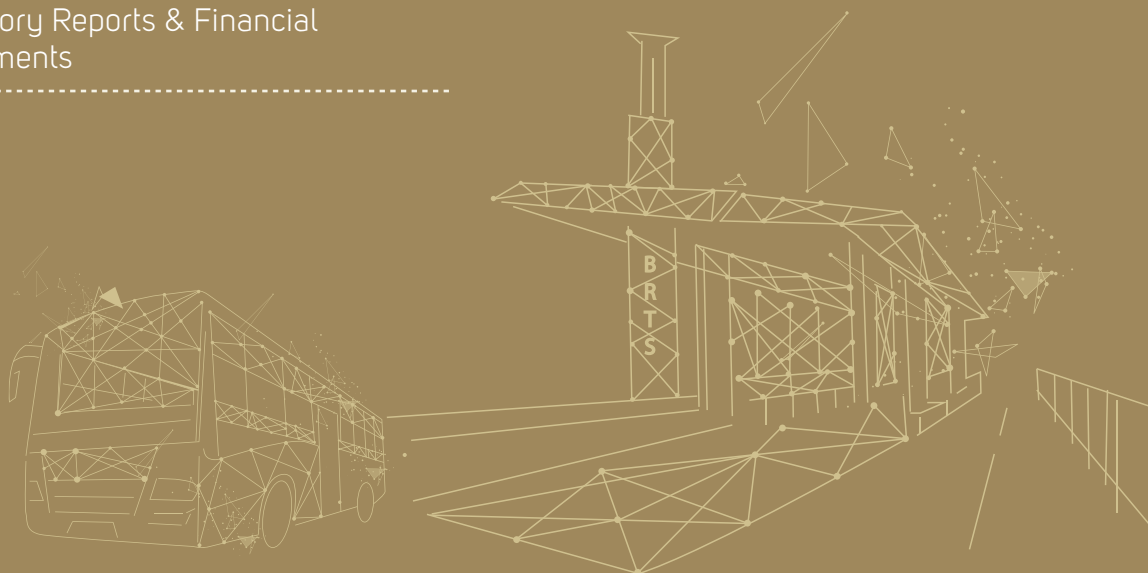
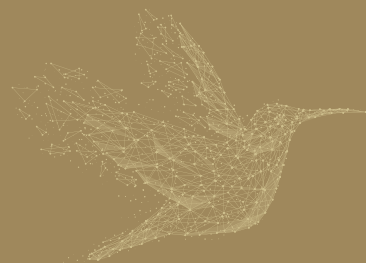
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CREATING A DIFFERENCE BY BEING DIFFERENT

IMPECCABLE CREDENTIALS

- 27+ 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
- The prestigious Inc. 500 Certificate of Excellence Award
- 100 Most Impactful CSR Leaders (A Global Listing) Award for the Company's CSR initiative to its HR & CSR Head
- Featured in the esteemed publication of the global investment banking company CLSA, 'Housing boom ahead – Market strategy, April 2017'

BUSINESS DIVERSITY

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

CATEGORY LEADERSHIP

- Deployment of Integrated ERP platform
- Introduction of ESOP
- Development of a high-performance HR Framework



INVESTMENT-GRADE CREDITWORTHINESS

- BBB+ Stable Outlook / A2: Brickwork Ratings
- BBB Negative Outlook / A3+: India Ratings
- Debt Equity Ratio: Less than 1
- Promoter Share Pledge: Nil

INVESTOR-FRIENDLINESS

- 7 years of Uninterrupted Dividend Payment with an increment last year + proposed for 8th year
- ₹ 487.5 Million Equity Infusion through private placement
- Responsible Corporate Governance

34% PAT Growth

22% Revenue Growth

“ Demonetization slowed down the momentum of the construction sector. In the light of this, it's quite impressive that Nila Infrastructures has been an island of high growth, not only beating the industry average but also its own projections. ”



Devan R. Choksey

MD - K R Choksey
(One of India's leading wealth management firms serving investors both at home and abroad)

GPS GUIDES OUR BUSINESS DIRECTIONS

GPS, i.e. Growth, Profit and Sustainability provides a general direction to the Company's goals, operations and activities. Everything must meet such fundamental criteria.





HOW DO WE VIEW GPS?

GROWTH

In general terms, Growth would be expansion of overall size. However, strategy-wise about 70% of the growth would be organic or vertical, the rest inorganic or

horizontal. Any scaling-up of a particular operation cycle would feed the next, providing us the capacity for bigger and better projects with time.

PROFIT

By Profit, we mean both the quantum as well as the rate of profit. We seek to achieve them through

cost-efficient operations and better deals with our suppliers and clients.

SUSTAINABILITY

Staying power in a VUCA (Volatile, Uncertain, Complex & Ambiguous) business environment is the key today. We accord the highest priority to consistency of Growth & Profit. We believe it would happen for us by:

- Expanding our core activity of civil construction into different urban infrastructure areas
- Using flexible modi operandi to execute different contracts – EPC, EPC+PPP and PPP
- Bringing our real estate experience to bear on PPP projects with a critical real estate component
- Tapping into evolving market dynamics
- Leveraging our networking strengths
- Thinning the competition by going for larger ticket-size projects, newer technology and emerging territories
- Managing real estate and other risks through shared investments and joint ventures
- Developing a comprehensive eco-system of performance, systems, procedures and practices
- Engaging in clear and consistent dialogue with clients, suppliers, investors and other stakeholders



OUR VISION

Mark our presence as a leading infrastructure and real-estate 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.

OUR VALUES

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

OUR MISSION

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.

MAKING AN IMPACT WHILE MAKING A PROFIT

Manoj B. Vadodaria

CMD - Nila Infrastructures Limited



Dear Stakeholder,

The story goes that US President John F Kennedy was visiting NASA (National Aeronautics and Space Administration). This was after the phenomenal success of landing a man on the moon for the very first time in human history. During the tour, he saw a man walking around with a broom and a bucket. President Kennedy asked the man, "What do you do here?" The man, who was a janitor, replied, "Sir, I help put a man on the moon."

This is an anecdote that has been retold many times. Deservedly so; its relevance is timeless. It clearly shows how a sense of purpose can inspire everyday work. I believe the greatest sense of purpose comes from the kind of impact one's work is making.

If we were to go by impact, very few created more than James W Rouse. From the late 1960s to the 1990s, this visionary developer was universally acknowledged to be "a creative and passionate advocate who did more to revitalize American cities than anyone this century." Mr. Rouse was awarded the Presidential Medal of Freedom, the nation's highest civilian honor, by President Clinton.

I feel his life story has many points of connect with us. First, he was a real-estate developer. Second, he built affordable housing. Third, he saw his projects as organized interventions to halt chaotic urban developments. "Cities must be fun," he had said. Fourth, he sought not just to make profits but to transform the landscape and the quality of civic life. Of course, given the lack of government or institutional support then, he had to plough profits from his commercial ventures into generating housing for the poor.

We don't have to do that in the present times. Fortunately for us, we have one of the most dynamic governments in power. With its vision of 'Housing for All by 2022,' this government is creating the perfect enabling environment for companies like ours.

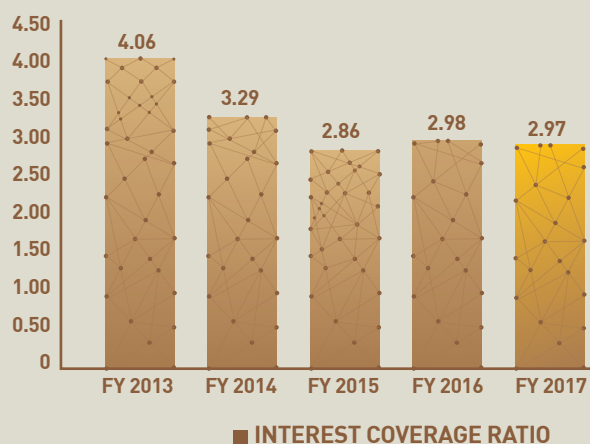
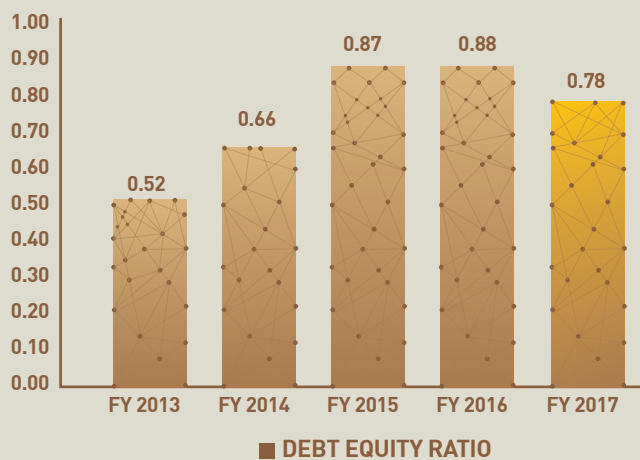
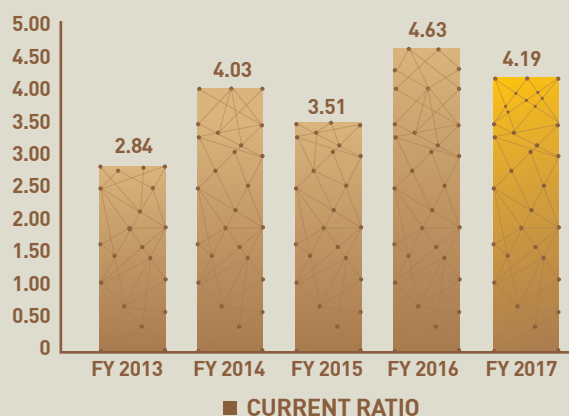
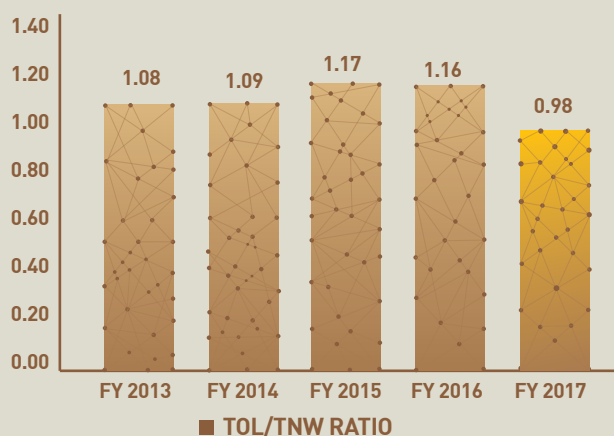
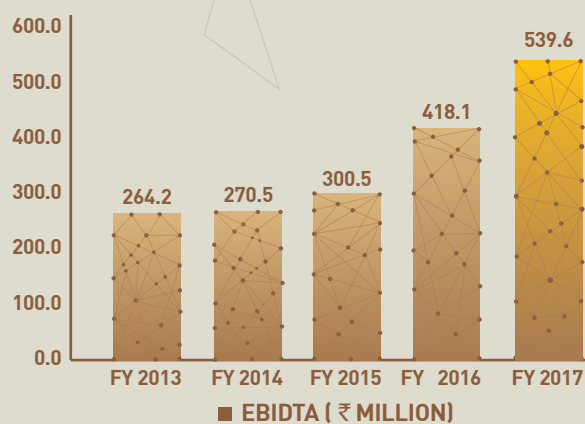
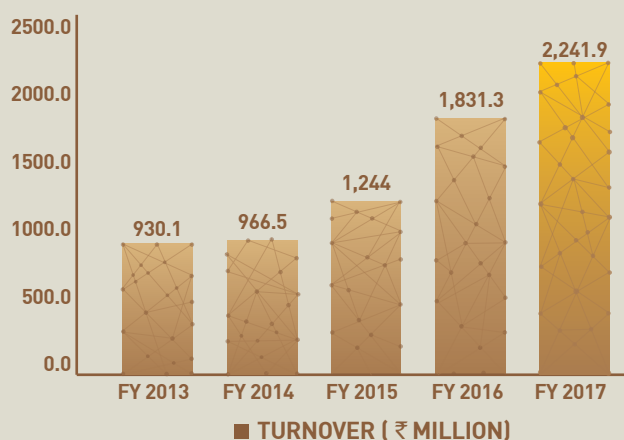
Knowing that housing has a multiplier effect across the economy, it is providing incentives to all segments – developers, home loan borrowers and lenders. Furthermore, the infrastructure status accorded to affordable housing in this year's budget will propel the sector to new heights. To top all that, we are at that juncture in history where India's macro economic fundamentals are at its strongest.

Your company is well-placed to grab the exploding opportunities. We started on affordable housing projects long before the sector suddenly became everyone's favourite flavour. In fact, building on our experience, we sought and acquired even lower-ticket opportunities in slum redevelopment projects. These address a critical basic need of the hour – human shelter. Our urban infrastructure projects like BRTS Stations and Multilevel Parking are making a genuine difference to people living in the cities. Even our CSR project, My Own Street, tries to make Swachh Bharat a sustainable, grass roots movement involving ordinary citizens. So, we can proudly say we have been making an impact while making a profit.

The reason we can make an impact is that we are doing all this rather well. A twin focus on quality and delivery using the best possible human resources, materials and processes has boosted both top-line and bottom-line growth. Revenue has shot up by 22% since the last year, while profit (PAT) has jumped up by an impressive 34%. And this is not a flash in the pan phenomenon. We have a healthy order book (at March 31, 2017) of ₹ 4076.1 million. Of this, order inflows during FY17 were 97.5% of the total. We expect more in the new financial year. So, you can rest assured that your company will sustain such growths in the future too.

Coming back to the original point of this message, does making an impact count? You bet it does – both on the ground and on our financials.

FINANCIAL SNAPSHOT



61.98% Promoter's shareholding (0% pledged)