# DIRECTORS' REPORT

**Dear Members,**

The Directors of your company are pleased to present the 25th Annual Report to the Members with the audited financial statements for the year ended March 31, 2015.

**STATE OF AFFAIRS OF THE COMPANY**
**Financial Results:**

The performance of the Company for the financial year 2014-15 is as under:

(₹ in Lacs)

| Particulars | Standalone for the year ended | | Consolidated for the year ended | |
|---|---|---|---|---|
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 |
| Total Income | 13,171.85 | 10,014.92 | 13,174.74 | 10,069.18 |
| Less: Total Expenditure | 11,303.34 | 8,196.71 | 11,314.37 | 8,254.50 |
| **Profit Before Tax** | 1,868.51 | 1,818.21 | 1,860.37 | 1,814.68 |
| Less: Current Tax | 684.75 | 632.33 | 684.75 | 632.89 |
| Deferred Tax | (21.24) | 0.82 | (21.24) | 0.83 |
| Net Profit After Tax | 1,205.00 | 1,185.06 | 1,196.86 | 1,180.96 |
| Add: Balance Brought Forward from previous year | 4,845.44 | 4,105.78 | 4,770.84 | 4,078.24 |
| **Profit available for appropriation** | **6,050.44** | **5,290.84** | **5,967.70** | **5,259.20** |
| Less: Reserve due to consolidation | - | - | 50.71 | 42.96 |
| Less: Depreciation | 6.64 | - | 6.64 | - |
| Less: Transfer to General Reserve | - | 100.00 | - | 100.00 |
| Less: Proposed Dividend | 370.23 | 295.23 | 370.23 | 295.23 |
| Less: Dividend Distribution Tax | 74.03 | 50.17 | 74.03 | 50.17 |
| Surplus carried to Balance Sheet | 5,599.54 | 4,845.44 | 5,466.09 | 4,770.84 |
| Security Premium | 5,678.34 | 2,678.34 | 5,678.34 | 2,678.34 |
| General Reserve | 524.77 | 524.77 | 524.77 | 524.77 |
| Reserves [Excluding Revaluation Reserve] | 11,802.65 | 8,048.55 | 11,669.20 | 7,973.95 |

**REVIEW OF OPERATIONS:**

Your Company's primary area of operations include construction and development of infrastructure and real estate projects. The majority of the projects of your Company are being executed in Gujarat and one at Rajasthan.

During the year under review, total operational revenue of the Company increased by 28 % from ₹ 96.65 lac to ₹ 124.40 lac as compared to the previous financial year. The increase in turnover is predominantly due to higher operational activities at multiple projects as well as higher number of operational projects during the year. Out of the total turnover; the contribution of infrastructure projects is 65 % and remaining from the real estate, trading and leasing activities.

**REPORT ON PERFORMANCE OF SUBSIDIARY COMPANY PURSUANT TO RULE 8 (1) OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

As per Section 129 (3) of the Companies Act, 2013 and Clause 32 of the listing agreement your Directors have pleasure in attaching the consolidated financial statements prepared in accordance with the applicable accounting standards with this report.

In terms of proviso to Section 129(3) and rule 8(1) of the Companies (Accounts) Rules, 2014, the silent features and financial position of the subsidiary companies, associates and joint ventures are mentioned in the notes to the accounts.

**DIVIDEND:**

The Directors have recommended payment of dividend of ₹ 0.10 per equity share of ₹ 1 each i.e. 10% of paid up capital. The dividend payout will absorb an amount of ₹ 370.23 lac. The dividend will be paid to the members, whose name appears in the register of members as on August 24, 2015.

**PUBLIC DEPOSITS:**

During the year under review your Company has not accepted any deposits from the public within the meaning of Section 73 and 76 of the Companies Act, 2013.

**INSURANCE:**

All the existing properties of the Company are adequately insured.

**DIRECTORATE:**

Pursuant to Section 152 of the Companies Act, 2013, Shri Dilip D. Patel, (DIN:01523277) Director of the Company retires by rotation at the ensuing Annual General Meeting of the company and being eligible offers himself for reappointment.

During the year Mr. Akhilesh C. Mehta has resigned as a Director. The Board took note of the contribution made by him in the growth of the company.

During the year under review at the 24th Annual General Meeting your Company has appointed Shri Shyamal S. Joshi, Shri Ashok R. Bhandri, Shri Harcharansingh P. Jamdar, and Shri Hiren G. Pandit as Independent Directors in terms of Section 149 of the Companies Act, 2013.

Further in terms of the provisions of Section 203 of the Companies Act, 2013 Mr. Manoj B. Vadodaria, Managing Director; Mr. Prashant H. Sarkhedi, Chief Finance Officer; and Mr. Dipen Y. Parikh, Company Secretary have been designated as Key Managerial Personnel. Further in terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has appointed Ms. Foram B. Mehta as a Woman Director on March 28, 2015. The appointment of Ms. Foram B. Mehta is made by the Board of Directors under Section 161 of the Companies Act, 2013.

Pursuant to the requirement of Section 149 (7) of the Companies Act, 2013, the Independent Directors have submitted their declarations to the Board that they meet the criterion of independence as provided in Section 149 (6) of the Companies Act, 2013.

**Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, an annual performance evaluation of the members of the Board of its own individually and working of the various committees of the Board was carried out. The manner in which the performance evaluation was carried out has been explained in the Corporate Governance Report.

**Board Meetings:**

During the year under review 7 (seven) Board Meetings and 4 (four) Audit Committee Meetings were held. The details of the meetings are given in the Corporate Governance Report as a part to the Boards' Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013 your Directors confirm that:

a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgment 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 and loss of the company for that period.

c) The Directors have 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 for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the annual accounts on a going concern basis; and

e) Proper internal financial controls are in place and that the financial controls are adequate and were operating effectively.

f) The Directors have devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**ISSUE OF SECURITIES ON PRIVATE PLACEMENT BASIS:**

During the year under review your Company has issued and allotted 75,000,000 equity shares of ₹ 1 each at an issue price of ₹ 5 per share on private placement basis to the persons other than promoters. Further the company has issued 22,500,000 warrants convertible into equivalent numbers of equity shares to the promoters and promoter group at an issue price of ₹ 5 per warrant on private placement basis. The utilisation of the money raised through this private placement has been made for the purpose mentioned in the explanatory statement of the notice of the General Meeting and Private Placement Offer Letter.

**INCREASE IN AUTHORIZED CAPITAL:**

In order to facilitate the issue of equity shares and convertible warrants on private placement basis; the authorised share capital of the Company has been increased from ₹ 3,500 lac to ₹ 5,000 lac by creation of 1,500 lacs equity shares of ₹ 1 each.

**LISTING OF SHARES:**

Equity shares of your Company are listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd (NSE). Your Directors are pleased to inform that the equity shares of your Company have been listed and admitted for dealing at NSE w.e.f May 21, 2015. The Company has duly paid the annual listing fees for the financial year 2015-16 to the exchanges. Adequate care has been taken to comply with all the norms and requirements as per the provisions of the listing agreements. The Company's shares are under 'Compulsory Demat'. The ISIN allotted to the equity share of the Company is INE937C01029. As directed by the SEBI Circular, your Company has appointed M/s MCS Ltd as its Registrar and Share Transfer Agent to undertake transfer of physical share certificates besides acting as an electronic registrar.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Company has generally implemented the procedure and adopted practices in conformity with the code of Corporate Governance as enumerated in clause 49 of the listing agreement with the stock exchanges. The management discussion and analysis and corporate governance report are made a part of this report. A certificate from the company secretary in practice regarding compliance of the conditions of corporate governance is given in annexure, which is attached hereto and forms part of the Directors' report.

Disclosure in terms of Schedule V (Part II) (Section II) (B) (iv) (IV) of the Companies Act, 2013 are mentioned in Corporate Governance Report as a part of this report.

**STATUTORY AUDITORS:**

M/s. O. P. Bhandari & Co. (FRN:112633W), Chartered Accountants, Ahmedabad retires at the ensuing Annual General Meeting and is eligible for reappointment. The Company has received a certificate from them that their re-appointment if approved by the shareholders would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The members are requested to appoint auditors to hold office until the conclusion of the next annual general meeting of the Company.

**AUDITORS' REPORT:**

Observations of the auditors in their report together with the notes on accounts are self explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

**SECRETARIAL AUDITOR'S REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the company has appointed M/s R S Sharma & Associates (ACS 3126), Company Secretaries to undertake the secretarial audit of the Company. The report of the Secretarial Auditor is annexed herewith. The report of the Secretarial Auditor is self explanatory.

**AUDIT COMMITTEE:**

The audit committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement reviewed the financial results and financial statements, audit process, internal control system, scope of internal audit and compliance of related regulations as prescribed under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Composition and terms of reference of the audit committee is given in the Corporate Governance Report as a part of the Boards' Report.

**VIGIL MECHANISM (WHISTLE BLOWER POLICY)**

The company has established Vigil Mechanism (Whistle Blower Policy) in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for the employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct. The details of the Whistle Blower Mechanism is explained in the Corporate Governance Report and policy is available on the company's website.

**DISCLOSURE IN TERMS OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place an anti sexual harassment policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. There is no such instance reported during the year under review.

**STATUTORY DISCLOSURES REQUIRED UNDER RULE 8 (3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:**

Detail of foreign exchange earnings and outgo form part of the financial statement for the year under review. Conservation of energy has always been of immense importance to your Company and all the equipments consuming energy have been placed under continuous and strict monitoring. In view of the nature of the operations, no report on the other matters is required to be made under section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT MADE BY THE COMPANY DURING THE YEAR:**

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS:**

In terms of Clause 49 of the Listing Agreement the Company has adopted policy on dealing with related party transactions. All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and were at arm's length basis. There are no material significant related party transactions made by the Company with its Directors, Promoters, Key Managerial Personnel or their relative exceeding the limit prescribed under Section 188 (1) of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its powers) Rules, 2014.

**BUSINESS RISK MANAGEMENT:**

In terms of the requirement of Clause 49 of the Listing Agreement; the Company has constituted Business Risk Management Committee. The details of the Committee and terms of reference are given in the Corporate Governance Report forming part of the Board of Directors' Report.

The Company has adopted a policy indentifying and evaluating various business risks and mechanism to mitigate the risk. The policy aims to provide framework for the evaluation of various risk and entire risk management. The key business risks identified by the Company are as under.

**Cyclic Nature of Business:**

Your Company's primary area of operations includes construction and development of infrastructure and real estate projects which has a cyclic nature. The operations of your Company may be affected by any downturn in economy. To mitigate the impact of any slowdown in economy the management of your Company focuses on constructing urban infrastructure projects i.e affordable housing projects of Government wherein risk is considered to be less. With respect to real estate projects the Company considers various scientific parameters for selection of projects to ensure successful completion.

**Competition Risk:**

Competition in business is inevitable. The business in which your Company operates is highly competitive in nature with the presence of regional players and the new entrance of big corporates having pan India operations.

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To mitigate this risk your Company focuses on providing quality products, improving after sales services and applying robust marketing strategy.

**Interest Rates and Monetary Policy:**

The business of your Company is highly capital intensive and considering the long gestation period of housing and infrastructure projects; the Company requires long term working capital from time to time. Further the demand of housing is also linked with the rate of housing loans. Any increase in the base rates or any decision of the Central Bank to tighten the liquidity in the economy; increases the finance cost of your Company and consequently impacts profitability. To mitigate this risk, the Company focuses on better financial management practices to obtain cheaper funds and ensures optimal utilization thereof.

**Other Risks:**

There are other risks which may affect the smooth functioning of your company i.e. shortage of labour may delay the execution of projects.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In terms of the provisions of Section 135 of the Companies Act, 2013, your Company has constituted CSR Committee. As a part of its initiatives under CSR, the Company has spent funds for the projects involving Promotion of Sanitation and preventive Healthcare. As a part of the Clean India Campaign, your company has initiated "My Own Street" campaign to spread awareness of environmental protection and cleanliness by encouraging people to participate and make it a habit to keep the society clean.

The Annual Report on CSR activities is annexed herewith as: **'Annexure A'.**

**NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted a Nomination and Remuneration Committee and adopted a policy on appointment and remuneration of the Directors and Key Managerial Personnel. The composition, terms of reference of the Committee and policy on appointment and remuneration of Directors and Key Managerial Personnel are given in the Corporate Governance Report as a part to the Boards' Report.

**MATERIAL CHANGES**

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

**COST AUDIT:**

The Board has appointed M/s. Dalwadi & Associates, Cost Accountant (FRN 000338) to conduct the audit of the cost record for the financial year 2015-16.

**EMPLOYEES:**

During the year under review, no employee of the Company was in receipt of remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**EMPLOYEE STOCK OPTION SCHEME:**

The stock options granted to the eligible employees operate under the "Nila Infrastructures ESOP- 2014". The disclosures as required under the law have been made in the **'Annexure B'** to this report.

**DISCLOSURES IN TERMS OF RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The information required pursuant to rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

**EXTRACT OF THE ANNUAL RETURN**

The extract of annual return in the prescribed form MGT-9 for the financial year March 31, 2015 is attached with the Boards' Report as **'Annexure C'**.

**ACKNOWLEDGMENTS**

Your Directors take this opportunity to acknowledge with gratitude the trust reposed in the Company by the Shareholders, Investors, Customers, Corporations and Government Authorities. Directors of your Company specifically express their gratitude to the Bankers and Financial Institutions who have extended immense support to the Company for implementation of all the projects in time. Further, your Directors also keenly appreciate the dedicated commitment of the employees without which the sustained progress of the Company would not have been a reality.

For & on Behalf of the
Board of Directors

Date: May 25, 2015
Place: Ahmedabad

**Manoj B. Vadodaria**
Chairman & Managing Director
DIN: 00092053

# Annexure A

**Annual Report on Corporate Social Responsibility Activities**

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs. Brief Outline of the CSR Policy is stated herein below:

**CSR Policy**

(Approved by the Board of Directors on May 29, 2014)

The object of the CSR policy is to frame a road map for the CSR activities to be undertaken by the Company and establish a monitoring mechanism for effective implantation as per regulatory requirement.

Thrust area of activities enumerated under the policy are as under.

**Community healthcare, promotion of sanitation and hygiene, including, but not limited to:**

a) Establishment and/or management of infrastructure ensuring cleanliness, waste removal, and sanitation.

b) Establish and manage medical healthcare units and allied infrastructure.

c) Providing financial and/or other assistance to the agencies involved exclusive in waste management, sanitation, medical healthcare, therapeutic clinics, research, public health, nursing etc.

d) Activities concerning or promoting:

   i. General health care including preventive health care

   ii. Safe motherhood

   iii. Child survival support programs

   iv. Health / medical camps

   v. Better hygiene and sanitation

   vi. Adequate and potable water supply, etc.

**Social care and concern, including, but not limited to:**

(a) Creating Public awareness for cleanliness and to undertake campaign thereof;

(b) Protection and upgradation of environment including ensuring ecological balance and related activities and undertaking public campaign thereof.

**Web Link :**

**http://www.nilainfra.com/pdfs/Policies%20and%20Code%20of%20Conducts/Corporate%20Social%20Responsibilty%20Policy.pdf**

2. Composition of the CSR Committee:

| Name of the Members | Designation |
|---|---|
| Mr. Shyamal S. Joshi | Chairman |
| Mr. Kiran B. Vadodaria | Member |
| Mr. Manoj B. Vadodaria | Member |

3. Average Net Profit of the Company for last three financial years: ₹ 1851.42 lac.

4. Prescribed CSR Expenditure ( 2% of the amount as in item no 3.) : ₹ 37.03 lac.

5. Details of CSR spent during the financial year:

(a) Total Amount spent during the financial year: ₹ 37.12 lac

(b) Amount unspent, if any: NA

(c) Manner in which the amount was spent during the financial year is detailed below:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| SN | CSR Projects or activities identified | Sector in which the project is covered | Projects or programs (1) Local Areas or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budge) project or programs wise | Amount spent on the projects or programs **Sub-heads:** (1) Direct expenditure on projects or programs (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent : Direct or through implementing agency |
| 1 | Promotion of sanitation activity | Promoting preventive healthcare and sanitation | Ahmedabad, Gujarat | ₹ 37.03 lac | ₹ 37.12 lac | ₹ 37.12 lac | Direct by the Company |
| | **Total** | | | ₹ 37.03 lac | ₹ 37.12 lac | ₹ 37.12 lac | |

- Details of the implementing agency: Not Applicable

6. Reasons for not spending the prescribed amount during the year: Not Applicable

# Annexure B

| Details of Employee Stock Options Scheme under the law | | |
|---|---|---|
| a | Options Granted | 11,000,000 |
| b | The Pricing Formula | The Exercise Price is the Market Price as defined under SEBI ESOP Guideline, 1999. Meaning thereby, the Exercise Price is the latest available closing price, prior to the date of meeting in which Options are Granted, on the Stock Exchanges on which there is highest trading volume of shares on the said date. In case Market Price falls below the face value, the "Exercise Price" shall be the Face Value. |
| c | Options Vested | NIL |
| d | Options Exercised | NIL |
| E | The Total number of shares arising as a result of exercise of option | NIL |
| F | Options Lapsed | NIL |
| G | Variation of terms of Options | NA |
| H | Money realized by Exercise of Options | NA |
| I | Total Number of Options in force | 11,000,000 |
| J | Employee wise details of Options Granted to: | |
| i) | Key Managerial Personnel | |
| a) | Prashant H. Sarkhedi, Chief Finance Officer | 500,000 |
| b) | Dipen Y. Parikh, Company Secretory | 350,000 |
| ii) | any other employee who receives a Grant in any one year of Option amounting to 5% or more of Option Granted during that year | NA |
| iii) | Identified employees who were Granted Option, during any one year, equal to or exceeding 1% of the Issued Capital (excluding Outstanding Warrants and Conversions) of the Company at the time of Grant | NA |
| J | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Options, calculated in accordance with Accounting Standard (AS)- 20 'Earnings Per Share' | Not Applicable as Options have not been exercised. |
| K | Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed | Not Applicable as Options have not been exercised. |
| L | Weighted average exercise price of Options whose<br>(a) Exercise price equals market price;<br>(b) Exercise price is greater than market price<br>(c) Exercise price is less than market price<br>Weighted average Fair Value of Options whose<br>(a) Exercise price equals market price;<br>(b) Exercise price is greater than market price<br>(c) Exercise price is less than market price | <br>₹ 6.64<br>No such Grant<br>No such Grant<br><br>No such Grant<br>No such Grant<br>No such Grant |

| | | |
|---|---|---|
| M | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:<br>(i) risk-free interest rate<br>(ii) expected life<br>(iii) expected volatility<br>(iv) expected dividends, and<br>(v) the price of the underlying share in market at the time of option grant | The Company had calculated fair value of options for options granted on November 28, 2014 using the Black Scholes method as option-pricing model.<br><br>8.00%<br>12 to 60 months<br>68%<br>1.50 %<br>₹ 6.64 |

# Annexure C Form No. MGT 9 : Extract of Annual Return

**As on financial year ended on March 31, 2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

| | |
|---|---|
| CIN | L45201GJ1990PLC013417 |
| Registration Date | February 26, 1990 |
| Name of the Company | Nila Infrastructures Limited |
| Category/Sub-category of the Company | Public Limited Listed Company |
| Address of the Registered office & contact details | First Floor Sambhaav House<br>Opp. Chief Justice's Bungalow,<br>Bodakdev, Ahmedabad – 380015<br>Tel. +91 79 4003 6817/18<br>Fax: +91 79 3012 6371;<br>Email: secretarial@nilainfra.com |
| Whether listed company | Yes |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | **M/s MCS Ltd.**<br>201, Third Floor, Shatdal Complex,<br>Opp: Bata Show Room<br>Ashram Road,<br>Ahmedabad - 380009<br>Tel no. (079) 26582878;<br>Fax no. (079) 26581296 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sr.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Construction and Construction Services | 99531 | 74% |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| SN | Name and Address of the Company | CIN/ GLN/ LLPIN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Nila Projects LLP<br>1st Floor, Sambhaav House,<br>Opp. Chief Justice Bunglow,<br>Bodakdev, Ahmedabad-15. | AAD- 3464 | Subsidiary | 99.97% | Section 2(87) of the Companies Act, 2013 |
| 2 | Nilsan Realty LLP<br>Sandesh Bhavan, Lad Society<br>Road, Bodakdev, Ahmedabad. | AAA-0642 | Associate/Joint Venture | 50% | Section 2(6) of the Companies Act, 2013 |
| 3 | Shree Matangi Projects LLP<br>12, Saket Bunglows, Near<br>Takshshila Tower, Vastrapur,<br>Ahmedabad-15. | AAA-1025 | Associate/Joint Venture | 40% | Section 2(6) of the Companies Act, 2013 |
| 4 | Fangdi Land Developers LLP<br>33, Amrapalash Bunglows,<br>B/h. Fun Republic, Satellite,<br>Ahmedabad-15. | AAB-0424 | Subsidiary | 51% | Section 2(87) of the Companies Act, 2013 |
| 5 | Mega City Cinemall Pvt. Ltd<br>City Pulse Building, Near<br>Samrat Hotel, Vishalla-<br>Sarkhej Road, Ahmedabad. | U92412GJ2006PTC048195 | Associate | 42.50% | Section 2(6) of the Companies Act, 2013 |

## ANNEXURES TO DIRECTORS' REPORT

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**A) Category-wise Share Holding**

| SN | Category | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A.** | **Promoters** | | | | | | | | | |
| **(1)** | **Indian** | | | | | | | | | |
| a) | Individual/ HUF | 221,325,187 | 00 | 221,325,187 | 74.97 | 221,325,187 | 00 | 221,325,187 | 59.78 | (15.19) |
| b) | Central Govt | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| c) | State Govt(s) | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| d) | Bodies Corp. | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| e) | Banks / FI | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| f) | Any other | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | **Total shareholding of Promoters (A)** | **221,325,187** | **00** | **221,325,187** | **74.97** | **221,325,187** | **00** | **221,325,187** | **59.78** | **(15.19)** |
| **B.** | **Public Shareholding** | | | | | | | | | |
| **1.** | **Institutions** | | | | | | | | | |
| a) | Mutual Funds | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| b) | Banks / FI | 133,900 | 00 | 133,900 | 0.05 | 9,430 | 00 | 9,430 | 0.00 | (0.05) |
| c) | Central Govt | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| d) | State Govt(s) | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| e) | Venture Capital Funds | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| f) | Insurance Companies | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| g) | FIIs | 2,100,000 | 00 | 2,100,000 | 0.71 | 00 | 00 | 00 | 00 | (0.71) |
| h) | Foreign Venture Capital Funds | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| i) | Others (specify) | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | **Sub-total (B)(1):-** | **2,233,900** | **00** | **2,233,900** | **0.76** | **9,430** | **00** | **9,430** | **0.00** | **(0.76)** |
| **2.** | **Non-Institutions** | | | | | | | | | |
| a) | Bodies Corp. | 6,544,192 | 2,525,000 | 9,069,192 | 3.07 | 10,272,306 | 2,521,000 | 12,793,306 | 3.46 | 0.39 |
| i) | Indian | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| ii) | Overseas | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| b) | Individuals | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| i) | Individual shareholders holding nominal share capital upto ₹ 1 lac | 26,750,830 | 13,035,702 | 39,786,532 | 13.48 | 27,533,260 | 12,551,702 | 40,084,962 | 10.83 | (2.65) |
| ii) | Individual shareholders holding nominal share capital in excess of ₹ 1 lac | 15,792,930 | 1,362,000 | 17,154,930 | 5.81 | 59,502,910 | 13,15,000 | 60,817,910 | 16.43 | 10.62 |

| SN | Category | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) | Others | | | | | | | | | |
| | Hindu Undivided Families | 3,136,766 | 00 | 3,136,766 | 1.06 | 13,149,802 | 00 | 13,149,802 | 3.55 | 2.49 |
| | Non Resident Indians | 1,062,693 | 1,457,000 | 2,519,693 | 0.85 | 20,590,603 | 1,455,000 | 22,045,603 | 5.95 | 5.10 |
| | Overseas Corporate Bodies | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | Foreign Nationals | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | Clearing Members | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | Trusts | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | Foreign Bodies-D R | 00 | 00 | 00 | 0.00 | 00 | 00 | 00 | 0.00 | 0.00 |
| | **Sub-total (B)(2):-** | **53,287,411** | **18,379,702** | **71,667,113** | **24.27** | **131,048,881** | **17,842,702** | **148,891,583** | **40.22** | **15.95** |
| | **Total Public Shareholding (B)=B1 + B2** | **55,521,311** | **18,379,702** | **73,901,013** | **25.03** | **131,058,311** | **17,842,702** | **148,901,013** | **40.22** | **15.19** |
| **C.** | **Shares held by Custodian for GDRs & ADRs** | **00** | **00** | **00** | **0.00** | **00** | **00** | **00** | **0.00** | **0.00** |
| | **Grand Total (A+B+C)** | **276,846,498** | **18,379,702** | **295,226,200** | **100.00** | **352,383,498** | **17,842,702** | **370,226,200** | **100.00** | **0.00** |

**B) Shareholding of Promoter-**

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Manoj B. Vadodaria | 44,154,712 | 14.96 | 0.00 | 44,154,712 | 11.93 | 0.00 | (3.03) |
| 2 | Nila M. Vadodaria | 43,955,267 | 14.89 | 0.00 | 43,955,267 | 11.87 | 0.00 | (3.02) |
| 3 | Alpa K. Vadodaria | 36,800,000 | 12.46 | 0.00 | 36,800,000 | 9.94 | 0.00 | (2.52) |
| 4 | Kiran B. Vadodaria | 31,858,100 | 10.79 | 0.00 | 31,858,100 | 8.61 | 0.00 | (2.18) |
| 5 | Deep S. Vadodaria | 25,002,108 | 8.47 | 0.00 | 25,002,108 | 6.75 | 0.00 | (1.72) |
| 6 | Shailesh B. Vadodaria | 12,960,000 | 4.39 | 0.00 | 12,960,000 | 3.50 | 0.00 | (0.89) |
| 7 | Mina S. Vadodaria | 8,695,000 | 2.94 | 0.00 | 8,695,000 | 2.35 | 0.00 | (0.59) |
| 8 | Rajesh Bhupatbhai Vadodaria | 5,000,000 | 1.69 | 0.00 | 5,000,000 | 1.35 | 0.00 | (0.34) |
| 9 | Chhayaben Rajeshbhai Vadodaria | 4,300,000 | 1.46 | 0.00 | 4,300,000 | 1.16 | 0.00 | (0.30) |
| 10 | Siddharth Rajeshbhai Vadodaria | 4,300,000 | 1.46 | 0.00 | 4,300,000 | 1.16 | 0.00 | (0.30) |
| 11 | Karan Rajeshbhai Vadodaria | 4,300,000 | 1.46 | 0.00 | 4,300,000 | 1.16 | 0.00 | (0.30) |
| | **Total** | **221,325,187** | **74.97** | **0.00** | **221,325,187** | **59.78** | **0.00** | **(15.19)** |

## ANNEXURES TO DIRECTORS' REPORT

**C) Change in Promoters' Shareholding :**

There is no change in the number of shares held by the promoters of the company. However, the percentage of shareholding has changed during the year due to allotment of shares made on private placement basis to the non promoters.

**D) Shareholding Pattern of top ten Shareholders:**
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SN | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | | % change in shareholding during the year |
|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company | |
| 1 | Hypnos Fund Limited | 2,100,000 | 0.71 | NIL | NIL | (0.71) |
| 2 | Kanva Finance Limited | 1,486,000 | 0.50 | 1,486,000 | 0.40 | (0.10) |
| 3 | Sunrise Stock Broking Private Limited | 1,350,000 | 0.45 | 1,129,950 | 0.30 | (0.15) |
| 4 | Magan Patel | 1,086,000 | 0.37 | 1,086,000 | 0.29 | (0.08) |
| 5 | Pravin Hiralal Vora | 1,068,209 | 0.37 | 582,401 | 0.16 | (0.21) |
| 6 | Kamlesh Natwarlal Patel | 1,000,000 | 0.34 | NIL | NIL | (0.34) |
| 7 | Manoj C Rathod | 986,425 | 0.34 | 344,804 | 0.09 | (0.25) |
| 8 | Manoj R Bhimani | 974,000 | 0.33 | 974,000 | 0.26 | (0.07) |
| 9 | Akshay Santprasad Bhatt | 807,170 | 0.27 | 807,170 | 0.22 | (0.05) |
| 10 | SSJ Finance Securities Private Limited | 752,500 | 0.25 | 396,650 | 0.11 | (0.14) |
| 11 | Shobha Imtiaz Desai | 96,436 | 0.03 | 20,096,436 | 5.43 | 5.40 |
| 12 | Rajnibhai J Desai | NIL | NIL | 10,000,000 | 2.70 | 2.70 |
| 13 | Hemangi B Shah | NIL | NIL | 6,000,000 | 1.62 | 1.62 |
| 14 | Patel Amit Kirtibhai (HUF) | NIL | NIL | 5,000,000 | 1.35 | 1.35 |
| 15 | Rajeshbhai J Desai | NIL | NIL | 5,000,000 | 1.35 | 1.35 |
| 16 | Rameshbhai J Desai | NIL | NIL | 5,000,000 | 1.35 | 1.35 |
| 17 | Jigna S Mehta | NIL | NIL | 2,000,000 | 0.54 | 0.54 |
| 18 | Hetal D Mehta | NIL | NIL | 2,000,000 | 0.54 | 0.54 |
| 19 | Veena B Mehta | NIL | NIL | 2,000,000 | 0.54 | 0.54 |
| 20 | Kavita V Mehta | NIL | NIL | 2,000,000 | 0.54 | 0.54 |

**E) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Manoj B. Vadodaria | 44,154,712 | 14.96 | 44,154,712 | 14.96 |
| 2 | Kiran B. Vadodaria | 31,858,100 | 10.79 | 31,858,100 | 10.79 |
| 3 | Dilip D. Patel | Nil | Nil | Nil | Nil |
| 4 | Shyamal S. Joshi | Nil | Nil | Nil | Nil |
| 5 | Hiren G. Pandit | Nil | Nil | Nil | Nil |
| 6 | Ashok R. Bhandari | Nil | Nil | Nil | Nil |
| 7 | H. P. Jamdar | Nil | Nil | Nil | Nil |
| 8 | Foram Mehta | Nil | Nil | Nil | Nil |
| 9 | Dipen Y. Parikh | Nil | Nil | Nil | Nil |
| 10 | Prashant Sarkhedi | Nil | Nil | Nil | Nil |
| | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | Nil | Nil | Nil | Nil |
| | **At the end of the year** | | | | |
| 1 | Manoj B. Vadodaria | 44,154,712 | 11.93 | 44,154,712 | 11.93 |
| 2 | Kiran B. Vadodaria | 31,858,100 | 8.61 | 31,858,100 | 8.61 |
| 3 | Dilip D. Patel | Nil | Nil | Nil | Nil |
| 4 | Shyamal S. Joshi | Nil | Nil | Nil | Nil |
| 5 | Hiren G. Pandit | Nil | Nil | Nil | Nil |
| 6 | Ashok R. Bhandari | Nil | Nil | Nil | Nil |
| 7 | H. P. Jamdar | Nil | Nil | Nil | Nil |
| 8 | Foram Mehta | Nil | Nil | Nil | Nil |
| 9 | Dipen Y. Parikh | Nil | Nil | Nil | Nil |
| 10 | Prashant Sarkhedi | Nil | Nil | Nil | Nil |

## ANNEXURES TO DIRECTORS' REPORT

**V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Amount in ₹)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 512,462,472 | 395,564,949 | - | 908,027,421 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 2,666,512 | 1,871,851 | - | 4,538,363 |
| **Total (i+ii+iii)** | **515,128,984** | **397,436,800** | **-** | **912,565,784** |
| **Change in Indebtedness during the financial year** | | | | |
| - Addition | 493,933,797 | 250,000,000 | - | 743,933,797 |
| - Reduction | (32,149,355) | (180,741,195) | - | (212,890,550) |
| **Net Change** | **461,784,442** | **69,258,805** | **-** | **531,043,247** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 974,246,914 | 464,823,754 | - | 1,439,070,668 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 3,224,981 | 3,686,580 | - | 6,911,561 |
| **Total (i+ii+iii)** | **977,471,895** | **468,510,334** | **-** | **1,445,982,229** |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount in ₹)

| SN | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount |
|---|---|---|---|---|
| | | Manoj B. Vadodaria | Kiran B. Vadodaria | |
| 1 | Gross salary (per annum) | 2,400,000 | 1,200,000 | 3,600,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil | Nil | Nil |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission as % of profit / others | Nil | Nil | Nil |
| 5 | Others | Nil | Nil | Nil |
| | **Total (A)** | **2,400,000** | **1,200,000** | **3,600,000** |
| | Ceiling as per the Act | ₹ 2.40 Crores as per the Schedule V of the Companies Act, 2013 | | |

**B. Remuneration to other Directors**

(Amount in ₹)

| SN | Particulars of Remuneration | Name of Directors | | | | | | Total |
|---|---|---|---|---|---|---|---|---|
| | | Other NED* | Independent Directors | | | | | |
| | | Dilip Patel | Hiren Pandit | Shyamal Joshi | Ashok Bhandari | H P Jamdar | Foram Mehta | |
| 1 | Fee for attending board / committee meetings | Nil | Nil | 26,000 | 1,000 | 5,000 | Nil | 32,000 |
| 2 | Commission | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 3 | Others | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total Managerial Remuneration | Nil | Nil | 26,000 | 1,000 | 5,000 | Nil | 32,000 |
| | Overall Ceiling as per the Act | ₹ 1 lac per meeting per Director as per Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 | | | | | | |

* Other Non Executive Director

**C. Remuneration to Key Managerial Personnel other than MD/Managar/WTD**

(Amount in ₹)

| SN | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | CS | CFO | Total |
| 1 | Gross salary per annum | 516,000 | 800,400 | 1,316,400 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | NIL | NIL | NIL |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NIL | 39,600 | 39,600 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NIL | NIL | NIL |
| 2 | Stock Option | NIL | NIL | NIL |
| 3 | Sweat Equity | NIL | NIL | NIL |
| 4 | Commission as % of profit / others | NIL | NIL | NIL |
| 5 | Others | NIL | NIL | NIL |
| | **Total** | **516,000** | **840,000** | **1,356,000** |

**Note:** There is no vesting of Stock Option during the year under the Stock Options Scheme of the Company.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

(Amount in ₹)

| SN | Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made if any (give Details) |
|---|---|---|---|---|---|---|
| **A.** | **COMPANY** | | | | | |
| | Penalty | Nil | Nil | Nil | Nil | Nil |
| | Punishment | Nil | Nil | Nil | Nil | Nil |
| | Compounding | Nil | Nil | Nil | Nil | Nil |
| **B.** | **DIRECTORS** | | | | | |
| | Penalty | Nil | Nil | Nil | Nil | Nil |
| | Punishment | Nil | Nil | Nil | Nil | Nil |
| | Compounding | Nil | Nil | Nil | Nil | Nil |
| **C.** | **OTHER OFFICERS IN DEFAULT** | | | | | |
| | Penalty | Nil | Nil | Nil | Nil | Nil |
| | Punishment | Nil | Nil | Nil | Nil | Nil |
| | Compounding | Nil | Nil | Nil | Nil | Nil |