

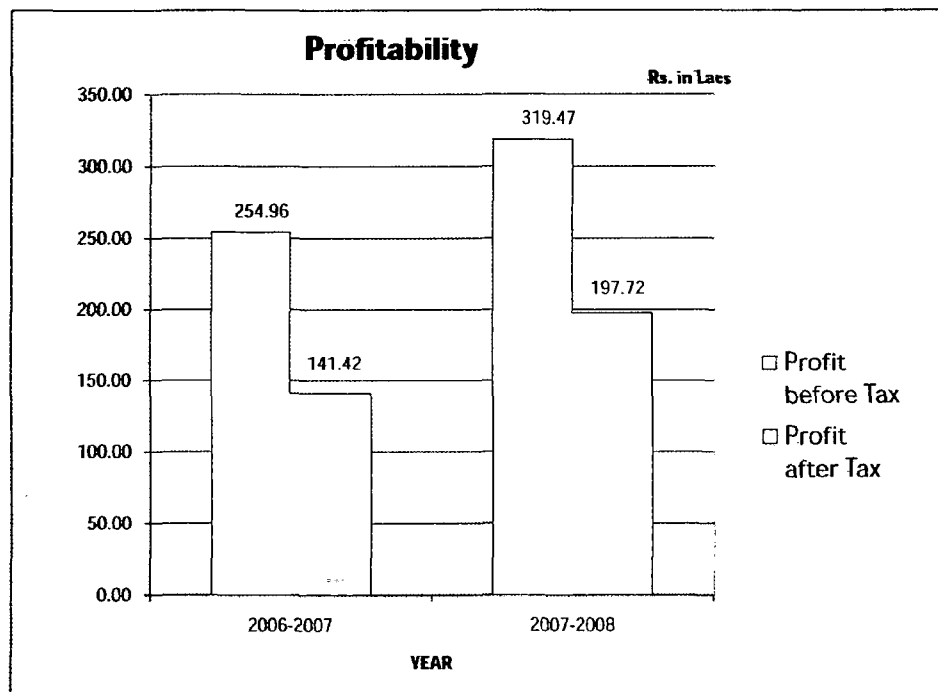
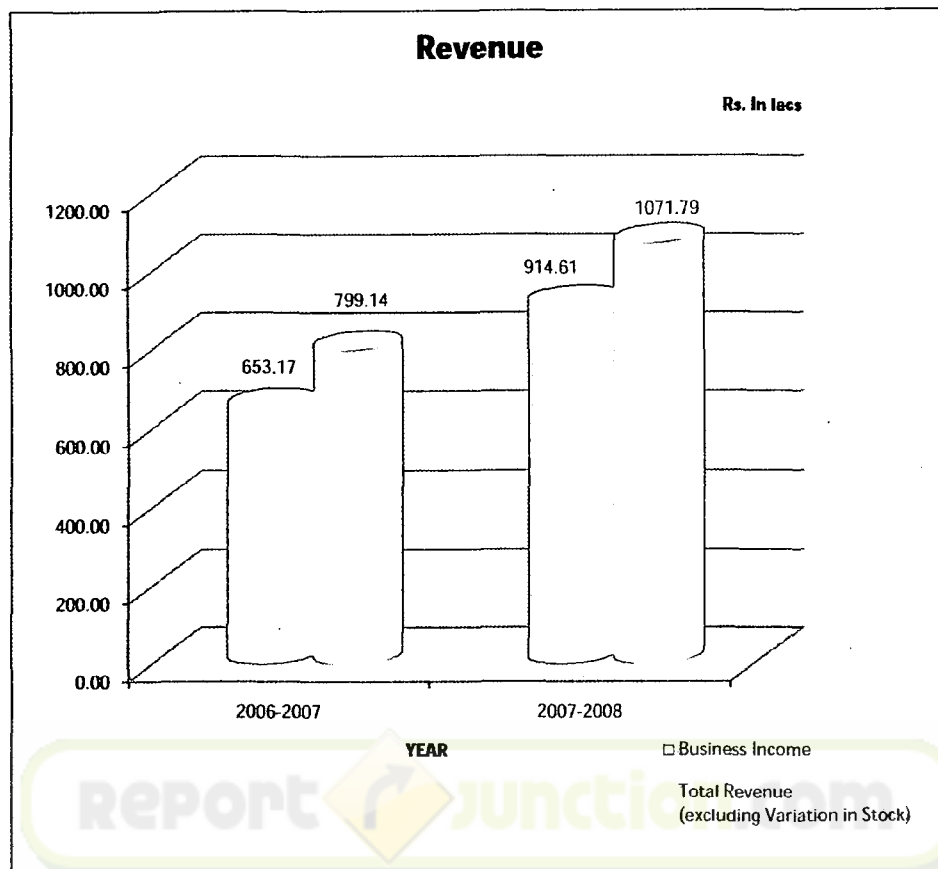
Structuring Growth...



Nila Infrastructures Limited

18th Annual Report

2007-08



Nila Infrastructures Limited

BOARD OF DIRECTORS

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

BANKERS

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 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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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on **Thursday, 24th July, 2008, at 10.00 a.m. at Regd. 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, 2008 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 Yagnesh Vyas, who retires by rotation and being eligible offer 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.

Special Business:

4. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, **Shri Manoj B. Vadodaria**, be and is hereby appointed as **Chairman & Managing Director** of the Company for a further period of five years with effect from 01-04-2008 on the remuneration and on the terms and conditions hereinafter appearing :
 - 1) **Period of Appointment** : 5 years w.e.f. 01-04-2008
 - 2) **Salary** : Rs 1,00,000/- per month
 - 3) **Perquisites & Allowances** : In addition to salary, Shri Manoj B. Vadodaria shall also be entitled to perquisites and allowances as under:

Category A :

- (i) House accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants salaries, society charges, and property tax,
- (ii) medical reimbursement, medical/accident insurance,
- (iii) leave travel concession for himself and family : Expenses incurred for self and family in accordance with the Rules of the Company.
- (iv) Club fees: Subject to maximum of two clubs
- (v) Contribution to Provident Fund & family Benefit Funds: As per the Rules of the Company.

The above mentioned perquisites and allowances will be subject to a maximum of 125% of his annual salary.

For the purpose of calculating above ceiling, perquisites and allowances shall be evaluated as per the Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be valued at actual cost.

Category B :

- (i) Car : The Company shall provide a car for the Company's business and if no car is provided, reimbursement of the conveyance shall be made on actual basis as may be claims made by him
- (ii) Gratuity : As per the Rule of the Company, subject to a maximum ceiling as may prescribed under the payment of Gratuity Act from time to time.
- (iii) Telephone : Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Director.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Manoj B. Vadodaria shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT Shri Manoj B. Vadodaria shall also be entitled for the reimbursement of actual entertainment, traveling, boarding, and lodging expenses, incurred by him in connection with the Company's business and such other benefits / amenities and other privileges, as may be from time to time, be available to other Senior Executives of the Company.

4) Other Terms and Conditions:

- A Shri Manoj B. Vadodaria shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him from time to time by the Board of Directors of the Company.
- B The terms and conditions of the said appointment may be altered or varied from time to time by the Board as it may, in its discretion deem fit within the maximum amounts payable in accordance with Schedule XIII to the Act or any amendments made thereafter in this regard.
- C Shri Manoj B. Vadodaria will be entitled to leave according to the Company's Leave Rules.

Nila Infrastructures Ltd.

5. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution

RESOLVED THAT pursuant to the provisions of Section 293(1) (d) and any other applicable provisions of the Companies Act, 1956 the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board) for borrowing from time to time for the purpose of the Companies business, any sum or sums of money as it may deem proper; notwithstanding that the money to be so borrowed together with money already borrowed by the Company, if any (apart from temporary loans obtained from the Company's banker in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose; provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed (apart from temporary loans obtained from the Company's Bankers / Financial Institution/s in the ordinary course of business) and outstanding at any one time shall not exceed **Rs. 100 Crores (Rupees Hundred Crores Only)**

For & on behalf of Board

Ahmedabad
23.06.2008

Manoj B. Vadodaria
Chairman & Managing Director

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 18th July, 2008 to 24th July, 2008 (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.

Explanatory Statement Pursuant to Section 173 [2] of the Companies Act, 1956

Item No 4:

Shri Manoj B. Vadodaria is working as the Managing Director since inception of the Company and developed the Company in the infrastructural field with very good projects of constructions and allied activities. Shri Manoj B Vadodaria is looking after overall operations and day-to-day administration over a period of one decade as first director of the Company from its incorporation activity.

The Company has made remarkable progress under his guidance and control and anticipates further progress and development by various expansion and diversification programmes in the coming period. It is advisable in the best interest of the company that Mr. Manoj Vadodaria's able and competent leadership will provide further path of effective development and operations. Therefore the Board of Directors in its meeting dated 27-03-2008 recommended his appointment as Chairman & Managing Director for a period five years commencing 1st April, 2008 as per the terms and conditions as mentioned in the resolution and draft agreement.

Except Mr. Manoj B. Vadodaria and Smt. Nila M. Vadodaria none of the directors are interested in the passing of the said special resolution.

Item No 5:

The Company's present borrowing power limits of Rs. 50 Crores [Rupees Fifty Crores] has been approved by the Members in their 8th Annual General Meeting dated 28th September, 1998. The Company is envisaging expansion of its activities and growth of the Company's business in the coming period. Therefore, the Company prepared to put a proposal for seeking finance from Bank/Financial Institute/s by way of term loan/s, line of credit, working capital facilities etc. This will help the Company in expansion of its activities and growth of the business.

In order to implement the said proposals, the Board of Directors think fit and proper in the best interest of the Company to consider the suitable financial assistance in near future and therefore the present limits of Borrowing of Rs. 50 Crores [Rupees Fifty Crores] be enhanced to the tune of Rs. 100 Crores [Rupees Hundred Crores Only]

None of the Directors is in any way concerned or interested in the passing of the proposed resolution.

18TH Annual Report**DIRECTORS' REPORT**

To,
The Members,
Nila Infrastructures Limited

Your Directors have pleasure in presenting herewith the **Eighteenth Annual Report** alongwith the Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS:

Particulars	(Rs. in lacs)	
	Current Year ended 31-03-08	Previous Year ended 31-03-07
Total Income	2565.64	799.14
Less : Total Expenditure	2182.76	472.80
Less : Interest	49.80	60.93
Profit Before Tax & Depreciation	333.08	265.41
Less : Depreciation	13.61	10.44
Profit Before Taxation	319.47	254.97
Less :Provisions for IT/FBT	122.22	49.87
Add : Deferred Tax Assets/(Liability)	0.47	(63.67)
Add: Excess Provision written back	9.37	4.08
Net Profit	207.09	145.51
Paid-up Equity Share Capital	1232.26	1232.26
Reserves (Excluding Revaluation Reserves)	991.29	784.20

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.

RESULT OF OPERATIONS

During the year, the Company has achieved business income of Rs. 914.61 lacs as against Rs. 653.17 lacs in the previous year, reflecting a growth of 40%. Similarly Profit after tax for the year was Rs. 197.72 lacs as against Rs. 141.42 lacs in the previous year, registering an increase of 39.81%.

FUTURE PROSPECTS

Your Company has got expertise in development of Bus Shelters. Company is looking for opportunity to develop Bus Shelters in entire Gujarat and even in other states also, either for local Transport Service Agencies or BRTS. Further, the Company is intending to develop project of residential flats in and around Ahmedabad in near future. Company is also looking for opportunity to develop Power Sub-Station for Ahmedabad Electricity Company. Your Company sees bright prospects in reality business in future.

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 have 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 as at 31st March 2008 and of the profit or loss of the company for the year ended on that date.

- 3 That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- 4 That the directors have prepared the annual accounts on a going concern basis

DIRECTORS:

Pursuant to provisions of Section 256 of the Companies Act, 1956, Shri Yagnesh Vyas, Director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself 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 of the Company are adequately insured.

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 2008-09 have been 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 forming 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' REPORT

The Auditors' Report for the year ended 31st March, 2008 and the notes forming part of the accounts referred to in the Auditors' Report are self-explanatory and give complete information.

MATERIAL CHANGES

No material changes have taken place since the closure of the financial accounts upto the date of the report, which may substantially affect the financial performance or the statement of the Company.

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, Financial Institutions, 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.

For and on behalf of the Board

Ahmedabad
23.06.2008

Manoj B Vadodaria
Chairman & Managing

MANAGEMENT DISCUSSION & ANALYSIS**PERFORMANCE:**

In the present age of globalization and development of the real estate and infrastructures industry, the Company envisages positive financial purview during the year under review . Further, the Company has entered into contract for development of modernized bus shelters at Ahmedabad and Rajkot. There are encouraging responses for this project and good benefits from such contracts have accrued in the year.

OPPORTUNITIES AND THREATS:

The Company is looking for better opportunities to develop on higher scale by creation of more and more bus shelters in entire State of Gujarat either for AMTS or for BRTS in Ahmedabad City or for Local Transport Service Agencies anywhere else. The Company is also looking for some bright opportunities to develop residential and commercial complexes in and around Ahmedabad.

FINANCIAL REVIEW:

The company has achieved improved financial performance during the year under review. Total Revenue (excluding variation in stock) for the year ended 31st March, 2008 is Rs.1071.79 lacs compared to previous year's Rs.799.14 lacs, reflecting a growth of 34.11 % over the previous year and similarly Profit Before Tax during the Current Financial Year is Rs. 319.47 lacs compared to Previous Year's of Rs. 254.97 lacs, reflecting growth of 25.29%.

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 protected against loss from unauthorized use of disposition and those transactions are properly authorized, recorded and reported correctly. The internal control systems are designed in such a way to ensure that the financial and other records are reliable for reporting financial statements and other data, and for maintaining accountability of assets. The Company is also considering better means of effective control having purview of the adequate cost control and resultant higher profitability.

HUMAN RESOURCES:

Considering the nature of business undertaken by the Company, it is the practice of the Company to appoint the persons required on an 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 review. In the coming period the Company is anticipating professional outlook in the Human Resource field. This will be one of the criterias for achieving higher efficiency levels.