

INFRA

INFRA INDUSTRIES LIMITED

ANNUAL REPORT 2007-2008

INFRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Bhupendra J. Ambani	Non- Executive Chairman
Mukesh B. Ambani	Managing Director
Haresh P. Sanghvi	Director
A P. Abraham	Director

REGISTERED OFFICE

Dhiraj Chambers, 7th Floor,
9, Hazarimal Somani Marg,
Mumbai - 400 001.
Phone : 022-32946372

FACTORIES

Arav, Maharashtra
Pukkathurai, Tamil Nadu,
Dadra, U/T of Dadra & Nagar Haveli
Hubli, Karnataka

SALES OFFICES

Bangalore, Chennai, Kochi, Renigunta

AUDITORS

M/s. Chaturvedi & Shah
Chartered Accountants

BANKER

Indian Overseas Bank

REGISTRARS & TRANSFER AGENTS

Purva Sharegistry (India) Private Limited,
9, Shiv Shakti Industrial Estate,
Ground Floor, Sitaram Mill Compound,
J. R. Boricha Marg, Lower Parel,
Mumbai - 400 011.
Phone No. (022) 23016761 / 23018261
Email.busicomp@mtnl.net.in

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NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of **INFRA INDUSTRIES LIMITED** will be on Monday, 22nd September, 2008 at 10.00 a.m. at Malabar Hill Club Ltd, B. G. Kher Marg, Malabar Hill, Mumbai - 400 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the Directors' Report thereon and Auditors' Report thereto.
2. To appoint Director in place of Mr. Haresh P. Sanghvi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Chaturvedi & Shah, Chartered Accountants, as auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

PLACE: Mumbai
DATED: 27th June, 2008
REGISTERED OFFICE:
7th FLOOR, DHIRAJ CHAMBERS,
9, HAZARIMAL SOMANI MARG,
MUMBAI - 400 001

Bhupendra J. Ambani
(Non-Executive Chairman)

NOTES

- 1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself and Proxy need not be a member.
- 2) A Proxy in order to be effective must be lodged with the Company at least 48 hours before the meeting.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th day of September, 2008 to Monday, 22nd day of September, 2008 (Both Days Inclusive).
- 4) In all correspondence with the Company, members are requested to quote their Folio.
- 5) Members should quote Folio Numbers and in case the shares are held in the dematerialised Form, they should quote their client ID Number and DP ID Number.
- 6) Members, who hold shares in Dematerialised Form, are requested to bring their client ID and DP numbers for Easier Identification of Attendance at the meeting.

INFRA INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Nineteenth Annual Report, and the Audited Statement of Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE

	(Rs.)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Profit/(Loss) before Interest, Depreciation and Tax	(1,260,539)	(257,778)
Less: Interest	4,500,650	2,779,210
Profit/(Loss) before Depreciation	(5,761,189)	(3,036,988)
Less: Depreciation	2,582,023	1,977,076
Profit/(Loss) before Tax	(8,343,212)	(5,014,064)
Add: Provision for Fringe Benefit Tax	240,000	225,000
Add: Deferred Tax	(1,987,506)	484,572
Profit/(Loss) after Tax	(6,595,706)	(5,723,635)
Add: Balance Brought from Previous year	(11,168,594)	(5,444,958)
Balance Carried forward to next year	(17,764,300)	(1,11,68,594)

DIVIDEND

In the absence of profit for the year under review, your Directors are unable to recommend any dividend on the Equity Capital.

OPERATIONS

The Sales during the year under review was Rs.90,414,040/- as against Rs.65,634,070/- in the previous year reflecting a growth of 37.75% over the previous year. Company has incurred Loss before Interest, Depreciation and Tax of Rs.12,60,539/- during the current year as against the Loss before Interest, Depreciation and Tax of Rs.257,778/- in the previous year. The Margins were reduced due to severe increase in the raw material cost and other input cost.

FINANCE

During the year under review the Company has availed Working Capital facility and Term Loan from the Bank.

FUTURE OUTLOOK

The Company has ventured into the manufacturing of Industrial Products for OEMs with advance processing technology. These will be the value added product having higher margins which will improve the performance in future

INFRA INDUSTRIES LIMITED

FIXED DEPOSITS

During the year the Company has not accepted any fixed deposits from the public under Section 58A.

PARTICULARS OF EMPLOYEES

The information as required by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not given, as no employee of the Company was in receipt of remuneration exceeding the limits as laid down in this respect.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving information regarding Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo required under Section 217(1)(e) of the Companies Act, 1956 are annexed and form part of the report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2008; the applicable accounting standards have been followed along with explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2008 on a 'going concern' basis.

DIRECTORS

Mr. Haresh P. Sanghvi, who retires by rotation and being eligible, offers himself for re-appointment in accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association.

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CORPORATE GOVERNANCE

As per the amended Listing Agreement with the stock exchange, the Company has complied with the requirements of Corporate Governance. A report on Corporate Governance is attached.

AUDITORS AND AUDITORS' REPORT:

M/s. Chaturvedi & Shah, Chartered Accountants, retire as auditors of the Company and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment as the Auditors of the Company.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record their appreciation of the dedicated efforts by the staff of the Company at all levels in their drive to enhance the Company's operation.

We would also like to express our gratitude to all Shareholders for their wholehearted support.

For and on behalf of the Board Directors

PLACE: Mumbai
DATED: 27th June, 2008

Bhupendra J. Ambani
(Non-Executive Chairman)

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ANNEXURE – I

Statement appended to Directors' report pursuant to the Companies (disclosure of particulars in the report of Board of Directors) Rules 1998 under section 217 (1) (e) of the Companies Act 1956 and forming part of Directors' report for the year ended 31st March 2008

1. FORM A – ENERGY CONSUMPTION

A) POWER & FUEL CONSUMPTION

	Year Ended 31.03.2008	Year Ended 31.03.2007
1. Electricity:		
(a) Purchased Units (KWH)	597125	526501
Total Amount (Rs.)	3876339	3342521
Rate / Unit (Rs.)	6.49	6.35
(b) Own Generation		
i) Through Diesel Generator Units	7575	3261
Units per Ltr. of diesel oil	1.82	1.15
Cost / Unit (Rs.)	34.05	41.74
ii) Through Steam Turbine/Generator	Not applicable	Not applicable
2. Coal: (Specify quality and where used)	Not applicable	Not applicable
3. Fuel Oil:		
Quantity (Litres)	231421	195161
Total Amount (Rs.)	7758590	6158688
Average Rate (Rs.)	33.53	31.56
4. Others/Internal Generations:	NIL	NIL
B) CONSUMPTION PER UNIT OF PRODUCTION		
Products (with details)		
Production (MT)	679	585
Electricity (KwH/MT)	890	898
Diesel oil for Oven (Ltrs./MT)	340	333
Coal (Special Quality)	N.A	N.A
Others (Specify)	N.A	N.A

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FORM B – TECHNOLOGY ABSORPTION

1. **Specific areas in which R&D was carried out:** R & D efforts were made in development of value added products. This break through has been achieved due to efforts put by the management and technical team of the Company.
2. **Benefits Derived:** This will help the Company to develop an extended product range and also manufacture existing products at economical cost and better products.
3. **Future plan:** The Company intends to cater to the growing non conventional products marketed specifically for the OEM of various industries.
4. **Expenditure on R & D:** The technical team of the Company has been able to achieve the required innovations and introduce new product without affecting any expenses due to experience in the production system.

TECHNICAL ABSORPTION, TECHNOLOGY ADAPTION & INNOVATION

1. **Efforts in brief:** The Company has made efforts in developing Customised Moulded Product for Rotomoulding division.
2. **Benefits Derived:** Better quality products are been made with cost effectiveness.
3. **Imported Technology:** N.A.

FOREIGN EXCHANGE EARNINGS & OUTGO OUTFLOW

1.	Towards import of Raw materials	:	Rs. NIL
2.	On account of Foreign Travel	:	Rs. 2,84,055/-
3.	On account of Technical Know-how fees	:	Rs. NIL
4.	Towards Import of Capital Equipment	:	Rs. NIL

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 27th June, 2008

Bhupendra J. Ambani
(Non-Executive Chairman)

INFRA INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Infra is recognized brand in the western and southern parts of India mainly due to its quality consciousness and services rendered. The Company has expanded product portfolio and ventured in manufacturing products for Industrial applications which have been well accepted by the customers.

The growth in industry and economy will provide opportunity to excel its performance in future. The boom in the housing sector will also contribute as the main business of Infra being in water storage tanks.

INDUSTRIAL OUTLOOK

Infra with experience of more than 17 years in the field of rotational moulding, by this process western countries service many industrial and various other applications including OEMs. Being a versatile process, Infra has ventured in catering the new application markets.

The advantage of Infra having multi location production facilities which gives the benefit of availability of products to its customers and assurance to OEMs to serve their requirements in time.

OPPORTUNITIES & THREATS

With the new materials and compounds being available in the market place, various conventional materials can be replaced by plastic processing which has advantages of standardization, accuracy and availability at multiple location and the awareness and recognition by the buyers has been a positive sign for the plastic process.

The Plastic water storage tank manufacturing industries are under pressure due to the competition from unorganized sectors and also the raw material prices which can increase due to uncertainty of petrochemical industries.

CAUTIONARY STATEMENT

Statement in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control system to safeguard its assets and prevention of misappropriation and detection of fraud and or unauthorized use of assets and it has been designed to ensure preparation of reliable financial statement and maintaining all the assets.

The Audit Committee of the Board deals with the significant issues relating to control raised by the Statutory Auditors.

REPORT ON CORPORATE GOVERNANCE

Your Directors submit their report on the Corporate Governance of the Company for the Financial Year 2007-2008.

COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE

Infra Industries Limited marks its Corporate Governance with the prevalent practices and it confirms the mandatory requirements.

The Company's vision is to maximize shareholders value and compliance & adherence to regulatory procedures; implicit rules & voluntary practices.

The Company's philosophy on Corporate Governance is founded on transparent governance practices to safeguard the interest of investors, stakeholders and society at large.

During the year the company adopted the code of conduct for prevention of insider trading and code of corporate disclosure practices in pursuance to the SEBI regulation in this regard.

BOARD OF DIRECTORS

The Board of Directors comprises of 1 Executive Promoter Director, 1 Non-Executive Promoter Director and 2 Non-executive - Independent Directors.

During the financial year 1st April, 2007 to 31st March, 2008, Seven Board Meetings were held on 16th April, 2007; 5th June, 2007; 28th June, 2007; 30th July, 2007; 23rd August, 2007; 23rd October, 2007 and 28th January, 2008.

The Composition of the Board of Directors and their attendance at the meetings during the year and at the last Annual General Meeting as also number of the other Directorship / Membership of Committees are as follows:

Category of Directorship	Name of the Director	Designation
NED-Promotor	Mr. Bhupendra J. Ambani	Non-Executive Chairman
MD-Promotor	Mr. Mukesh B. Ambani	Managing Director
NED-IND	Mr. Hareesh P.Sanghvi	Director
NED-IND	Mr. A. P. Abraham	Director

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Attendance at Board Meeting and Last Annual General Meeting

Name of the Director	No. of Board Meetings attended	Attended of last AGM
Mr. Bhupendra J. Ambani	7	YES
Mr. Mukesh B. Ambani	7	YES
Mr. Haresh P.Sanghvi	7	YES
Mr. A. P. Abraham	7	YES

Other Board or Committee in which each Director is a Member or Chairman

Name of the Director	No. of Other Directorship	Committee Membership	
		Member	Chairman
Mr. Bhupendra J. Ambani	NIL	NIL	NIL
Mr. Mukesh B. Ambani	NIL	NIL	NIL
Mr. Haresh P.Sanghvi	NIL	NIL	NIL
Mr. A. P. Abraham	NIL	NIL	NIL

Brief profile of Director seeking re-election/election

Mr. Haresh P.Sanghvi is a Practising Company Secretary with management background. He has total experience in management about 20 years.

He is neither the Director(s) on the Board of other Public Companies nor the trustee of any charitable trust.

Details of Directorship in other public limited Companies

Name of Directors

Mr. Bhupendra J. Ambani
Mr. Mukesh B. Ambani
Mr. Haresh P. Sanghvi
Mr. A. P. Abraham

None of the above Directors holds any Directorship or Membership in committee of any other Public Limited Companies.

Promoter Directors

Mr. Bhupendra J. Ambani	Member- Audit Committee and Non – Executive Chairman - Shareholder/Investor Grievance Committee
Mr. Mukesh B. Ambani	Member- Shareholder/Investor Grievance Committee

Independent Directors

Mr. Haresh P. Sanghvi	Chairman - Audit Committee
Mr. A.P. Abraham	Member– Audit Committee

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Responsibilities:

The Board of Directors responsibilities includes review of:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Business risk analysis
- Appointment of senior executives
- Compliance with statutory / regulatory requirements and review of major legal issues, if any
- Adoption of quarterly /half-yearly / annual results
- Transactions pertaining to purchase / disposal of property, major provisions and write offs.

Code of Conduct for Board of Directors

The Company has in place a Code of Conduct for the Board of Directors of the Company. The same shall be posted on the Company's website shortly. A declaration by Mr. Mukesh B. Ambani, Managing Director regarding compliance by the Board Members with the Code of Conduct is given as under: -

The Board of Directors has approved the Code of Conduct for the Directors. As stipulated required under Clause 49(I) (D) of the Listing Agreement with the Stock Exchanges, all the Directors of the Company have affirmed compliance with the Code for the financial year ended 31st March, 2008.

BOARD COMMITTEE

(a) Audit Committee

Terms of Reference

The Terms of Reference of this committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and are as follows:

- (A) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (B) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (C) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - (a) Any changes in accounting policies and practices.
 - (b) Major accounting entries based on exercise of judgment by management.
 - (c) Qualifications in draft audit report, if any.
 - (d) The going concern assumption.
 - (e) Compliance with accounting standards.
 - (f) Compliance with Stock Exchange and legal requirements concerning financial statements.

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- (g) Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- (h) Reviewing with the management, External and Internal auditors the adequacy of Internal Control System.
- (i) The Company has in place its own in house internal audit department to review the adequacy of internal audit function, including the structure of internal audit department, staff and seniority of official's heading the department, reporting structure, coverage and frequency of internal audit.
- (j) Reviewing the findings of any internal investigations in the matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- (k) Discussion with external auditors before the audit commences nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (l) Reviewing the Company's financial and risk management policies.
- (m) To look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.

Composition and Meeting during the year

The Audit Committee represents:

1. Mr. Haresh P. Sanghvi
2. Mr. Bhupendra J. Ambani
3. Mr. A. P. Abraham.

The Audit Committee met Four times in the financial year on 28th June, 2007; 30th July, 2007; 23rd October, 2007 and 28th January, 2008 where all the members of the Committee, Executive Director, the Statutory Auditors were present. Meetings reviewed the Annual Accounts; and Quarterly results and approved the same. The Audit Committee oversees the general accounting practices and other management policies.

(b) Details of Remuneration to the Directors during the year

(Amount in Rs.)

Name of the Director	Salary	Commission	Perquisite	Sitting Fees
Mr. Bhupendra J. Ambani	NIL	NIL	NIL	NIL
Mr. Mukesh B. Ambani	2,40,000	NIL	92,225	NIL
Mr. Haresh P. Sanghvi	NIL	NIL	NIL	NIL
Mr. A. P. Abraham	NIL	NIL	NIL	NIL

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(c) Insider Trading

Pursuant of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, the Company has prescribed a Code of Conduct for prevention of Insider Trading.

Details of the shareholdings of the non-executive Directors as on March 31, 2008 are as under.

Name of the non – executive Director	No. of shares of Rs.10 each
Mr. Haresh P Sanghvi	NIL
Mr. A. P. Abraham	NIL

(d) Share Transfer Committee/Investor Grievance Committee

The Board has constituted the Share Transfer Committee, with the one Executive Directors as members to consider and approve Transfers of shares in the physical form and allied matters. The Shareholder/Investor Grievance Committee has been constituted under the Chairmanship of Mr. Bhupendra J. Ambani and Mr. Mukesh B. Ambani as members.

The Board of Directors has delegated the power to the Executives of the Company/Share Transfer Agent to process share transfer and other investor allied matters.

Composition and Meeting during the year

The committee comprises of One Independent Non-Executive Chairman and one Managing Director. During the year ended 31st March 2008 the Committee met two times on 30th November, 2007 and 3rd December, 2007.

Shareholder/Investor Service

Mr. Mukesh B. Ambani handles Shareholders/Investor Services, who provides timely services. There is no case/complaint pending.

Name and Designation of Compliance Officer

Mr. Mukesh B. Ambani, Managing Director

General Body Meetings

Financial Year	Date	Venue
1 st October, 2004 to 31 st March, 2005	27-09-2005	WIAA Club, Ridge Road, Malabar Hill, Mumbai – 400 006
1 st April, 2005 to 31 st March, 2006	29-09-2006	WIAA Club, Ridge Road, Malabar Hill, Mumbai – 400 006
1 st April, 2006 to 31 st March, 2007	23-08-2007	Malabar Hill Club Ltd., B.G. Kher Marg, Malabar Hill, Mumbai – 400 006.

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Disclosures

There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large, except Rs.90,000/- made to M/s. Fenita Corporate Service, a firm in which relative of Mr. Haresh P. Sanghvi, Director for Professional Advices from time to time and Rs.7,21,100/- made to Mr. A. P. Abraham, Director, MBA for Professional Advices from time to time. The Register of the Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Commercial transactions with the related parties are disclosed in the accounting part of this report.

The Company has complied with the requirements of the Stock Exchanges and SEBI on all the Capital Markets related activities as applicable from time to time.

During the last three years, there were no strictures or penalties by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

Means of Communication

Quarterly, half-yearly and annual results have been communicated to Bombay Stock Exchange Ltd. where the shares of the Company's is listed and Published in the Free Press Journal (English) & Navshakti (Marathi). Annual Reports are dispatched to all the shareholders. No presentation to institutional investors or analysts was made during the year. Management discussion and Analysis is part of the Annual Report.

The CEO Certification under Clause 49V of the Companies Act, 1956 is as under: -

I, Mukesh B. Ambani Managing Director, to the best of our knowledge and belief certify that:

- (a) I have reviewed the financial statements and cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) These statements do not contain any materially untrue statement or omit any materials fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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- (b) There are, to be the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any of which we are aware and the steps I have taken to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that there is
- No significant change in internal control over financial reporting during the year.
 - No significant change in accounting policies during the year under review and
 - No instance of any fraud in the Company in which the management has any role.

For INFRA INDUSTRIES LIMITED

Mumbai
27th June 2008

Managing Director

GENERAL SHAREHOLDING INFORMATION

- Annual General Meeting to be held on Monday, 22nd September, 2008
- Financial Year 1st April, 2007 to 31st March, 2008.
- Book Closure Date 16th September, 2008 to 22nd September, 2008.
- Dividend Payment Date NIL
- Listing in Stock Exchanges Mumbai Stock Exchange
- Stock Code 530777
- Stock Market Price Data for the period

	BSE			BSE	
	HIGH (Rs.)	LOW (Rs.)		HIGH (Rs.)	LOW (Rs.)
April, 2007	10.99	9.25	October, 2007	16.01	7.45
May, 2007	11.00	11.00	November, 2007	15.85	8.00
June, 2007	10.46	6.67	December, 2007	17.53	8.08
July, 2007	8.10	6.15	January, 2008	20.10	15.10
August, 2007	8.94	6.45	February, 2008	15.80	7.90
September, 2007	9.22	7.60	March, 2008	8.40	6.90

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8. Share Transfer Systems

Transfers of physical shares are effected by the Share Transfer Agents after approval by the Share Transfer Committee.

9. Distributions of Share Holdings as on 31-03-2008

Category	No. of Shares held	% of Shareholding
Promoters	4,241,722	70.89
Banks, Financial Institutions	74,500	1.25
Others	1,666,878	27.86

10. The shares are compulsorily dematerialized and connectivity as been established with both the Depositories. The total number of shares de-matted at the end of the financial year under report was 31,24,390 representing 52.14%. The ISIN issued to the shares of the Company is INE287D01019.
11. The Company has not issued GDR/ADR/Warrants or any convertible instruments.
12. The Company's Plants are located at: Village Arav in Maharashtra, Pukkathurai in Tamil Nadu, Dadra union Territory of Dadra & Nagar Haveli and Hubli in Karnataka.
13. Address of Correspondence
The Company's Registered Office at Dhiraj Chambers, 7th Floor, 9, Hazarimal Somani Marg, Mumbai-400 001

Shareholder Correspondence in relation to Transfer of Shares queries should be addressed to:

Purva Sharegistry (India) Private Limited,
9, Shiv Shakti Industrial Estate,
Ground Floor, Sitaram Mill Compound,
J. R. Boricha Marg, Lower Parel
Mumbai - 400 011.

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,

The Members of
Infra Industries Limited

We have examined the compliance of conditions of corporate governance by Infra Industries Limited, for the financial year ended on 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of

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the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For CHATURVEDI & SHAH
Chartered Accountants

Amit Chaturvedi
Partner
Membership No.103141
Place : Mumbai
Date : 27th June, 2008

Auditors' Report

To
The Members,
Infra Industries Limited

We have audited the attached Balance Sheet of **Infra Industries Limited** as at 31st March 2008 and the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2008 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;

INFRA INDUSTRIES LIMITED

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
- (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
 - (ii) In so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date. And
 - (iii) In so far as it relates to the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For Chaturvedi & Shah
Chartered Accountants

Amit Chaturvedi
Partner
Membership No. 103141
Place: Mumbai
Date: 27th June 2008

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets on the basis of the available information but the same are not regularly updated.
 - b. As explained to us, the fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the period and the going concern status of the Company is not affected.

2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at reasonable intervals.
 - b. In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the

INFRA INDUSTRIES LIMITED

management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. The Company has maintained proper records of Inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firm or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, sub-clause (b), (c) and (d) are not applicable.
 - b) The Company has taken loans during the year from two parties covered in the register maintained under section 301 of the Companies Act 1956 during the year. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs.16,25,000/- and year-end balance is also Rs. 15,98,982/-.
 - c) In our opinion and according to the information and explanation given to us, the aforesaid loans are interest free and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - d) In respect of loans given by the Company, these are repayable on demand and therefore the question of overdue amount does not arise.
 4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of Goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
 5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that are needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.
 - b. In our opinion and according to information and explanation given to us, the transaction made in pursuance of such contracts or arrangements are unique and of specialized nature and in absence of any comparable prices, we are unable to comment if same have been made at prices which are reasonable having regard to the prevailing markets prices at the relevant time.

INFRA INDUSTRIES LIMITED

6. The Company has not accepted any deposits from the public and therefore the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA and any other relevant provision of the Act and rule made there under are not applicable.
7. The Company does not have a formal internal audit system, commensurate with size of the Company and nature of its business, management does not think necessary, establishing an internal audit system, however according to information and explanation given to us, its internal control systems provides reasonable internal checking of its financial transaction.
8. The Company is not required to maintain the Cost Records as prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
9. In respect of statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Service tax, custom duty, Excise duty, Cess and other statutory dues wherever applicable have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for a period of more than six months from the date of becoming payable except in respect of payment of Profession Tax to Rs.8,190/-, Sales Tax/VAT to Rs.7,90,795/- and repayment of sales tax deferral loan aggregating to Rs.10,24,950/-
 - b. There are no disputed statutory dues, which are not deposited on account of matters pending before appropriate authorities.
10. The Company has an accumulated loss of Rs 1,77,64,300/- at the end of the year, which is not more than 50% of the net worth of the company. Further the company has incurred a cash loss of Rs 57,61,189/- during the financial year covered by our audit and Rs.30,36,988/- in the immediately preceding financial year
11. According to information and explanations given to us, company has defaulted in the repayment of term loans taken from banks consisting of principal amount and interest amount Rs.3,60,798/- The delays are for the period from January, 2008 to March, 2008. The Company has not taken any loans from a financial institution or has issued any debentures.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

INFRA INDUSTRIES LIMITED

13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion and according to the explanations given to us and based on the information available, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of the Orders are not applicable to the Company.
15. According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the order is not applicable.
16. According to the information & explanation given to us, by the management, the Term Loan has been applied for the purpose for the same was availed.
17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the short term funds amounting to Rs. 25,34,699/- raised by the company are applied for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Accordingly clause 4(xix) of the order is not applicable.
20. No new public issue was made by the Company during the period.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period that can have a material bearing on the financial position of the Company.

For Chaturvedi & Shah
Chartered Accountants

Amit Chaturvedi
Partner
Membership No. 103141
Place: Mumbai
Date: 27th June 2008

INFRA INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

PARTICULARS	SCHEDULE	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SOURCES OF FUND:			
SHAREHOLDERS FUND			
Share Capital	"A"	59,875,000	59,875,000
Revaluation Reserves	"B"	1,785,911	1,969,564
sub total		61,660,911	61,844,564
LOAN FUND			
Secured Loan	"C"	27,787,065	19,094,526
Unsecured Loan	"D"	24,413,734	26,305,547
sub total		52,200,799	45,400,072
DEFERED TAX LIABILITY (Net)		5,890,434	7,877,940
TOTAL		119,752,144	115,122,576
FIXED ASSETS			
Gross Block	"E"	87,829,579	83,548,486
Less : Depreciation		17,634,151	14,875,366
Net Block		70,195,429	68,673,121
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	"F"	6,664,054	6,490,692
Sundry Debtors	"G"	12,946,824	14,167,596
Cash and Bank Balances	"H"	2,712,110	2,020,078
Loans and Advances	"I"	28,723,611	29,146,841
		51,046,599	51,825,207
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	"J"	17,802,419	15,314,367
Provisions		1,451,767	1,229,979
		19,254,186	16,544,346
NET CURRENT ASSETS		31,792,413	35,280,861
Debit Balance of Profit &-Loss Account		17,764,300	11,168,594
TOTAL		119,752,144	115,122,576
NOTES TO ACCOUNTS	"R"		
As per our Report of even date For Chaturvedi & Shah Chartered Accountants.		For and on behalf of the Board	
Amit Chaturvedi Partner		Bhupendra J. Ambani Non-Executive Chairman	Mukesh B. Ambani Managing Director
Place : Mumbai Date : 27th June 2008			

INFRA INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

PARTICULARS	SCHEDULE	For the Year Ended 31.03.2008 Rs.	Previous Year Ended 31.03.2007 Rs.
INCOME			
Sales and Services		90,414,040	65,634,070
Less: Excise Duty Recovered on Sales		12,248,051	9,577,189
		78,165,989	56,056,881
Other Income	"K"	1,599,032	6,181,895
Increase / (Decrease) in Stock	"L"	(181,083)	1,304,316
		79,583,938	63,543,092
EXPENDITURE			
Cost of Goods consumed	"M"	45,381,538	34,606,236
Manufacturing Expenses	"N"	14,885,065	13,339,313
Payments & Provisions for Employees	"O"	9,115,591	7,337,914
Selling & Administrative Expenses	"P"	11,462,284	8,517,406
Interest & Finance Expenses	"Q"	4,500,650	2,779,210
		85,345,127	66,580,079
Profit/(Loss) before Depreciation		(5,761,189)	(3,036,988)
Depreciation		2,582,023	1,977,076
Net Profit/(Loss) after Depreciation & before Tax		(8,343,212)	(5,014,064)
Provision for Fringe Benefit Tax		240,000	225,000
Provision for Deferred Tax		(1,987,506)	484,572
Net Profit/(Loss) after Tax		(6,595,706)	(5,723,636)
Balance Brought Forward (Profit)		(11,168,594)	(5,444,958)
Balance Carried to Balance Sheet		(17,764,300)	(11,168,594)
Earnings per Equity Share (Basic & Diluted) (Rs.10/-)		(1.10)	(0.96)
NOTES TO ACCOUNTS		"R"	
<p>As per our Report of even date For Chaturvedi & Shah Chartered Accountants.</p>		<p>For and on behalf of the Board</p>	
<p>Amit Chaturvedi Partner</p>		<p>Bhupendra J. Ambani Mukesh B. Ambani Non-Executive Chairman Managing Director</p>	
<p>Place : Mumbai Date : 27th June 2008</p>			

INFRA INDUSTRIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<u>SCHEDULE "A" : SHARE CAPITAL</u>		
<u>Authorised Share Capital</u>		
7,000,000 Equity Shares of Rs. 10/- each	70,000,000	70,000,000
300,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	30,000,000	30,000,000
	100,000,000	100,000,000
<u>Issued, Subscribed and Paid up</u>		
5,983,100 Equity Shares of Rs. 10/- each fully paid up (out of which 1,476,000 Equity Shares are issued as Bonus Shares by Capitalising General Reserve & Revaluation Reserve)	59,831,000	59,831,000
Add : Amount originally Paid up on Forfeited Shares	44,000	44,000
	59,875,000	59,875,000
<u>SCHEDULE "B" REVALUATION RESERVES</u>		
Revaluation Reserves		
As Per Last Balance Sheet	1,969,564	2,512,536
Less: Depreciation on Revalued Assets (Refer Note No.4 of Schedule "R")	183,653	230,417
Less: Reversal on Sales of Assets	-	312,555
	1,785,911	1,969,564
<u>SCHEDULE "C" SECURED LOAN</u>		
Working Capital Loan From Bank	22,664,411	15,719,466
Term Loan From Bank (Working Capital Loan & Term Loan from bank are secured against hypothecation of raw material, finished goods, WIP, consumables stores at factories of the Company at Arav, Pukkathurai, Hubli & godowns and receivable books debts and further secured by collateral security by registered mortgage of the factory land & building at Arav, Pukkathurai & Dadra, and hypothecation of fixed assets of the Company including machinery installation in the Company factories at Arav, Pukkathurai & Hubli and furnitures & fixtures)	4,381,435	3,375,060
Hire Purchase Car Loan	741,219	-
	27,787,065	19,094,526
<u>SCHEDULE "D" UNSECURED LOANS</u>		
Sales Tax Deferred	22,814,752	26,257,320
Loan From Directors (Repayment due of Rs.67,36,678/- within year)	1,598,982	48,226
	24,413,734	26,305,547

INFRA INDUSTRIES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE "E" FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NETBLOCK	
	As at 01-04-2007	Addition/ Adjustments	Deduction/ Adjustments	As at 31-03-2008	Up to 31-03-2007	For the Year	Deduction/ Adjustments	As at 31-03-2008	As at 31-03-2008	As at 31.03.2007
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	16,971,000	-	-	16,971,000	-	-	-	-	16,971,000	16,971,000
Factory Building	32,176,800	-	-	32,176,800	1,745,872	893,142	147,076	2,786,090	29,390,710	30,430,928
Office Building	2,997,200	422,080	-	3,419,280	81,423	2,706	36,577	120,706	3,298,574	2,915,777
Plant and Machinery	27,892,075	1,948,116	41,200	29,798,990	11,173,896	1,318,997	(557)	12,492,336	17,306,654	16,718,178
Furniture and Fixtures	955,352	17,788	-	973,140	281,904	70,377	2,699	354,981	618,159	673,448
Office Equipments	475,592	180,627	50,000	606,219	131,411	55,686	(9,034)	178,063	428,155	344,180
Computers	1,658,119	321,047	-	1,979,166	1,376,209	164,146	-	1,540,355	438,811	281,910
Vehicles	422,349	1,482,635	-	1,904,984	84,650	76,969	-	161,619	1,743,365	337,699
	83,548,486	4,372,293	91,200	87,829,579	14,875,366	2,582,023	176,761	17,634,151	70,195,429	68,673,121
Previous Year	72,887,979	11,188,507	528,000	83,548,486	12,675,115	1,977,076	223,174	14,875,366	68,673,121	60,212,863

INFRA INDUSTRIES LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE "F" : INVENTORIES		
(As taken, valued and certified by the management)		
Raw Materials	2,028,337	1,535,909
Stores & spares	191,098	193,878
Fuel	200,144	335,347
Work in Progress	3,145,772	3,162,557
Finished Goods	1,098,703	1,263,001
	6,664,054	6,490,692

SCHEDULE "G" : SUNDRY DEBTORS		
(Unsecured, considered good subject to confirmation)		
(a) Outstanding for more than Six months		
Considered Good	1,330,620	3,260,813
Considered Doubtful	5,169,110	3,268,592
	6,499,730	6,529,405
Less : Provision for Doubtful Debts	2,584,555	1,637,395
	3,915,175	4,892,010
(b) Other Debts	9,031,649	9,275,586
	12,946,824	14,167,596

SCHEDULE "H" : CASH AND BANK BALANCES		
Cash on hand	939,132	1,026,641
With Schedule Banks in Current Account	1,772,978	993,438
	2,712,110	2,020,078

SCHEDULE "I" : LOANS AND ADVANCES		
(Unsecured, considered good subject to confirmation)		
Advances recoverable in cash or in kind or for value to be received	2,244,779	4,142,441
Balance with Central Excise Authorities	675,396	653,897
Tax Deducted at Source	1,112,341	646,508
Deposits	24,691,096	23,703,995
	28,723,611	29,146,841

SCHEDULE "J" : CURRENT LIABILITIES & PROVISIONS		
I. Current Liabilities		
Acceptances	-	4,333,529
Sundry Creditors for goods and services *		
Due to S M E		
Others	6,657,751	6,831,551
Others Liabilities	4,851,259	3,605,808
Advance from Customer	6,293,409	543,479
	17,802,419	15,314,367

II. PROVISIONS		
Provision for Leave Encashment	77,288	74,986
Provision for Grauity	709,479	729,993
Provision for Fringe Benefit Tax	665,000	425,000
	1,451,767	1,229,979

*

The Company has not Received any intimation from suppliers / vendors regarding their's status under the Micro, Small and Medium Enterprises, Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the year end as required under the said Act has not been given.

INFRA INDUSTRIES LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

PARTICULARS	For the Year Ended 31.03.2008 Rs.	Previous Year Ended 31.03.2007 Rs.
<u>SCHEDULE "K" : OTHER INCOME</u>		
Sundry Balance Written Off	-	292,935
Profit on Sale of assets	5,691	1,349,548
Miscellaneous income	1,467,328	3,661,210
Provision of Doubtful Debts Written Back	-	780,502
Interest	126,013	97,700
	1,599,032	6,181,895

<u>SCHEDULE "L" : (INCREASE) / DECREASE IN STOCKS</u>		
Opening Stock of Finished Goods & Work in Progress	4,425,558	3,121,242
Less : Closing Stock of Finished Goods & Work in Progress	4,244,475	4,425,558
	181,083	(1,304,316)

<u>SCHEDULE "M" : COST OF GOODS CONSUMED</u>		
Opening Stock	1,535,909	539,915
Add: Purchases	45,873,966	35,602,230
	47,409,875	36,142,145
Less : Closing Stock	2,028,337	1,535,909
	45,381,538	34,606,236

<u>SCHEDULE "N" : MANUFACTURING EXPENSES</u>		
Stores Consumed	1,222,541	1,030,244
Power and Fuel	11,634,929	9,501,209
Repairs and Maintenance -Building	41,973	53,865
-Machinery	218,090	167,248
-Others	26,092	12,382
Labour Charges	560,623	391,671
Factory Expenses	1,087,834	826,185
Excise Duty	92,983	1,356,508
	14,885,065	13,339,313

<u>SCHEDULE "O" : PAYMENTS & PROVISIONS FOR EMPLOYEES</u>		
Salaries, Wages and Bonus	8,237,566	6,669,714
Contribution to Provident Fund, Gratuity Etc.	364,308	313,387
Staff Welfare Expenses	513,717	354,813
	9,115,591	7,337,914

INFRA INDUSTRIES LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

PARTICULARS	For the Year Ended 31.03.2008 Rs.	Previous Year Ended 31.03.2007 Rs.
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SCHEDULE "P" : SELLING & ADMINISTRATION EXPENSES

Rent, Rates and Taxes	851,086	67,096
Electricity Expenses	507,037	282,325
Freight, Transport and Octroi	1,209,453	1,381,071
Inspection Charges	157,233	121,268
Insurance	342,157	369,546
Travelling & Conveyance Expenses	2,360,669	2,192,771
Telephone, Printing, Postage & Subscription	1,417,480	1,146,195
Miscellaneous Expenses	752,996	373,073
Auditors Remuneration		
Audit Fees	300,000	300,000
Tax Audit Fees	100,000	100,000
Provision of Doubtful Debts	947,160	-
Advertisement & Sales Promotion	1,314,565	773,807
Legal & Professional Fees	1,202,446	910,254
	11,462,284	8,517,406

SCHEDULE "Q" : INTEREST AND FINANCIAL EXPENSES

Interest on Others	1,436,940	728,045
Interest on Term Loan	151,981	11,060
Interest on Working Capital	2,170,111	1,620,338
Finance Cost	741,618	419,767
	4,500,650	2,779,210

SCHEDULE "R"
NOTES ON ACCOUNTS

1. Significant Accounting Policy:

a. Basis of preparation of Financial Statements

The financial statements have been prepared on the historical cost convention except certain fixed assets which are stated at revalued amounts, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

b. Use of Estimates

Certain estimates and assumptions have been made in preparation of financial statement. The difference between the actual results and estimates are recognised in the year in which the results are known / materialised.

INFRA INDUSTRIES LIMITED

c. Fixed Assets

Fixed Assets are valued at cost/ revalued amount (net of cenvat) less accumulated depreciation. All costs including financial costs till commencement of commercial production attributable to fixed assets are capitalised.

d. Depreciation

Depreciation on Fixed Assets is provided on straight-line method at the rates and in the manner prescribed in the schedule XIV to the Companies Act, 1956.

e. Inventory Valuation

Inventories are valued at lower of cost or Net Realisable Value except for scrap/damaged stock, which are valued at Net Realisable Value

Cost of Inventories of Finished Goods and Work in Progress includes material cost, cost of conversion and other cost.

Cost of inventories is determined on FIFO basis.

f. Foreign Currency Transactions -

i Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

ii Monetary items denominated in foreign currency at the year end are translated at year end rates.

iii Any income or expense on account of exchange differences either on settlement or on translation is recognised in the profit or loss account except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

g. Employee Benefits

Contributions to Provident Fund and Leave Encashment are charged to Profit & Loss account on actuarial valuation; Provision for gratuity is made on the basis of actuarial valuation.

h. Borrowing Cost

Borrowing cost attributable to the construction of qualifying assets are capitalised as part of such assets up to the date when such assets are ready for intended use. Other Borrowing Cost are charged as expense in the year in which they are incurred.

i. Sales

Sales include excise duty and is recognised on accrual basis, net of sales returns.

j. Taxes on income

Tax on income for the current period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

INFRA INDUSTRIES LIMITED

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k. Impairment of Assets

An asset is treated as Impaired when the carrying cost of assets exceeds its recoverable Value. An impairment loss is charged to Profit and Loss Account in the year in which an Asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

l. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. The Previous year's figures have been reworked, regrouped, re-arranged and re-classified wherever necessary.
3. Debtors, Creditors, Loans and Advances balances are subject to confirmation from the respective parties.
4. Gross Block of Fixed Assets of Rs.26,66,149/- Consequent of revaluation of fixed assets carried out in past. Consequent to the said revaluation there is an additional charge of depreciation of Rs.1,83,653/- (Previous Year Rs. 2,30,417/-) for the year and the equivalent amount has been withdrawn from the revaluation Reserves.
5. Sundry Debtors consist of Doubtful Debts amounting to Rs.51,69,110/-, However Management of the Company is confident that they will be able to recover the amount outstanding as Doubtful Debtors. As Matter of Prudence a Provision has been made against the doubtful Debts amounting to Rs.9,47,160/- other than the existing provision is required to be made in accounts at this stage.
6. Deposits include Rs.2,17,17,462/- paid to a firm in which some of the Directors are partner against use of Office Premises.
7. In the opinion of the management the company is mainly engaged in the business of plastic processing in India. All other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

INFRA INDUSTRIES LIMITED

8. Managerial Remuneration

Remuneration to directors in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956 and subject to approved of the Shareholders in General Meeting

Particulars	Current Year 2007-2008 Rs.	Previous Year 2006-2007 Rs.
Remuneration	2,40,000	1,60,000
Provision for Gratuity	95,140	97,485
Perquisites	92,225	75,860
Total	4,27,365	3,33,345

9. Related Party Disclosures

List of related parties with whom transactions have taken place during the year.

- i) Associates:
 - a) Ambani Sales Organisation - Enterprises in which Directors are interested
- ii) Key Managerial Personnel:
 - a) Bhupendra J. Ambani - Chairman
 - b) Mukesh B. Ambani - Managing Director

iii) Transactions during the year with the related parties.

	Enterprises In which directors are interested (Rs.)	Key Management Personal (Rs.)	Relative of Key Management Personal (Rs.)
Advance			
(a) Amount Received During the Year		17,79,490	-
Previous Year	-	1,39,902	-
(b) Amount Paid During the Year		2,28,734	-
Previous Year	-	4,01,833	-
(c) Balance as at 31 st March 2008		15,98,982	-
Previous Year	-	48,226	-
Deposit			
(a) Received / Adjustment during the year	3,69,587	-	-
Previous Year	-	-	-
(b) Balance as at 31 st March 2008	2,17,17,462	-	-
Previous Year	2,13,47,875	-	-
Expenditure			
(a) Perquisite Including Provision for Gratuity	-	4,27,365	-
Previous Year	-	3,33,345	19,450

INFRA INDUSTRIES LIMITED

10. The Company has adopted Accounting Standard 15 (Revised) "Employee Benefits" issued by Institute of Chartered Accountants of India with effect from 1st April, 2007.

(a) Defined Contribution Plan, recognized as expenses for the year are as under:

Employer's Contribution to Provident and Pension Fund Rs. 3,01,904/-

The Company makes contributions towards provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner.

(b) Defined Benefit Plan:

The company provides gratuity benefit to its employees which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

	2007-08	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)
	Rs.	Rs.
a) Change in Present Value of Obligation		
PVO at the beginning of the year	7,29,993	74,986
Current Service Cost	72,540	53,492
Interest Cost	52,350	5,219
Actuarial (Gain) / Loss on Obligation	(81,412)	(45,604)
Benefits Paid	(63,992)	(10,805)
PVO at the end of the year	7,09,479	77,288
b) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	7,09,479	77,288
Fair value of Plan Assets at the end of the year	-	-
Funded Status	(7,09,479)	(77,288)
Unrecognised Actuarial Gain./(Loss)	-	-
Net Assets/(Liability) recognised in Balance Sheet	(7,09,479)	(77,288)
c) Amounts Recognised in the statement of Profit and Loss:		
Current Service Cost	72,540	53,492
Interest cost	52,350	5,219
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognised in the year	(81,412)	(45,604)
Expenses recognised in the statement of Profit and Loss Account	43,478	13,107

INFRA INDUSTRIES LIMITED

2007-08	
Gratuity (Unfunded)	Leave Encashment (Unfunded)
Rs.	Rs.
Interest/Discount Rate (Per Annum)	8.00%
Rate of increase in compensation	5.00%
Rate of Return (expected) on Plan assets	-
Employee Attrition Rate	0.50%
Mortality	L.I.C 1994-96 ULTIMATE
Expected average remaining Service	24.94

d) Actuarial Assumptions

Interest/Discount Rate (Per Annum)
Rate of increase in compensation
Rate of Return (expected) on Plan assets
Employee Attrition Rate
Mortality

8.00%
5.00%
-
0.50%
L.I.C 1994-96
ULTIMATE

Expected average remaining Service

8.00%
5.00%
-
0.50%
L.I.C 1994-96
ULTIMATE
24.24

This being the first year of implementation of AS-15 Employee Benefits (Revised 2005), previous year figures have not been furnished.

The estimates of rate of escalation in salary considered in actuarial valuation, take in account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary:

11. Earnings per share ["EPS"]:

Basic & Diluted:

Particulars	Current Year 2007-2008	Previous Year 2006-2007
Profit/(Loss) after tax (Rs.)	(65,95,706)	(57,23,636)
Number of shares (Nos.)	5983100	5983100
EPS Basic & Diluted (Rs.)	(1.10)	(0.96)
Equity Share of Face Value of (Rs.)	10	10

12. Deferred Tax

(a) Net deferred tax Liabilities for the year of Rs.19,87,506/- has been credited to the Profit & Loss Account.

(b) Major Components of Deferred Tax Assets and Deferred Tax Liabilities:

	As at 31.03.2008		As at 31.03.2007	
	Deferred Tax Assets (Rs.)	Deferred Tax Liabilities (Rs.)	Deferred Tax Assets (Rs.)	Deferred Tax Liabilities (Rs.)
Depreciation		1,42,07,927		1,36,35,015
Disallowance Under the Income Tax Act 1961	10,30,432		12,53,195	
Carried forward losses	72,87,061		45,03,880	
	83,17,493	1,42,07,927	57,57,075	1,36,35,015
Net Deferred Tax Liability	58,90,434		78,77,940	
Net credit liability charged to Profit & Loss Account	19,87,506			

INFRA INDUSTRIES LIMITED

13. Additional information pursuant to Paragraphs 3, 4C, 4D of Part II of Schedule VI of Companies Act, 1956:

A. Capacity, Production and Sales

		Current Year 2007-2008	Previous Year 2006-2007
I	INSTALLED CAPACITY (M/T)		
	Rotmoulded Plastic Products	1,455	1,455
II	ACTUAL PRODUCTION (M/T)		
	Plastic Products	679	585
III	QUANTITY OF SALES (M/T)		
	Plastic Products	684	584
IV	VALUE OF SALES (Rs.)		
	Plastic Products	8,88,42,359	6,50,70,281
	Other Items	15,71,681	5,63,789

B. Opening and Closing Stock of Finished Goods Stock

	Current Year 2007-2008		Previous Year 2006-2007	
	Qty. (M/T)	Value (Rs.)	Qty. (M/T)	Value (Rs.)
Opening Stock	14	12,63,001	13	11,15,687
Closing Stock	10	10,98,703	14	12,63,001

C. Details of Raw Materials Consumed

Item	Current Year 2007-2008		Previous Year 2006-2007	
	Qty (M/T)	Value (Rs.)	Qty (M/T)	Value (Rs.)
Polymers	691	4,53,81,538	631	3,46,06,235

D. Expenditure in Foreign Currency

	Current Year 2007-2008	Previous Year 2006-2007
	Rs.	Rs.
Travelling	3,00,451	49,523

E. Value of raw materials consumed

	Current Year 2007-2008		Previous Year 2006-2007	
	Rs.	%	Rs.	%
Indigenous	4,53,81,538	100.00	3,46,06,235	100.00
Total	4,53,81,538	100.00	3,46,06,235	100.00

F. Value of stores & spares consumed

	Current Year 2007-2008		Previous Year 2006-2007	
	Rs.	%	Rs.	%
Indigenous	12,22,541	100.00	10,30,244	100.00
Total	12,22,541	100.00	10,30,244	100.00

As per our Report of even date
For Chaturvedi & Shah.
Chartered Accountants

For and on behalf of the Board

Amit Chaturvedi
Partner

Bhupendra J. Ambani Mukesh B. Ambani
Non-Executive Chairman Managing Director

Place: Mumbai

Date: 27th June, 2008

INFRA INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2008

		Current Year Ended 31.03.2008	Previous Year Ended 31.03.2007
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
A. CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT/(LOSS) AFTER TAX		(6,595,706)	(5,723,635)
ADJUSTMENTS FOR			
-Depreciation	2,582,023		1,977,076
-Provision for Deferred Tax	(1,987,506)		484,572
-Profit on sale of asset	(5,691)		(1,036,993)
-Revaluation Reserves Written Back	-	588,826	(312,555)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(6,006,880)	(4,611,536)
ADJUSTMENTS FOR			
-Receivables	851,185		(2,908,563)
-Inventories	(173,362)		(2,011,291)
-Other Assets (Loans & Advances)	792,817		1,556,149
-Trade Payables	2,709,840		8,517,150
		4,180,480	5,153,444
CASH GENERATED FROM OPERATIONS		(1,826,401)	541,908
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		(1,826,401)	541,908
B. CASH FLOW FROM INVESTING ACTIVITIES			
Additions to Fixed Assets		(4,372,293)	(5,850,645)
Sales of Fixed Assets		90,000	1,557,750
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		(4,282,293)	(4,292,895)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short Term Borrowings		6,944,945	4,005,754
Proceeds from Long Term Borrowings		1,006,375	3,375,060
Proceeds from Hire Purchase Car Loan		741,219	-
Repayment of Unsecured Loans (Deferral Sales Tax)		(3,442,568)	(3,955,193)
Loan Received from Directors		1,667,490	-
Loan Repayment to Directors		(116,734)	(261,932)
NET CASH FROM/(USED IN) FOR FINANCING ACTIVITIES		6,800,726	3,163,690
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		692,032	(587,297)
CASH AND CASH EQUIVALENTS AS AT 31.03.2007		2,020,078	2,607,375
CASH AND CASH EQUIVALENTS AS AT 31.03.2008		2,712,110	2,020,078

Notes:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountant of India
2. Figures in brackets represent outflows.

As per our Report of even date
For Chaturvedi & Shah
Chartered Accountants

For and on behalf of the Board

Amit Chaturvedi
Partner

Bhupendra J. Ambani
Non-Executive Chairman

Mukesh B. Ambani
Managing Director

Place : Mumbai
Date : 27th June 2008

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details

Registration No. State Code
 Balance Sheet Date

2 Capital Raised during the year (Amt. in Rs.thousnads)

Arrears of allotment money	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

3 Position,of Mobilisation & Deployment of Funds(Amt. in Rs.thousnads)

	Total Liabilities	<input type="text" value="119,752"/>	Total Assets	<input type="text" value="119,752"/>
Sources of Funds				
	Paid Up Capital	<input type="text" value="59,831"/>	Reserves & Surplus	<input type="text" value="0"/>
	Secured Loans	<input type="text" value="27,787"/>	Unsecured Loans	<input type="text" value="24,414"/>
Application of Funds				
	Net Fixed Assets	<input type="text" value="70,195"/>	Investments	<input type="text" value="0"/>
	Net Current Assets	<input type="text" value="31,792"/>	Misc. Expenditure	<input type="text" value="0"/>
	Accumulated Losses	<input type="text" value="17,764"/>		

4 Performance of Company(Amt. in Rs.thousnads)

Turnover	<input type="text" value="90,414"/>	Total Expenditure	<input type="text" value="85,345"/>
Profit/Loss before Tax	<input type="text" value="(8,343)"/>	Profit/Loss after Tax	<input type="text" value="(6,596)"/>
Earning per Share (Weighted Avg.) in Rs.	<input type="text" value="(1.10)"/>	Dividend Rate %	<input type="text" value="-"/>

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

Product Description :	Item Code No.
Rotomoulded Plastic Products	<input type="text" value="39251000"/>

INFRA INDUSTRIES LIMITED

Registered Office: Dhiraj Chambers, 7th Floor, 9 Hazarimal Somani Marg, Mumbai 400 001

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary.

NAME & ADDRESS OF THE SHAREHOLDER

L.F. NO.

I hereby record my presence on 22nd September 2008 at the Nineteenth ANNUAL GENERAL MEETING of the Company at Malabar Hill Club Ltd. B.G. Kher Marg, Malabar Hill, Mumbai -400 006

SIGNATURE OF THE SHAREHOLDER OR PROXY

INFRA INDUSTRIES LIMITED

Registered Office: Dhiraj Chambers, 7th Floor, 9 Hazarimal Somani Marg, Mumbai 400 001

PROXY FORM

L. F. NO. _____

I / We _____ of in the state of being a member / members of **INFRA INDUSTRIES LIMITED** hereby appoint _____ of _____ or failing him _____ as my / our proxy to vote for me / us and on my / our behalf at the Nineteenth ANNUAL GENERAL MEETING of the Company to be held at 10.00 a.m. on 22nd September 2008 and at any adjournment thereof.

As witness my / our hand (s) this _____ day of _____ 2008.

Affix a Re. 1
Revenue
Stamp

Signature(s) of the Shareholder(s)

Note: The proxy must be returned so as to reach the Company not less than 48 hours before the time for holding the aforesaid meeting.

BOOK - POST

If undelivered please return to :

INFRA INDUSTRIES LIMITED

Dhiraj Chambers, 7th Floor,

9, Hazarimal Somani Marg,

Mumbai 400 001.