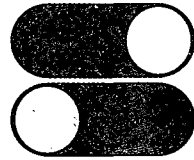
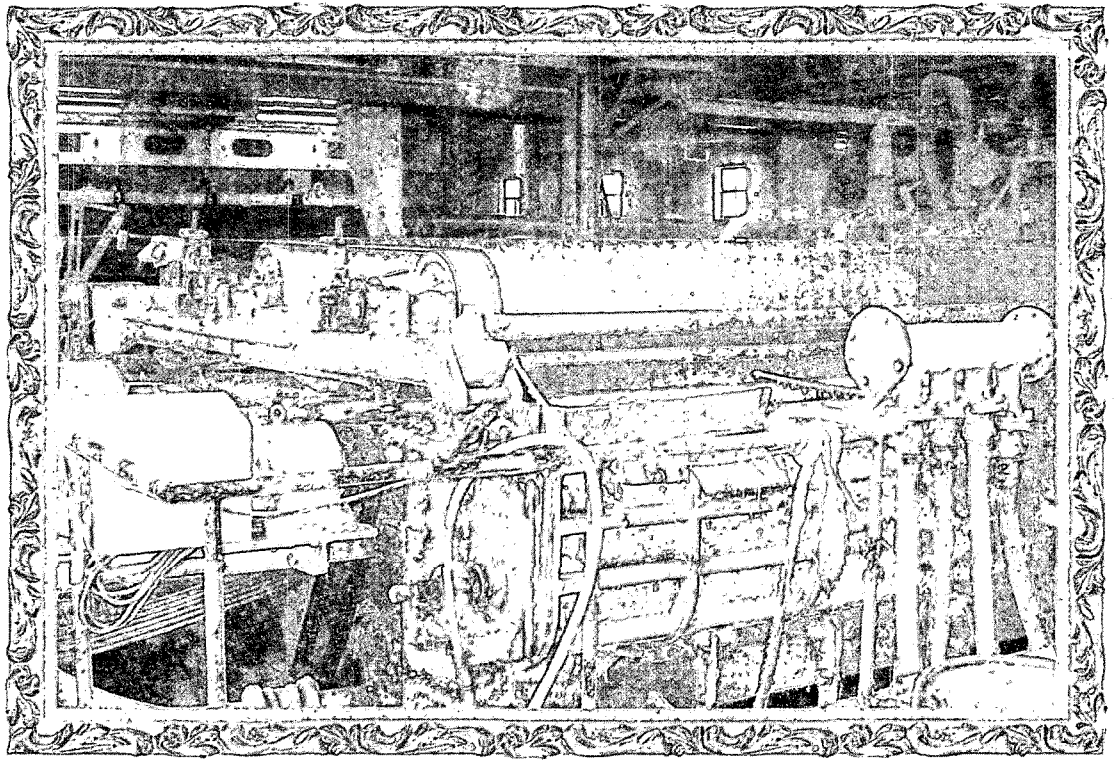


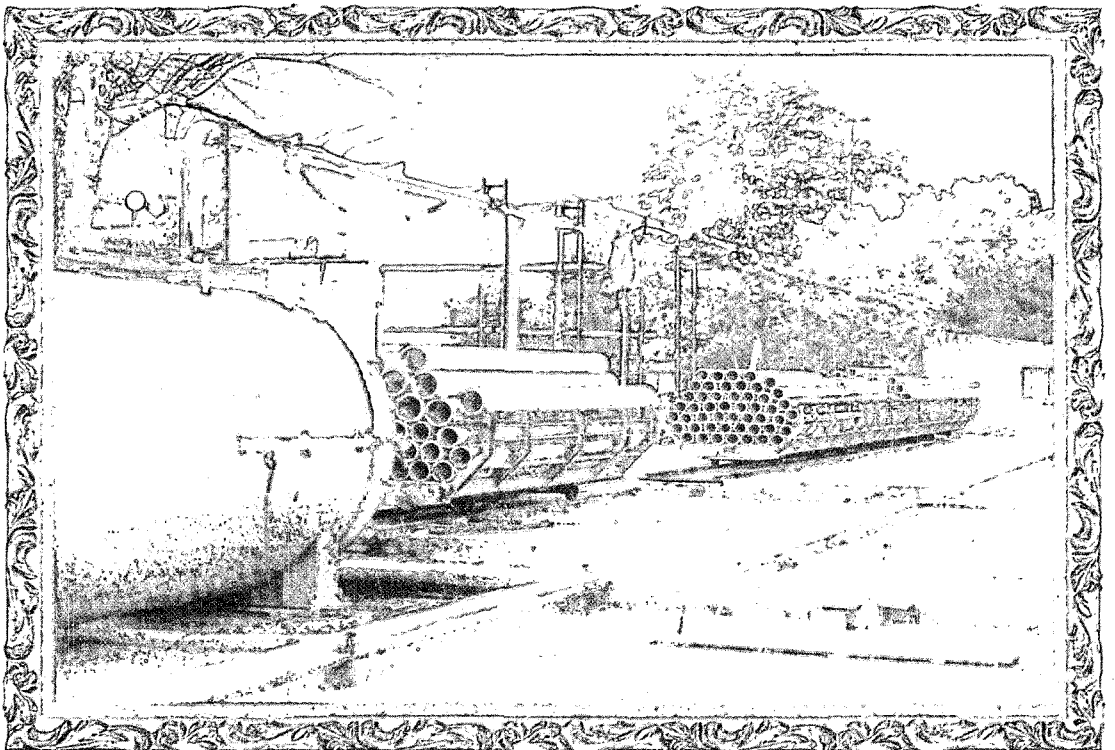
A INFRASTRUCTURE LIMITED



**27th
ANNUAL REPORT
2006-2007**



VIEW OF A.C. PIPE PROCESSING DIVISION



LIST OF THE BOARD OF DIRECTORS OF THE COMPANY

1. Mr. B. K. Kanoria : Chairman
2. Mr. S. K. Kanoria : Vice Chairman cum Managing Director
3. Mr. M.L. Goyal : Director
4. Mr. K. G. Dave : Director
5. Mr. V.K.Gupta : Director
6. Mr. Jagdish Shringi : Director
7. Mr. K. K. Rai : Director

PRESIDENT

Mr. R.L. Adya

CHIEF FINANCE OFFICER

Mr. R.S. Jhanwer

SECRETARY

Mr. K. C. Moondra

AUDITORS

M/s Agiwal & Associates
Chartered Accountants
New Delhi

BANKERS

State Bank of Bikaner & Jaipur
Bank of Baroda

REGISTERED OFFICE & WORKS

P.O. Hamirgarh- 311 025
District- Bhilwara (Raj.)

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the twenty seventh Annual General Meeting of the Shareholders of A INFRASTRUCTURE LIMITED (Formerly Shree Pipes Ltd.) will be held at its Registered Office at Hamirgarh - 311025, Distt. Bhilwara (Rajasthan) on Wednesday, 26th December, 2007 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date and the report of the Directors & Auditors thereon.
2. To appoint Director in place of Mr. K.G. Dave, who retires by rotation and being eligible for re-appointment.
3. To appoint Director in place of Mr. K.K. Rai, who retires by rotation and being eligible for re- appointment.
4. To appoint Auditors and to fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification(s), the following Resolution as an ordinary resolution under Section 224 of the Companies Act, 1956.

"RESOLVED THAT M/s Agiwal and Associates, Chartered Accountants be and are hereby appointed Auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting of the Company and the Board of Directors of the Company be and are hereby authorised to fix their remuneration in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

" RESOLVED THAT in accordance with the provisions of section 257 and all other provisions, if any, of the Companies Act, 1956, Mr. M.L. Goyal who was appointed as an Additional Director and who cease to hold the office as per provisions of section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom the company has received a notice from a Member in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

" RESOLVED THAT in accordance with the provisions of section 257 and all other provisions, if any, of the Companies Act, 1956, Mr. V.K. Gupta who was appointed as an Additional Director and who cease to hold the office as per provisions of section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom the company has received a notice from a Member in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

" RESOLVED THAT pursuant to the provision of section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the appointment of Mr. V.K. Gupta as Whole Time Director (Designated as "Chief General Manager"), liable to retire by rotation, for a period of 5 years with effect from 1st October 2007 and remuneration subject to ceiling of Rs. 12.50 Lacs per annum to be paid is hereby approved, with the liberty and power to the Board of Directors (including its constituted for the purpose) to grant increment and to alter & vary from time to time the amount and type of perquisites to be provided to Mr. V.K. Gupta so as not to exceed the remuneration limits as specified in Schedule XIII of the Act or any amendment thereof."

"FURTHER RESOLVED that Mr. V.K. Gupta be paid the above remuneration as minimum remuneration in case of inadequacy of profit etc."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 17 and Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 the Object Clause (the other objects) of the Memorandum of Association of the Company be altered by inserting the following

new clause after the existing clause C-18

To carry on the business of hotel, restaurant, flight kitchen, café, tavern, beer house refreshment room and lodging houses, proprietors, dramatic and musical, publishers and printers, theatrical agents, box office keepers, concert room proprietors, licensed victual, wine, beers and spirit merchant, brewers, masters, distillers, importers and manufacturers of aerated mineral and artificial water and other drinks purveying caterers for public amusements generally and proprietors, job masters, farmers dairymen, poultry, ice merchants, importers and brokers of live and dead stock and colonial and hair dressers, dressers, perfumers, chemists, proprietors of clubs, baths dressing rooms, libraries, ground and instruction of all kinds, tobacco and cigar merchants, agents for railway and shipping companies carriers, theatrical and opera box office proprietors, enterprises and general agents."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors (Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this resolution, take such further incidental and ancillary step in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company and its shareholders."

By order of the Board,

Place : Bhilwara
Date : November 21, 2007

(K.C. Moondra)
Secretary

Notes:

1. A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member. Proxies in order to be effective must be received by the Company not less than forty-eight hours before the meeting.
2. The Resolution as set out at Sr. No. 8 of the Notice is proposed to be passed through Postal Ballot
3. Members are requested to kindly bring their copies of the Reports and Accounts to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th December, 2007 to 26th December, 2007 (both days inclusive)
5. Members are requested :
 - (i) to kindly notify the change of address, if any to the Company.
 - (ii) to deposit the duly completed Attendance Slip at the Meeting.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.5

Mr. M.L. Goyal was appointed as an Additional Director of the Company and pursuant to provisions of Section 260 of the Companies Act, 1956 read together with Article 133 of the Article of Association of the Company, be hold office only upto the conclusion of Annual General Meeting. A member has given notice pursuant to section 257 of Companies Act, 1956 signifying his intention to propose Mr. M.L. Goyal as Director at the ensuing Annual General Meeting.

Mr. M.L. Goyal is B.A., L.L.B., Sahitya Ratna and retired from Indian Administrative Services, during his service tenure he has occupied various administrative post like Collector and District Magistrate, Director Tourism Rajasthan, M.D. Rajasthan State Hotel Corporation, Director of Industries, Rajasthan, Secretary to Govt. Power and Alternate Sources of Energy and Presently Mr. Goyal is council Member of Governing Body of Rajasthan State Productivity Council and engage with various social Organisation.

The Board of Directors recommends that he may be appointed as Director of the Company, none of the Directors except Mr. M.L. Goyal is interested / concerned in the resolution.

Item No.6

Mr. V.K. Gupta was appointed as an Additional Director of the Company and pursuant to provisions of Section 260 of the Companies Act, 1956 read together with Article 133 of the Article of Association of the Company, be hold office only upto the conclusion of Annual General Meeting. A member has given notice pursuant to section 257 of Companies Act, 1956 signifying his intention to propose Mr. V.K. Gupta as Director at the ensuing Annual General Meeting.

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The Board of Directors recommends that he may be appointed as Director of the Company, none of the Directors except Mr. V.K. Gupta interested / concerned in the resolution.

Item No.7

Mr. V.K. Gupta is a B.E. (Mech.) L.L.B. and joined the group as General Manager Works in 1994 He possesses 27 years rich experience in industry.

A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the name of Mr. V.K. Gupta has filed with the company his consent to act as a Director, if so appointed.

The terms and conditions stated in this Notice may be deemed to be an abstract of the terms of the contract of appointment, as required to be disclosed under section 302 of the companies Act, 1956 appointment of Whole Time Director and payment of remuneration requires the approval of shareholders by an Ordinary Resolution. The Board recommends the resolution for adoption.

None of the Directors of the Company except Mr. V.K. Gupta deemed to be interested / concerned in the resolution.

Item No.8

In order to diversify business activities and to grab the growing business opportunities Company is proposes to enter into Hotel Restaurant and Resort projects.

As per the provision of Section 17 and Section 192A of the Companies Act, 1956 Read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 approval of the members of the company is required through a special resolution to be passed through Postal Ballot. Accordingly, this resolution is placed for approval of the members. The proposed new activity is capable of being conveniently and advantageously continued with the existing business of the Company and in its furtherance.

A copy each of the existing Memorandum of Association and a new set of the Memorandum of Association of the Company after incorporating the proposed alterations in its object clause will be available for inspection of the members at the Registered office of the company on all working days between 10.00 a.m. to 1.00 p.m.

None of the Directors of the Company is concerned or interested, in the aforesaid Special Resolution.

Your Director consider the said resolution in the interest of the Company and therefore recommend the same for your approval.

THE MEMBERS ARE THEREFORE, REQUESTED TO ACCORD THEIR APPROVAL TO THE ABOVE SPECIAL RESOLUTION THROUGH POSTAL BALLOT.

By order of the Board,

Place : Bhilwara

(K.C. Moondra)

Date : November 21, 2007

Secretary

REGARDING ITEM NO. 8 OF THE NOTICE REQUIRING PASSING OF THE RESOLUTION BY POSTAL BALLOT FOR WHICH NECESSARY NOTICE ETC. HAVE BEEN SENT. THE RESULTS OF POSTAL BALLOT WILL BE ANNOUNCED BY THE CHAIRMAN AT THE ENSUING ANNUAL GENERAL MEETING TO BE HELD ON 26TH DECEMBER 2007.

DIRECTORS' REPORT

To,
The Members,
Your Directors hereby present their 27th Annual Report and the Audited Accounts of the Company for the Financial Year ended the 31st March, 2007.

FINANCIAL HIGHLIGHTS

	(Rupees in Lacs)		
	31.03.2007	31.03.2006	
Gross Turnover & other income	16942		8878
Profit(Loss) before Interest & Depreciation	1396		1160
Less: Interest	573		196
Profit(Loss) before Depreciation	823		964
Less: Depreciation	338	214	
Less: Charged to Revaluation Reserve	<u>162</u>	176	<u>162</u> 52
Less : Share Issue Expenses Written off	1		1
Profit(Loss) before tax	646		911
Income Tax :			
Current Year	69	77	
Deferred Tax	(36)	(212)	
Fringe Benefit Tax	<u>20</u>	53	<u>18</u> 153
Profit after Tax for the year	592		757

DIVIDEND

In view of the requirement of the funds for expansion undertaken by your Company, the Directors regret their inability to recommend any dividend for the year under review.

OPERATIONAL HIGHLIGHTS

During the year under review production of Pipes and Sheet was 2624281 Meters and 85642 M.T. respectively. The gross sales were Rs. 16821 Lacs. Your company's focus continues to be on increasing volumes and improving operational efficiency in its business operations.

FUTURE OUTLOOK

The thrust on the infrastructure and rural housing by the Government have spurred demand of the product of the Company. To meet this increasing demand, the Company is exploring possibility of manufacturing of Pipe and Sheets on job work basis from the other manufacturing entities. The demand is expected to be continued for couple of years.

CONSERVATION OF ENERGY

In accordance with the requirements of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo are given in Annexure-II and form part of the report.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors hereby report: -

- a) In the preparation of the annual accounts for the financial year ended 31 March 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and the judgments and estimates made, 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 profits of the Company for that period;

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- c) That the Directors had 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;
- d) That the Directors had prepared the Accounts for the Financial Year ended 31st March 2007 as a "going concern" basis.

AUDITORS

M/s Agiwal and Associates, Chartered Accountants, New Delhi, Auditors of the Company will retire at the forthcoming Annual General Meeting of the Company and are eligible for re-appointment. The Auditors have furnished to the Company, the requisite certificate under Section 224(1) of the Companies Act, 1956. The Directors recommend their re-appointment for the year 2007-08. The observations of the Auditors have been explained in the Notes on accounts and no further explanation is required.

AUDIT COMMITTEE

Your Company has Audit Committee comprising of Three Directors. The terms of reference of the audit committee is in conformity with the requirements specified in Section 292-A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

Detail of employees whose remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for part of the year is given at annexure-1.

THE BOARD OF DIRECTORS

Mr. S.Khandelwal left/resigns from the board w.e.f. 7th may, 2007 and Mr. M.L. Goyal and Mr. V.K. Gupta joined the board w.e.f. 1st Oct. 2007. In accordance with the provisions of the Company Act, 1956 and the Articles of the Association of the Company, Mr. K.G. Dave and Mr. K.K. Rai Director's of the Company, retire by rotation, and being eligible, offer themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the hard work put in by the Officers, Members of the Staff and Workers of the Company. Your Directors are also grateful for the steadfast support extended to the Company by the Government of Rajasthan & Company's Bankers.

For and on behalf of the Board of Directors

V.K. Gupta
Director

S.K. Kanoria
Vice Chairman cum
Managing Director

New Delhi, the 21st day of November 2007



ANNEXURE-I

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Reports for the year ended March 31, 2007

Employed throughout the financial year and in receipt of remuneration exceeding Rs. 2 Lacs per month in part of the year

Sr. No.	NAME	Age	Designation	Qualification	Date of joining	Total Experience	Gross Remuneration	Particulars of last Employment
1	S.K.Kanoria	47	Vice Chairman cum managing director	B.A. Boston University, USA	1.10.2005	23 Years	1394400/-	The Kanoria Sugar & General Manufacturing Company Ltd.

ANNEXURE-II

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report.

POWER & FUEL CONSUMPTION:

		31.03.2007	31.03.2006
1	Electricity:		
	(A) Purchased		
	Units(in '00000)	121.24	95.54
	Total amount (Rs. in Lacs)	542.21	411.49
	Rate/Unit(in Rs.)	4.47	4.31
	(B) Own Generation		
	Units(in '00000)	14.37	4.30
	Unit/Ltr. of Diesel oil	2.91	3.01
	Cost/Unit(in Rs.)	10.92	10.71
2	Coal:		
	Quantity (in Tones)	3942.45	2599.79
	Total cost (Rs. in Lacs)	106.11	68.83
	average Rate(Rs./Ton)	2691.47	2647.45
3	Consumption Per M.T.of production of A.C.Pressure Pipes & Sheets		
	Electricity (in Units)	91.21	91.97
	Furnace Oil	-	-
	Coal (Qty.in M.T.)	0.04	0.04
	Other	-	-

FOREIGN EXCHANGE EARNING AND OUTGO

The foreign exchange outflow was Rs. 5533.23 Lacs on account of raw-material, stores & spares and foreign travelling. There were no export earnings during the year.

ENERGY CONSERVATION MEASURES

- Power Factor improvement :-Capacitors have been installed for reducing reactive power consumption. 4% incentive is being availed on this account.
- Continuous efforts made to reduce coal consumption in Boiler. Old boiler furnace dismantled and new furnace made to improve fuel efficiency.

For and on behalf of the Board of Directors

V.K. Gupta
Director

S.K. Kanoria
Vice Chairman cum
Managing Director

New Delhi, the 21st day of November 2007

AUDITORS' REPORT

To,
The Members
A Infrastructure Ltd.

We have audited the attached Balance Sheet of A Infrastructure Ltd. as at 31st March, 2007 and also Profit and Loss Account of the Company for the year ended on that date and Cash flow statement of the company annexed thereto for the year ended on that date. These financial statements are the responsibility of the Company Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs in terms of section 227 (4A) of the Companies Act 1956 we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph one above we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
 - d) In our opinion the Balance Sheet and profit & Loss account dealt with by these report comply with the accounting standards refer to in sub section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2007, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of clause (g) of sub section (1) of section of 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us read with notes thereon, the Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - 1) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2007,
 - 2) In the case of the Profit and Loss account, of the profit of the Company for the year ended on that date. And
 - 3) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For AGIWAL & ASSOCIATES
Chartered Accountants

Place: New Delhi
Date : 31.10.07

(P.C. Agiwal)
Partner
M. No. 80475

**ANNEXURE TO AUDITORS' REPORT
RE.: A INFRASTRUCTURE LTD.
REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE
TO THE MEMBERS OF
A INFRASTRUCTURE LTD. ON THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 2007**

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However same are required to be updated.
 - (b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the Management during the year and no material discrepancies have been noted.
 - (c) In our opinion and according to information and explanations given to us, the Company has not disposed off substantial part of fixed assets during the year.
- (ii) In respect of its inventories:
- (a) The inventory has been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of Inventories followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to information and explanations given to us, the Company is maintaining proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records which are not material in relation to the Company, have been properly dealt with in the books of accounts.
- (iii) (a) During the year the Company has not taken any Loan from the Companies, firms or other parties listed in the Register maintained u/s 301 of the Companies Act, 1956.
- (b) The Company has not granted any loans secured/unsecured to the Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (c) The Company is maintaining interest free current account with some bodies corporate. As explained, amount outstanding in these accounts is payable or receivable on demand and the same have been considered good by management. Further interest free advances in the nature of loans are given to the employees, which are being recovered as per stipulation wherever made.
- (iv) In our opinion and according of the information and explanations given to us, and having regard to the explanations other than the item of a special nature for which comparable quotations are not available, the Company has an adequate internal control procedure commensurate with its size and nature of its business, for the purchase of inventory, fixed assets and for purchase/sale of goods.

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- (v) In respect of transactions covered under Section 301 of the Companies Act, 1956. In our opinion and according to the information and explanations given to us, during the period of audit there are no transaction aggregating Rs. 500000/- or more in respect of each party in terms of purchase and sale of material and services made in pursuance of contracts or agreements in which Directors are interested that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public during the year, which covered under section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Govt. under section 209 (1) (d) of the Act, for the products of the Company.
- (ix) In respect of Statutory dues:
 - (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Fringe Benefit Tax, Sales Tax, Wealth Tax, Custom Duty, Excise-Duty, Cess and other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding, as at 31st March, 2007 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no dues of sale tax, income tax, Service Tax, Fringe Benefit Tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures or other securities.
- (xiii) In our opinion the Company is not a Chit/nidhi/mutual benefit funds/society, therefore the provisions of clause 4(xiii) of the CARO, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.

A INFRASTRUCTURE LIMITED

- (xvi) In our opinion and according to explanations provided to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long-term investment.
- (xviii) During the year the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained u/s 301 of the Companies Act, 1956
- (xix) As the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.
- (xx) During the year, since the Company has not raised money by way of public issue, paragraph 4(xx) of the Order is not applicable.
- (xxi) To the best of our knowledge and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For AGIWAL & ASSOCIATES
Chartered Accountants

Place: New Delhi
Date : 31.10.07

(P.C. Agiwal)
Partner
M. No. 80475

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BALANCE SHEET AS AT 31st March, 2007

(Rs. in Lacs)

Particulars	Schedule No.	As at 31st March 2007	As at 31st March 2006
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Share Capital	1	1,156.25	751.25
b. Share Application Money		-	405.00
c. Reserves & Surplus	2	<u>3,185.40</u>	<u>4,341.65</u>
			2,754.60
			<u>3,910.85</u>
2. Loan Funds			
a. Secured Loans	3	5,375.62	3,629.55
b. Unsecured Loans	4	<u>878.33</u>	<u>6,253.95</u>
			390.20
			4,019.75
3. Deferred Tax Liabilities			
		44.78	80.62
TOTAL		<u><u>10,640.38</u></u>	<u><u>8,011.22</u></u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	7,076.00	6,706.18
Less: Depreciation		<u>2,239.79</u>	<u>1,911.10</u>
a. Net Block		4,836.21	4,795.08
b. Capital Work in progress		147.37	8.48
2. Investments			
	6	179.87	45.49
3. Current Assets, Loans and Advances			
	7		
a. Inventories		3,419.72	2,862.81
b. Sundry Debtors		1,936.96	1,120.21
c. Cash & Bank Balances		487.69	328.65
d. Loans & Advances		<u>3,773.88</u>	<u>1,396.10</u>
		9,618.25	5,707.77
Less: Current Liabilities & Provisions	8	<u>4,143.00</u>	<u>2,547.84</u>
Net Current Assets		5,475.25	3,159.93
4. Share Issue Expenses			
		1.68	2.24
TOTAL		<u><u>10,640.38</u></u>	<u><u>8,011.22</u></u>

Accounting Policies & Notes on Accounts 14

The Annexed Schedules and Notes referred to above form an integral part of the accounts.

As per our report attached
FORAGIWAL & ASSOCIATES
 Chartered Accountants

FOR AND ON BEHALF OF BOARD OF DIRECTORS

P.C. Agiwal
 Partner

K.C. Moondra
 Secretary

V.K. Gupta
 Director

S.K. Kanoria
 Vice Chairman
 cum Managing Director

Place : New Delhi
 Date : 31.10.2007

V.K. Sharma
 Gen. Manager (F&A)

R.S. Jhanwer
 Chief Finance Officer

A INFRASTRUCTURE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2007

(Rs. in Lacs)

Particulars	Schedule No.	For the Year 2006-07		For the Year 2005-06	
I. INCOME					
Sales and Other Income	9	16,941.72		8,877.87	
Less: Excise Duty		<u>783.65</u>	16,158.07	<u>110.56</u>	8,767.31
Increase/(Decrease) in Stock	10		406.54		1,481.80
Total			<u>16,564.61</u>		<u>10,249.11</u>
II. EXPENSES					
Raw Materials Consumed	11	6,465.58		3,592.24	
Purchase of Traded Goods		3,449.87		697.81	
Manufacturing & Other Expenses	12	<u>5,253.53</u>	15,168.98	<u>4,798.77</u>	9,088.82
Profit/(Loss) before Interest & Depreciation			1,395.63		1,160.29
Interest	13		573.14		196.31
Depreciation		337.90		214.22	
Less : Transfer from Revaluation Reserve		<u>161.51</u>	176.39	<u>161.51</u>	52.71
Less : Share Issue Expenses Written off			0.56		0.56
Profit/(Loss) Before Tax			645.54		910.71
Provision for Tax					
Current Year		69.10		76.63	
Deferred Tax		(35.85)		(212.13)	
Wealth Tax		0.21		0.13	
Fringe Benefit Tax		<u>19.77</u>	53.23	<u>18.05</u>	153.68
Profit/(Loss) After Tax			592.31		757.03
Profit/(Loss) Carried Forward From Previous Year			161.32		(595.71)
Balance Carried to Balance Sheet			753.63		161.32
Basic/Diluted Earning Per Share (Rs.)			8.53		10.96

Accounting Policies & Notes on Accounts 14

The Annexed Schedules and Notes referred to above form an integral part of the accounts.

As per our report attached

FOR AGI WAL & ASSOCIATES
Chartered Accountants

FOR AND ON BEHALF OF BOARD OF DIRECTORS

P.C. Agiwal
Partner

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Secretary

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Vice Chairman
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Place : New Delhi
Date : 31.10.2007

V.K. Sharma
Gen. Manager (F&A)

R.S. Jhanwer
Chief Finance Officer

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SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March, 2007

(Rs. in Lacs)

Particulars	For the Year 31.03.2007	For the Year 31.03.2006
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
13000000 Equity shares of Rs 10/- each	1,300.00	1,300.00
1,00,000 Preference Shares of Rs.100/- each	100.00	100.00
	<u>1,400.00</u>	<u>1,400.00</u>
Issued		
10845150 (Previous Year 6795150) Equity shares of Rs 10/- each	1,084.51	679.51
86700 14.28% Cumulative Optionally Convertible Preference Shares of Rs.100/- each	86.70	86.70
	<u>1,171.21</u>	<u>766.21</u>
Subscribed and Paid up		
10845150 (Previous Year 6795150) Equity shares of Rs 10/- each, fully paid up	1,084.51	679.51
Less :		
Allotment Money & Calls in Arrears (Other than directors)	<u>14.96</u>	<u>14.96</u>
86700 14.28% Cumulative Optionally Convertible Preference Shares of Rs.100/- each	86.70	86.70
	<u>1,156.25</u>	<u>751.25</u>
TOTAL		
Share Application Money	-	405.00
SCHEDULE 2 : RESERVE & SURPLUS		
i) Capital Reserve :		
Central Capital subsidy (As per last Account)	15.00	15.00
ii) General Reserve		
Add:- Recognition of deferred tax assets-net	272.29	272.29
Add: Surplus as per P&L Account	<u>753.63</u>	<u>161.32</u>
	1,025.92	433.61
iii) Revaluation Reserve of Fixed Assets		
2,305.99		2,467.50
Less: Transfer to P&L Account	<u>161.51</u>	<u>161.51</u>
	2,144.48	2,305.99
TOTAL	<u>3,185.40</u>	<u>2,754.60</u>

A INFRASTRUCTURE LIMITED

(Rs. in Lacs)

Particulars	For the Year 31.03.2007	For the Year 31.03.2006
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SCHEDULE 3 : SECURED LOANS

(A) From State Government *		
Interest Free Sales Tax Loan	109.60	137.00
(B) From Banks		
a) Term Loan **	1,586.08	1,521.25
b) Working Capital Facilities ***	3,626.13	1,914.28
c) Interest accrued & due	6.05	5.30
(C) From Others ****	47.76	51.72
TOTAL	5,375.62	3,629.55

* Secured by way of second pari-passu charge created on the fixed assets of the company and are further secured by personal guarantees of two directors of the company. (Repayable within one year Rs.27.40 lacs previous year 27.40 lacs)

** Secured by way of first charge on fixed assets of the company to consortium banks and second charge ranking pari-passu on all present and future inventories and book-debts and other current assets and personal guarantees of two Directors of the company. (Repayable within one year Rs. 270.86 lacs previous year Rs. 39.20 lacs)

*** Working capital facilities from the consortium banks are secured by way of hypothecation of all present and future inventories and book-debts and other current assets and second charge ranking pari-passu on all fixed and movable assets both present & future and personal guarantees of two directors of the company.

**** Secured by way of absolute charge on specific assets purchased under the scheme. (Repayable within one year Rs. 12.89 lacs previous year Rs. 11.33 lacs)

SCHEDULE 4 : UNSECURED LOANS

From Banks	425.00	-
From Bodies Corporate	453.33	390.20
TOTAL	878.33	390.20

SCHEDULE 5 : FIXES ASSETS

(Rs. in Lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 01.04.06 *	Additions during the year	Sale/ Adjustments	Cost as on 31.03.07	As on 01.04.06	For the Year (Inclus. on Rev.)	Adjusted in the Year	Total Upto 31.03.07 **	As on 31.03.07	As on 31.03.06
Lease hold land & Site Development	84.29	47.44	-	131.73	3.67	1.05	-	4.72	127.01	80.62
Building	1119.55	126.75	47.25	1199.05	110.49	37.29	-	147.78	1051.27	1009.06
Plant & Machinery	5021.05	223.53	34.42	5210.16	1671.09	266.53	9.20	1928.42	3281.74	3349.96
Laboratory Equipments	8.48	-	-	8.48	5.33	0.24	-	5.57	2.91	3.15
Electric Installation	281.36	-	-	281.36	47.29	13.02	-	60.31	221.05	234.07
Water Supply Install.	9.74	1.62	-	11.36	3.70	0.49	-	4.19	7.17	6.04
Furniture & Fixtures	30.89	25.32	-	56.21	20.61	2.92	-	23.53	32.68	10.28
Office Equipments	40.77	14.35	0.13	54.99	21.48	5.14	0.01	26.61	28.38	19.29
Vehicles	110.05	12.61	-	122.66	27.44	11.22	-	38.66	84.00	82.61
Total	6706.18	451.62	81.80	7076.00	1911.10	337.90	9.21	2239.79	4836.21	4795.08
Capital work in progress									147.37	8.48
TOTAL									4983.58	4803.56
Previous Year	3857.77	2848.41	-	6706.18	1696.88	214.22	-	1911.10	4795.08	2160.89

* Includes amount added on revaluation of Rs.2467.50 lacs.

** Includes Rs.965.47 lacs as Depreciation on Revaluation. (Previous Year Rs.803.96 lacs)

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Particulars	(Rs. in Lacs)	
	For the Year 31.03.2007	For the Year 31.03.2006
SCHEDULE 6 : INVESTMENTS		
OTHER THAN TRADE QUOTED		
Rana Sugar Limited (60000 Equity Shares of Rs. 10/- each)	4.85	-
The Anglo French Drugs Industries Ltd. (89800 Equity Shares of Rs. 10/- each)	44.90	44.90
UNQUOTED		
6 & 7 Years National Saving Certificates (Pledged with Government Departments-unconfirmed)	0.59	0.59
In Partnership Firm	129.53	-
TOTAL	179.87	45.49
SCHEDULE 7:CURRENT ASSETS, LOANS & ADVANCES		
(A) Inventories		
(As taken, valued and certified by the Management)		
Raw materials	706.67	631.60
Stores and spares (Including goods lying with other parties Rs 69.28 Lacs Previous year Rs.79.59 Lacs)	190.65	149.57
Loose tools	3.47	3.46
Finished goods	1,394.11	1,542.21
Work in progress	1,087.64	533.00
Work in Progress for Works Contract	36.63	2.42
Scrap/Bardana stock & Others	0.55	0.55
Total (A)	3,419.72	2,862.81
(B) Sundry Debtors		
(Unsecured considered good unless otherwise stated)		
i) Outstanding for More than six months	268.42	188.97
ii) Others	1,668.54	931.24
TOTAL (B)	1,936.96	1,120.21
(C) Cash and Bank Balances :		
Cash/cheques/draft in hand (as certified)	19.76	18.59
Balance with scheduled Banks :		
-in current/collection accounts	164.48	121.32
-in fixed deposit accounts	0.88	-
Pledged with Banks Against B/G& L/C as margin	295.69	179.86
Pledged with Govt.Deptt. (Unconfirmed) (including against Earnest Money Deposit Rs.3 lacs , Previous Year Rs.3.31 lacs)	6.88	8.88
TOTAL (C)	487.69	328.65

A INFRASTRUCTURE LIMITED

(Rs. in Lacs)

Particulars	For the Year 31.03.2007		For the Year 31.03.2006	
(D) Loans and Advances :				
(Unsecured, considered good) Interest Receivable		12.49		6.10
Debit Balances in Current A/c with Bodies Corporate		2,660.24		370.19
Advance recoverable in cash or in kind or for value to be received/adjusted	600.58		399.59	
Less :- Provision for Doubtful Insurance & Other claims recoverable	3.20	597.38	1.70	397.89
	6.71		7.35	
Balance with Customs, Excise and Income Tax authorities		233.66		368.15
Sales tax and Excise duty Recoverable		8.18		3.25
Electricity Charges refundable		0.25		0.25
Prepaid expenses		19.69		15.32
Income tax deducted at source		7.07		6.42
Security deposit with Government Deptt./Others		228.21		221.18
TOTAL (D)		<u>3,773.88</u>		<u>1,396.10</u>
GRAND TOTAL(A+B+C+D)		<u>9,618.25</u>		<u>5,707.77</u>

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS**A. CURRENT LIABILITIES**

Sundry Creditors	2,852.04	1,481.47
Other liabilities	891.56	776.86
Advance from customers	101.56	58.60
Security Deposit from Dealers & others	53.67	16.60
TOTAL (A)	<u>3,898.83</u>	<u>2,333.53</u>

B. PROVISIONS

For Gratuity	86.06	68.01
For Leave With Wages	71.86	62.02
For Income Tax	69.10	-
For MAT	-	76.62
For Wealth Tax	0.21	0.13
For Fringe benefit Tax	16.94	7.53
TOTAL (B)	244.17	214.31
TOTAL (A+B)	<u>4,143.00</u>	<u>2,547.84</u>

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Particulars	(Rs. in Lacs)	
	For the Year 31.03.2007	For the Year 31.03.2006
SCHEDULE 9 : SALES AND OTHER INCOME		
A. Sales		
Sales	11,907.92	5,950.87
Trade Sales	4,894.43	-
Goods Issued for Works Contract	-	636.34
Income on Completed Contracts	-	2,226.50
Miscellaneous Sales	18.60	6.93
TOTAL(A)	<u>16,820.95</u>	<u>8,820.64</u>
B. Other Income		
Miscellaneous Receipts	7.34	1.82
Interest Received	22.82	11.97
Excess liability/provision written back	56.99	40.05
Gain on Foreign Exchange fluctuation	33.54	-
Insurance Claim Received	-	1.39
Bonus in addition to licence fees	0.08	2.00
TOTAL(B)	<u>120.77</u>	<u>57.23</u>
TOTAL(A+B)	<u>16,941.72</u>	<u>8,877.87</u>

SCHEDULE 10 : INCREASE/DECREASE IN STOCKS

Opening stock				
Finished Goods	1,542.21		474.66	
Work in Progress	533.00		118.75	
Scrap/Bardana	<u>0.55</u>	2,075.76	<u>0.55</u>	593.96
Less : Closing Stock				
Finished Goods	1,394.11		1,542.21	
Work in Progress	1,087.64		533.00	
Scrap/Bardana & Others	<u>0.55</u>	2,482.30	<u>0.55</u>	2,075.76
Increase/(Decrease) in stock		<u>406.54</u>		<u>1,481.80</u>

A INFRASTRUCTURE LIMITED

(Rs. in Lacs)

Particulars	For the Year 31.03.2007	For the Year 31.03.2006
SCHEDULE 11 : RAW MATERIAL CONSUMED		
Opening stock	481.10	452.17
Add : Purchases	<u>6,691.15</u>	<u>3,771.67</u>
	7,172.25	4,223.84
Less : Closing Stock	706.67	631.60
Total	<u><u>6,465.58</u></u>	<u><u>3,592.24</u></u>

SCHEDULE 12 : MANUFACTURING & OTHER EXPENSES

Rubber Ring/CID Joints consumed	163.43	124.23
Stores & Spares consumed	169.25	99.42
Power & Fuel	794.48	401.81
Other Manufacturing expenses	274.16	81.32
Repairs, Maintenance & Replacements		
Building	19.46	9.92
Machinery	328.70	145.57
Others Assets	<u>30.15</u>	<u>14.68</u>
	378.31	170.17
Payment to and Provision for Employees :-		
Salary, Wages, Bonus & Gratuity	751.79	502.18
Employer's Contribution to Provident Fund	57.78	40.54
Staff & Labour Welfare Expenses	<u>102.13</u>	<u>77.81</u>
	911.70	620.53
Rent	41.95	18.62
Rates & Taxes	73.11	8.78
Electricity & Water Charges	5.14	2.08
Insurance Charges	13.87	11.60
Printing & Stationery	12.90	7.81
Postage, Telegram, Telephone & Telex	40.81	24.81
Professional Tax (Company)	0.01	0.01
Motor Vehicle running expenses	20.56	12.46
Charity & Donation	6.72	2.76
Recruitment Expenses	14.70	3.44
Fee & Subscription	2.21	4.03
Share Listing Fees	0.60	-
Bank charges & Guarantee commission	76.74	37.23
Collection charges to bank & others	62.49	21.13
Directors sitting fee	0.02	0.01

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Particulars	(Rs. in Lacs)	
	For the Year 31.03.2007	For the Year 31.03.2006
Auditors Remuneration		
Audit fee	2.25	0.91
Certification Charges	-	-
In any other Capacity	0.20	-
Out of Pocket Expenses	1.48	0.39
Internal Audit fee & Expenses	0.70	0.96
Legal & Professional Expenses	52.58	28.21
Travelling & Conveyance Expenses (Including Rs. 21.96 lacs for Directors, Previous Year Rs. 18.28 lacs)	176.77	98.11
Miscellaneous expenses	76.72	46.80
Selling and Distribution expenses		
Freight & forwarding expenses	1,551.86	640.71
Selling Commission	173.89	65.96
Rebate & Discount	50.57	0.75
Additional Sales Tax	4.68	1.26
Sales Promotion expenses	30.04	31.85
Advertisement & Publicity	18.08	10.15
Bad debts/Other Advances written off	22.45	0.04
Leave & Licence Fees	20.00	19.67
Expenses on Completed Contracts	7.63	2,200.75
Loss from Partnership Firm	0.47	-
TOTAL	5,253.53	4,798.77

SCHEDULE 13 : INTEREST

Interest on Term Loans	176.42	3.11
Interest to Bank & Others	396.72	193.20
TOTAL	573.14	196.31

SCHEDULE 14: ACCOUNTING POLICIES & NOTES ON ACCOUNTS**I. ACCOUNTING POLICIES:**

The accounts are prepared in accordance with accounting principles generally accepted. The company follows accrual method of Accounting, unless otherwise specifically stated.

1. FIXED ASSETS:

- i) Lease hold Land, Building, Plant & Machinery, Laboratory Equipments and Electrical Installation as on 01.04.2002 are being stated at revalued amount and additions being made thereafter are stated at cost.
- ii) All other Fixed Assets are being stated at cost.

2. DEPRECIATION :

- Depreciation on fixed assets is provided on straight-line method at the rates and manner specified in Schedule XIV of the Companies Act, 1956.
- Full amount of depreciation including on revalued assets is being charged to profit & Loss account (See Note No. 2 of Notes on Accounts) up to financial year 2004-05. However from the financial year 2005-06 the depreciation on the revalued amount is charged from revaluation reserve.
- Depreciation on fixed assets arising due to exchange rate fluctuations is charged during the residual life of such assets.
- Leasehold land is being amortized over the period of lease.

3. INVESTMENTS:

Investments are being carried at cost.

4. CLAIMS:

Claims are accounted for on receipt basis.

5. INVENTORY VALUATION:

- (i) Raw materials, stores, components at factories are valued at weighted average rate, after providing for obsolescence. Spares of irregular use are written off over the life of original equipment.
- (ii) Finished goods is valued at lower of cost and net realizable value. The cost of Finished Goods is determined by taking material, labour and related factory overheads including depreciation on Fixed Assets. Goods in process stock is valued at material cost and stage-wise overhead cost including depreciation on Fixed Assets.
- (iii) Excise duty and custom duty payable on the stock of finished goods and raw materials have been added to the value of stock as per guidelines issued by ICAI.

6. WORKS CONTRACTS:

The company has adopted "completed contract basis" for working out profit/loss on works contracts undertaken and cost incurred on uncompleted contracts are carried forward as work-in-progress after adjustment of advance received.

7. RETIREMENT BENEFITS**i) GRATUITY**

Upto last year, the Company was calculating provision for Gratuity on accrual basis and during the year the company has decided to provide the same as per actuarial valuation as prescribed by Accounting Standard-15. Difference of Rs. 6.03 lacs shown as excess provision written back.

ii) LEAVE ENCASHMENT:

Upto last year, the Company was calculating provision for Leave encashment on accrual basis and during the year the company has decided to provide the same as per actuarial valuation as prescribed by Accounting Standard-15. Difference of Rs. 5.26 lacs shown as excess provision written back.

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8. SALES

- i) Sales include excise duty, escalation claims, transport and delivery charges, but net of sales tax, Trade discount, rebates/ claims as and when settled and transit loss.
- ii) Commission on sales are accounted for as and when due after despatch of Goods and collection charges are accounted for on "as and when payments collection basis".

9. DEFERRED TAXATION

The company has recognized deferred tax, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

10. FOREIGN EXCHANGE TRANSACTIONS:

All foreign currency transactions are accounted for at the rates prevailing on the date of such transaction. Exchange fluctuations on foreign currency transactions other than those related to fixed assets and loans are charged to profit & loss account. Exchange fluctuations on foreign currency loans are apportioned to the original cost of assets acquired through such loans. Other assets & liabilities are converted at the rates prevailing at the end of the year.

11. LEASE ACCOUNTING

The assets acquired on lease where a significant portion of the risk and rewards of ownership is retained by the lessor are classified as operating leases. Leave and license fees are charged to the Profit & Loss Account on accrual basis.

II. NOTES ON ACCOUNTS:

1. (a) Contingent liabilities :

- | | (Rs.in Lacs) | |
|---|--------------|---------------|
| | Current year | Previous year |
| i) Bank Guarantee Outstanding
(FDR pledged Rs 62.94 lacs, Previous Year Rs 47.68 lacs) | 629.37 | 476.81 |
| ii) Accumulated dividend on preference shares | 98.07 | 85.69 |
| b) Estimated Amount of Outstanding Capital Commitment and not provided for Rs 8.12 lacs
(Previous year Rs. 75.72 lacs) (Net of Advances paid). | | |
| c) The Company has not recognized the liability for payment of wages of strike period from 17 th October'06 to 6 th December'06 at its Ahmedabad Plant. The Company has followed the policy " NO WORK, NO WAGES". | | |
2. Based on assessment about the current value of similar assets as per valuation report submitted by the valuer appointed for the purpose, the company has valued Plant & Machinery & other Fixed Assets as on 1st April, 2002. Full amount of Depreciation on the amount added on revaluation of Fixed Assets, have been charged to profit and loss account instead of equal amount transferring from Revaluation Account up to financial year 2004-05. However from the year 2005-06 the depreciation on the amount added on revaluation of fixed assets have been charged to revaluation reserve amount. This has resulted into lower profit for the year by Rs. Nil (Cumulative Rs. 642.45 Lacs)
 3. Demand of Excise Duty, consequent to decision against the company on an Appeal filed with CEGAT in the previous years, for which the Company has gone into Appeal with the Hon'ble Supreme Court, amounting to Rs. 243.84 lacs and interest thereon of Rs 343.04 lacs has been provided in accounts and shown in other liability. Hon'ble Supreme Court vide its judgment dated 5th May 2004 accepted our claim in principle and remanded the matter to the Assessing authority for re-computation of the demand. Final adjustments, if any, would be made after final computation by the Assessing authorities for the entire demand. However, no further recomputed demand has been received so far from the authorities.
 4. Previous year expenses amounting to Rs. 75.44 lacs have been adjusted in respective heads as these amounts were ascertained during the year.
 5. The Company is engaged in the business, related to manufacturing and laying & jointing of Asbestos Cement Products which as per Accounting Standard- 17 and in the opinion of the management, is considered to be the only reportable business segment. The geographical segmentation is not relevant as there were no exports.

A INFRASTRUCTURE LIMITED

6. (i) The company has in the previous year adjusted the deferred tax assets arising on account of timing differences in compliance with Accounting Standard –22 “Accounting for taxes on income” issued by the Institute of Chartered Accountants of India.
- (ii) Major components of Deferred Tax Asset/ Liability arising on account of timing differences are:

DEFERRED TAX ASSETS/LIABILITIES	Deferred Tax Assets/Liabilities	
	As on 31.03.2007	As on 31.03.2006
Retirement Benefits	1.78	43.77
MAT	-	76.62
Others	<u>8.51</u>	<u>91.76</u>
TOTAL	10.29	(212.15)
Less: Deferred Tax Liability	<u>(55.07)</u>	<u>(292.77)</u>
Net Deferred Tax Asset/(Liability)	<u>(44.78)</u>	<u>(80.62)</u>

7. Related parties disclosures:

A) Transactions with related Parties

<u>S.NO.</u>	<u>DISCLOSURE</u>	<u>RELATED COMPANY</u>
1.	Name of the Related Party	Kanoria Sugar & General Mfg. Co. Ltd.
2.	Description of relationship	-Associates Co. having substantial interest in the Company
3.	Description of the nature of transactions	(Rs. in Lacs)
		<u>Current Year</u> <u>Previous Year</u>
a.	Purchase of goods	34.71 -
b.	Sale of goods	0.79 0.48
c.	Services -Availed	5.72 -

B) Managerial remuneration

<u>S.No</u>	<u>Name</u>	(Rs. in Lacs)	
		<u>Current Year</u>	<u>Previous Year</u>
1	Mr.S.K.Kanoria	13.94	--
2	Mr.S.Khandelwal	9.74	9.82
3	Mr K.K.Rai	2.62	1.74
4	Mr Jagdish Shringi	2.84	--
5	Mr.V.K.Gupta	-	4.12
		0.02	0.01

C) Sitting fees paid to other Directors :

8. a. Balance in current account maintained with some bodies corporate are subject to confirmation.
b. Balance of Sundry Debtors and Creditors are subject to confirmation.

9. The Company has adopted completed contract method for working out profit/loss on works contracts undertaken. Therefore, the completed contract has been transferred to profit and loss account and total cost incurred on the uncompleted contract has been carried forward as contract work in progress as per following detail :-

	As at 01.04.06 (Opening)	Add During the year	Transfer to P&L A/c	As at 31.3.2007 (Closing)
Balance contracts work in progress	-	-	-	-
Goods transferred	(1465.56)	(636.34)	(2101.91)	(--)
Expenses incurred	2.40 (79.27)	41.86 (21.97)	7.63 (98.84)	36.63 (2.40)
TOTAL	<u>2.40</u> (1544.83)	<u>41.94</u> (658.31)	<u>7.63</u> (2200.75)	<u>36.71</u> (2.40)

Figures shown in bracket are related to previous year.

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10. Payment to Whole-time Director represents :

	Current Year	(Rs. in Lacs) Previous year
i) Salary	8.17	8.17
ii) Provident Fund	0.98	0.98
iii) Other Perquisite	0.20	0.28
iv) Gratuity	0.39	0.39
Total	9.74	9.82

11. On the basis of information available in respect of the supplies being from Small Scale Industrial Unit for their due outstanding amounting to Rs.1.40 lacs for more than 30 days those are as under :-

Name of the Party

M/s.Bohra Rubber, Ballabgarh
M/s.Gilt Pack Ltd., Indore
M/s.Hari Industries, Jaipur
M/s.Manjul Rubber & Polymer Inds, Valsad
M/s.Shiv Shakti Industrial Corpn., Jaipur
M/s Shri Krishna Inds., Jaipur
M/s.Shreejee Iron & Brass factory, Bhilwara

12. Advances include:

	Current Year	(Rs.in Lacs) Previous Year
Due from Whole time Director	2.06	Nil
(Maximum Balance)	2.21	0.09
Due from officer	1.62	Nil
(Maximum Balance)	1.65	0.28

13. Micro, Small & Medium Scale business entities :

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2007. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have identified on the basis of information available with the Company.

14. The Company has entered into licence agreement with M/s Gujrat Composite Limited w.e.f. 07.04.2005 for running their unit for manufacturing of A.C.Sheets and Cement at Digvijaynagar, Ranip, Ahmedabad for a period of 84 months on licence basis extendable to further period of 84 months on mutual consent. The following amount of licence fee is payable to them :

Sr. No.	Licence Fees for use of	Not Later than One Year	Later Than One Year and not latter than five years	(Rs. In Lacs) Later Than five Year
1.	Land & Building including office building.	400	1600	Nil
2.	Factory, Machinery and Equipments.	1600	6400	Nil
	Total	2000	8000	Nil

In addition to above licence fee, bonus is also payable for use of its manufacturing facility, licence, brand, goodwill etc. as per terms of licence agreement.

A INFRASTRUCTURE LIMITED

15. In the opinion of the management, all the Current Assets, Loans & advances have the Value on realisation in the ordinary course of business and equal to the amount at which they are stated.

16. Tax Assessment

In the cases where assessment is yet to be completed, the liability if any arises the same will be provided in the year of completion of such assessment.

17 Additional information pursuant to the provisions of Para 3,4c and 4d of part (e) of Schedule VI of the Companies Act, 1956.

a) Licensed & Installed Capacity and Production

	<u>Current Year</u>	<u>Previous Year</u>
Capacity		
Licensed Capacity	N.A.	N.A.
Installed Capacity (Pipes/M.T.) (Asbestos Cement Pressure Pipe & Fittings Bhilwara)	100000	100000
A.C.Roofing Sheet (In M.T.) (including 72000 M.T. on Licence basis) (as certified by the management)	147000	147000
Production (Green)		
Asbestos Cement Pressure Pipes (In Mtrs.)	2624281.00	3307787.00
Couplings (In Nos.) Bhilwara	593763.00	604504.00
A.C.Roofing Sheet (In M.T.)	85641.92	45716.07

b) Sales & Stocks (Asbestos Cement Pressure Pipes & Fittings)

	<u>Current Year</u>		<u>Previous Year</u>	
	Qty.	Value (Rs.in lacs)	Qty.	Value (Rs. in Lacs)
Opening stock				
<i>Finished goods</i>				
Pipes (In Mtrs)	606131.81		594093.91	
Couplings(In Nos.)	<u>115092.00</u>		<u>125249.00</u>	
Short lengths(In M.T.)	<u>1525.86</u>	1112.94	<u>1594.74</u>	474.66
A.C.Sheet (In M.T.)	3690.71	168.39	Nil	Nil
Sales				
Pipes (In Mtrs)	2496871.40		3016365.20	
Couplings(In Nos.)	<u>545793.00</u>		<u>571292.00</u>	
Short lengths(In M.T.)	<u>110.84</u>	7424.47	<u>68.88</u>	4123.84
A.C.Sheet (In M.T.)	68269.19	4483.45	32196.14	1961.42
Closing stock				
<i>Finished goods</i>				
Pipes (In Mtrs)	619722.91		606131.81	
Couplings(In Nos.)	<u>143235.00</u>		<u>115092.00</u>	
Short lengths(In M.T.)	<u>1415.91</u>	825.54	<u>1525.86</u>	1112.94
A.C.Sheet (In M.T.)	7317.68	366.02	3550.67	167.60

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c) Particulars in respect of Trading Activity

(Rs in Lacs)

	Opening Stock		Purchase		Sales		Closing Stock	
	Qty. (In M.T.)	Value	Qty. (In M.T.)	Value	Qty. (In M.T.)	Value	Qty. (In M.T.)	Value
Fibre	653.28	150.50	7372.14	1644.60	8025.42	1864.54	Nil	Nil
Sheet	5244.67	260.88	20698.46	1039.73	*22550.45	1452.95	3373.63	170.74
Pipe	Nil	Nil	**7219.08	604.69	10566.11	1576.94	***603.08	5.21
Coupling	Nil	Nil	259.69	Nil	220.60	Nil	39.08	Nil

* Salvaging Quantity 19.08 MT.

** Purchases excludes 3950.11 MT Rs. 160.85 Lacs incurred on conversion of goods (Previous Year Nil) produced and received on job work basis.

***Closing Stock excludes 335.14 MT Rs.26.60 Lacs (Previous Year Nil) lying with Job Worker.

**** Value of Coupling included in value of Pipes.

d) (i) Raw material consumed

	Current Year		Previous Year	
	Qty.(M.T.)	(Rs.in Lacs)	Qty.(M.T.)	(Rs.in Lacs)
Asbestos & Others	55585.82	4065.47	41502.70	2445.90
Cement	79990.53	2141.07	55965.55	1146.34

(ii) Raw material consumed on job work basis by job worker

	Current Year		Previous Year	
	Qty.(M.T.)	(Rs.in Lacs)	Qty.(M.T.)	(Rs.in Lacs)
Asbestos & Others	502.66	141.54	Nil	Nil
Cement	3805.81	117.50	Nil	Nil

e) Value of imported and indigenous raw materials, stores & spares consumed and their percentage of total consumption.

i) Raw Materials

	Current Year		Previous Year	
	(Rs.in Lacs)	%	(Rs.in Lacs)	%
Imported	3545.53	55	1911.67	53
Indigenous	2920.05	45	1680.57	47
Total	6465.58	100	3592.24	100

ii) Stores & Spares

	Current Year		Previous Year	
	(Rs. in Lacs)	%	(Rs. in Lacs)	%
Imported	47.99	6	25.66	11
Indigenous	814.53	94	209.43	89
Total	862.52	100	235.09	100

f) Value of Imports during the year calculated on CIF basis.

	Current Year (Rs.in Lacs)	Previous Year (Rs.in Lacs)
Raw Materials	3104.50	2363.42
Stores & Spares	41.27	24.04

18. Balance Sheet abstract and Company's General Profile :

I. Registration Details

Registration No. : 02077 State Code : 017
Balance Sheet Date : 31.03.2007

II. Capital Raised during the year

Public/Euro Issue Rights Issue Bonus Issue Private Placement
Nil Nil Nil Rs. 405.00 Lacs

III. Position of Mobilization and Deployment of Funds

	(Previous Yr.) (Current Yr.)			(Rs. in Lacs) (Previous Yr.) (Current Yr.)	
Total Liabilities	10478.44	14738.60	Total Assets	10478.44	14738.60
Sources of Funds			Application of Funds:		
Paid up Capital	751.25	1156.25	Net Fixed Assets	4803.56	4983.58
Share Application Money	405.00	-	Investment	45.49	179.87
Reserves & Surplus	2754.60	3185.40	Current Assets	5707.77	9618.25
Secured Loans	3629.55	5375.62	Deferred Tax Assets	(80.62)	(44.78)
Unsecured Loans	390.20	878.33	Share Issue Exp.	2.24	1.68
Current Liabilities	2547.84	4143.00			
Performance of Company	(Current Yr.)			(Previous Yr.)	
Turnover/Other Income		16941.72		8877.87	
Total Expenditure		16296.18		7967.16	
Profit Before Tax		645.54		910.71	
Profit After Tax		592.31		757.03	
Dividend %		Nil		Nil	

iv. Earning Per Share

	(Previous Yr.)	(Current Yr.)
Profit attributable to Equity Share Holders	744.65	579.93
No. of Equity Shares	6795150	10845150
Earning per share (Annualized)(Rs.)	10.96	8.53

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No(ITC Code) : 6804.30
 Product Description : A.C. Pipes & Couplings and A.C. Roofing Sheet

19. Unsecured corporate loan of Rs. 425.00 lacs received from Bank of Baroda is secured by first charge of land & buildings belonging to the lessor M/s Gujarat Composite Limited, Ahemdabad.
20. The Company has entered into the partnership business with M/s Saraf Projects Pvt. Ltd. The particulars regarding the partnership firm M/s Lizard Lounge in which the company is a partner are as under -

Name of Partners	Profit / Loss Sharing Ratio (%)	Capital (Rs./Lacs)
M/s A Infrastructure Limited	97	129.53
M/s Saraf Projects Pvt. Ltd.	03	1.60

21. Previous year figures have been regrouped/re-arranged wherever considered necessary to confirm with current year's classification.
22. Schedule 1 to 14 form an integral part of the accounts and have been duly authenticated.

As per our report attached

FOR AGI WAL & ASSOCIATES
 Chartered Accountants

FOR AND ON BEHALF OF BOARD OF DIRECTORS

P.C. Agiwal
 Partner

K.C. Moondra
 Secretary

V.K. Gupta
 Director

S.K. Kanoria
 Vice Chairman
 cum Managing Director

Place : New Delhi
 Date : 31.10.2007

V.K. Sharma
 Gen. Manager (F&A)

R.S.Jhanwer
 Chief Finance Officer

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2007

	(Rs. In Lacs)	
	As on 31.03.2007	As on 31.03.2006
A. CASH FLOW FROM OPERATIONAL ACTIVITIES		
Net Profit/(loss) for the year	625.56	892.53
Adjustment for		
Depreciation	176.39	52.71
Interest (Net)	550.32	184.34
Share Issue Expenses Written /off	0.56	0.56
Operating profit before working capital changes	<u>1,352.83</u>	<u>237.61</u>
Adjusted for		
Increase in Trade Debtors	(816.75)	(232.74)
Increase in Loans & Advances	(2,301.32)	(730.99)
Deposit from Others	37.07	8.70
Increase in Inventories	(556.91)	(1,303.35)
Increase in Trade Creditors & Other Liabilities	1,488.99	786.90
Direct Taxes Paid	(70.07)	5.06
Cash generated from operations	<u>(866.16)</u>	<u>(336.28)</u>
Net cash from operational activities	<u>(866.16)</u>	<u>(336.28)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(517.91)	(2,794.43)
Interest Received	16.43	11.19
Purchase of Investment	(134.38)	44.90
Net Cash used in Investing activities	<u>(635.86)</u>	<u>(2,738.34)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	-	405.00
Proceeds from Unsecured Loan	488.13	180.79
Proceeds from borrowing	(3.96)	12.46
Term loan from Banks	64.83	1,521.25
Cash credit from Banks	1,711.85	1,226.51
Share Issue Expenses	-	(2.80)
Interest Paid	(572.39)	(195.36)
Repayment of Interest free Sales Tax Loan	(27.40)	-
Net cash received from financing activities	<u>1,661.06</u>	<u>3,147.85</u>
Net increase / decrease in cash and cash equivalents (A+B+C)	<u>159.04</u>	<u>73.23</u>
Cash and Cash equivalents as on 1st April, (Opening Balance)	328.65	255.42
Cash and Cash equivalents as on 31st March, (Closing Balance)	487.69	328.65

Note :- Previous year figures have been re-grouped /rearranged wherever found necessary

As per our report attached

FORAGI WAL & ASSOCIATES
Chartered Accountants

FOR AND ON BEHALF OF BOARD OF DIRECTORS

P.C. Agiwal
Partner

K.C. Moondra
Secretary

V.K. Gupta
Director

S.K. Kanoria
Vice Chairman
cum Managing Director

Place : New Delhi
Date : 31.10.2007

V.K. Sharma
Gen. Manager (F&A)

R.S.Jhanwer
Chief Finance Officer

A INFRASTRUCTURE LIMITED

A INFRASTRUCTURES LIMITED

P.O. Hamirgarh, Distt. BHILWARA - 311 025 (Raj.)

PROXY FORM

I/We.....of.....in the district of.....being a member/members of the above named Company hereby appoint.....of.....of.....in the district of.....or failing him/her.....of.....in the district of.....as my/our proxy to attend and vote for me/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on the 26th day of December, 2007 at 3:00 pm and/or at any adjournment thereof
Signed this.....day of.....2007
Signature of witness.....

Affix
Rs. 1
revenue
stamp

name and address of witness.....
.....
.....

For office use only

Proxy no.
Register Folio No.
No. of Shares

Note : The form duly completed should be deposited at the Registered Office of the Company at Hamirgarh 48 hours before the time of meeting.
A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member of the Company.

A INFRASTRUCTURE LIMITED

P.O. Hamirgarh, Distt. BHILWARA - 311 025 (Raj.)

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting has to be filled in block letters)

Full Name of the Member.....

Full Name of the First Joint Holder.....

(To be Filled in if Proxy form has been duly deposited with the Company)

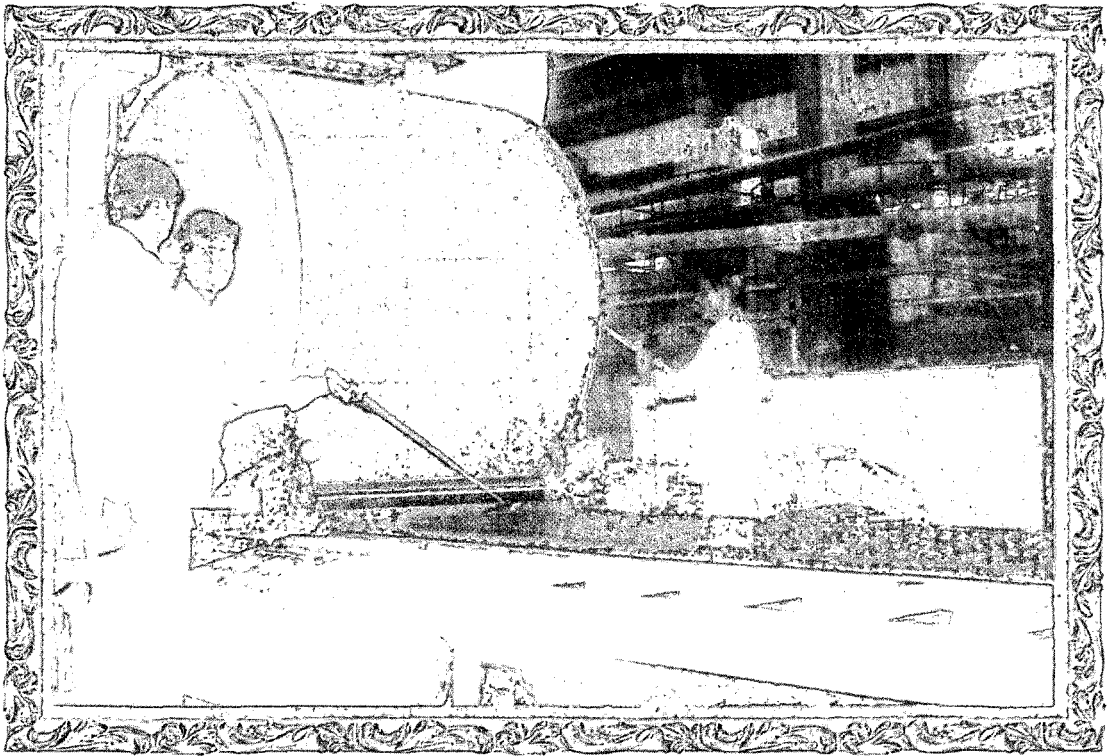
I here by record my presence at the 27th Annual General Meeting of the Company held at Hamirgarh 311 025, Distt. Bhilwara (Raj.) on Saturday the 26th December, 2007 at 3:00pm.

Register Folio No.

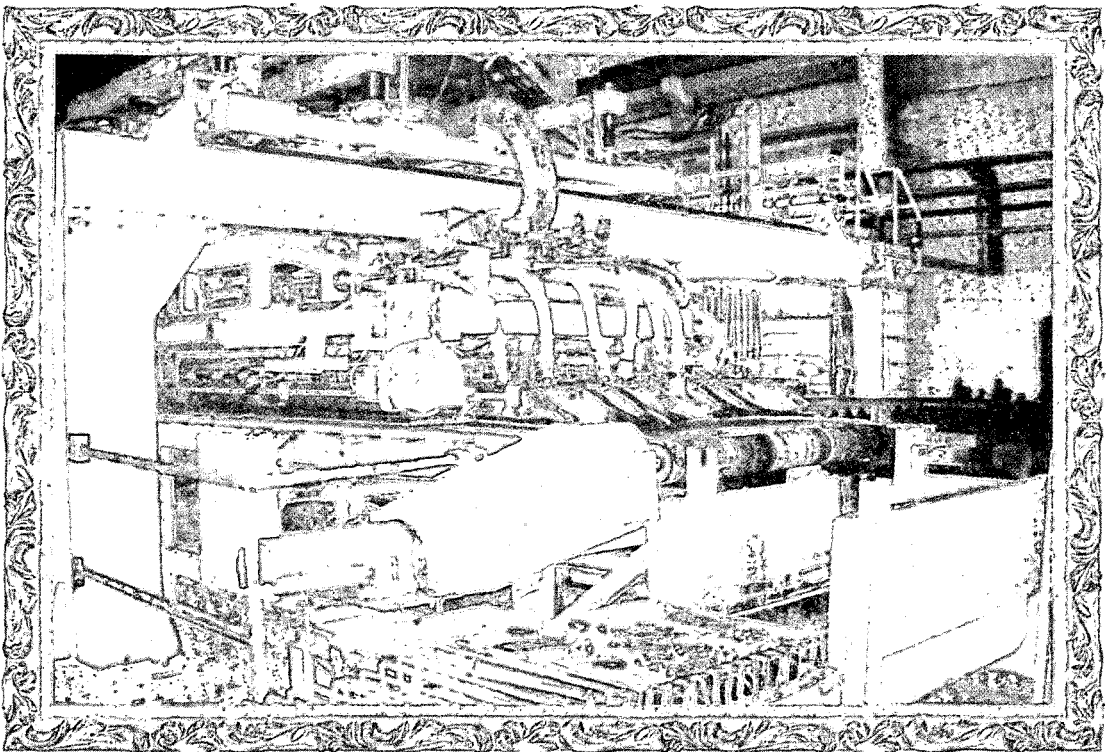
No. of Shares held.....

.....
Member's Proxy Signature

(To be signed at the time of handing over this slip)



VIEW OF A.C. SHEET PROCESSING DIVISION



PRINTED MATTER
BOOK-POST



If Undelivered Please Return to :

A INFRASTRUCTURE LIMITED

P.O. Hamirgarh, Distt. BHILWARA - 311 025 (Raj.)