

INFRA INDUSTRIES LIMITED

ANNUAL REPORT 2012 – 2013

INFRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Bhupendra J Ambani Chairman
Mukesh B. Ambani Managing Director
Haresh P. Sanghvi Non-Executive Director
Rajnikant N. Shah Non-Executive Director

REGISTERED OFFICE

Dhiraj Chambers, 7th Floor,
9, Hazarimal Somani Marg,
Mumbai – 400 001
Telephone No.022-32946372

FACTORIES

Arav, Maharashtra
Pukkathurai, Tamil Nadu,
Hubli, Karnataka

SALES OFFICES

Chennai, Renigunta

AUDITORS

M/s. Chaturvedi & Shah
Chartered Accountants

BANKER

Indian Overseas Bank

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REGISTRARS & TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd,
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@vsnl.com

INFRA INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of INFRA INDUSTRIES LIMITED will be on Thursday, 19th September, 2013 at 10.30 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, 2013 and the Statement of Profit and Loss for the year ended on that date and the Directors' Report thereon and Auditors' Report thereto.
2. To appoint Director in place of Mr. Bhupendra J. Ambani 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: 30th May, 2013
REGISTERED OFFICE:
7th Floor, Dhiraj Chambers,
9, Hazarimal Somani Marg,
Mumbai - 400 001

(Bhupendra J. Ambani)
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 Wednesday, 11th day of September, 2013 to Thursday, 19th day of September, 2013 (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

- 7) Ministry of Corporate Affairs (MCA) has come out with circular Nos. 17/2011 dt.21-04-2011 and 18/2011 dt.29-04-2011 propagating 'Green Initiative' encouraging Corporate to serve documents through electronic mode. In order to further our environment friendly agenda and to participate in MCA's Green Initiative, your company proposes to send Annual Report to all its members through electronic mode. We request all those who have not yet registered their e-mail addresses with their DP to do so at the earliest. Please note that in case you have already registered your e-mail address, you are not required to re-register unless there is change in your e-mail address. The members who are holding share in physical form should send e-mail at investors@infra.co.in to update their e-mail address. (These members are also requested to convert their physical holdings to demat).

INFRA INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 24th Annual Report, and the audited accounts for the financial year ended March 31, 2013.

FINANCIAL RESULTS

(Amount in ₹)

	Year Ended 31.03.2013	Year Ended 31.03.2012
Profit/(Loss) before Finance Cost, Depreciation and Tax	7,642,616	(1,399,310)
Less: Finance Cost	4,452,921	3,819,171
Profit/(Loss) before Depreciation	3,189,695	(5,218,481)
Less: Depreciation	4,028,171	3,497,470
Profit/(Loss) before Tax	(838,476)	(8,715,951)
Less: Current Tax	Nil	Nil
Profit/(Loss) after Tax	(838,476)	(8,715,951)
Add: Balance Brought from Previous year	(30,201,431)	(21,485,480)
Balance Carried forward to next year	(31,039,907)	(30,201,431)

DIVIDEND

Due to carry forward loss of ₹ 31,039,907 our directors regret their inability to recommend any dividend for declaration.

OPERATIONS

The Revenue from operation during the year under review was ₹ 99,532,964 as against ₹ 91,961,999 in the previous year reflecting a growth of 8.23% over the previous year. Company has earned profit before Finance Cost, Depreciation and Tax of ₹ 7,642,616 during the current year as compared to loss of ₹ 1,399,310 in the previous year. The Company incurred net loss of ₹ 838,476 after making provision for Finance Cost, Depreciation and Tax as compared to Net Loss of ₹ 8,715,951 in the previous year.

FUTURE OUTLOOK

Company is introducing new range of products under Leisure and Home Division which will be in the launched in market very soon. These products are designed as per international standards and also first of its kind to be available in the Indian market with variety of design and colours. The modern trend of Building Construction and Architecture requires new products than the conventional one. We foresee acceptance and market potential for these products.

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 that:

- (i) in the preparation of the accounts for the financial year ended March 31, 2013; the applicable accounting standards read with requirement set out under Schedule VI to the Companies Act, 1956 have been followed along with explanation relating to material departures;
- (ii) 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 as at March 31, 2013 and of the loss of the Company for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

DIRECTORS

Mr. Bhupendra J. Ambani, 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.

INFRA INDUSTRIES LIMITED

CONSOLIDATED ACCOUNTS

During the previous year the Company promoted Infra Fenestation Private Limited (IFPL) and made an investment of ₹ 98,000/- towards initial subscription. The Company holds 49% of the equity of IFPL. IFPL has not started the commercial activities, but have incurred loss of ₹ 31,384 for the year 2012-13 due to filing and audit fees. Company's share in losses of IFPL is ₹ 15,064. Company intends to dispose the investment in near future. Since there is no other subsidiary or associate and there is no material impact of Company's share in losses of IFPL on consolidated financial statements, hence the separate Consolidated Financial Statements have not been prepared. Carrying amount of investment in IFPL as on 31st March, 2013 is ₹ 82,936.

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 on Financial Statement referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

COST AUDITORS

The Company has appointed M/s. Jitendrakumar and Associates, Cost Accountants as Cost Auditors for the F.Y. 2012-13 as per section 233B (2) of the Companies Act, 1956.

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: 30th May, 2013

(Bhupendra J. Ambani)
Chairman

INFRA INDUSTRIES LIMITED

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 2013.

1. FORM A – ENERGY CONSUMPTION

A) POWER & FUEL CONSUMPTION

	Current Year	Previous year
1. Electricity:		
(a) Purchased Units (KWH)	371259	275309
Total Amount (₹)	3105404	2034809
Rate / Unit (₹)	8.36	7.39
(b) Own Generation		
i) Through Diesel Generator Units	48048	39254
Units per Ltr. of diesel oil	2.28	2.73
Cost / Unit (₹)	41.25	40.39
ii) Through Steam Turbine/Generator	Not Applicable	Not Applicable
Coal: (Specify quality and where used)	Not Applicable	Not Applicable
2. Fuel Oil/Gas :		
Quantity (Litres)	191025	196587
Total Amount (₹)	10634581	9298681
Average Rate (₹)	55.67	47.30
4. Others/Internal Generations:	NIL	NIL
B) CONSUMPTION PER UNIT OF PRODUCTION		
Products (with details)		
Production (MT)	597	653
Electricity (KwH/MT)	622	422
Diesel oil for Oven (Ltrs./MT)	320	301
Coal (Special Quality)	NIL	NIL
Others (Specify)	NIL	NIL

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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 Roto-Moulding division.
2. Benefits Derived: Better quality products have been made with cost effectiveness.
3. Imported Technology: N.A.

FOREIGN EXCHANGE EARNINGS & OUTGO

EARNINGS NIL

OUTFLOW

1. Towards Finished Goods Purchase : ₹ 713,520
2. On account of Foreign Travel : ₹ 369,585

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 30th May, 2013

(Bhupendra J. Ambani)
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 22 years in the field of rotational moulding, by this process in 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 statute.

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.

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REPORT ON CORPORATE GOVERNANCE

Your Directors submit their report on the Corporate Governance of the Company for the Financial Year 2012-2013.

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.

The Company has 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, 2012 to 31st March, 2013, Nine Board Meetings were held on 11th April, 2012; 15th May, 2012; 21st July, 2012; 14th August, 2012; 12th November, 2012; 24th December, 2012; 30th January, 2013; 11th February, 2013 and 26th March, 2013.

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. Haresh P. Sanghvi	Director
NED-IND	Mr. Rajnikant N. Shah	Director

(NED: - Non-Executive Director)

(NED-IND: - Non-Executive Independent Director)

Attendance at Board Meeting and Last Annual General Meeting

Name of the director	No. of Board Meetings attendance	Attended of last AGM
Mr. Bhupendra J. Ambani	9	YES
Mr. Mukesh B. Ambani	9	YES
Mr. Haresh P. Sanghvi	9	YES
Mr. Rajnikant N. Shah	9	YES

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Other Board or Committee in Public Limited Companies 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. Rajnikant N. Shah	NIL	NIL	NIL

Brief profile of Director seeking re-election/election

Mr. Bhupendra J. Ambani is Inter B.A and has wide experience in business environment.

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. Rajnikant N. Shah

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

Promoter Directors

Mr. Bhupendra Ambani	Chairman - Shareholder/Investor Grievance Committee Member-Audit Committee
Mr. Mukesh B. Ambani	Member- Shareholder/Investor Grievance Committee

Independent Directors

Mr. Haresh P. Sanghvi	Chairman - Audit Committee and Remuneration Committee.
Mr. Rajnikant N. Shah	Member– Audit Committee and Remuneration Committee.

Responsibilities:

The Board of Directors responsibilities include review of:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Business risk analysis
- Appointment of senior executives

INFRA INDUSTRIES LIMITED

- 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, 2013.

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.
 - (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.

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- (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 no 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. Rajnikant N. Shah

The Audit Committee met Four times in the financial year on 21st July 2012; 14th August 2012; 12th November 2012 and 11th February 2013 where all the members of the Committee, Executive Director, and 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) Remuneration Committee:

No Remuneration Committee Meeting held in the financial year 2012-2013.

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

(Amount in ₹)

Name of the Director	Salary	Commission	Perquisite	Sitting Fees
Mr. Bhupendra J. Ambani	NIL	NIL	NIL	NIL
Mr. Mukesh B. Ambani	6,00,000	NIL	1,26,750	NIL
Mr. Haresh P. Sanghvi	NIL	NIL	NIL	NIL
Mr. Rajnikant N. Shah	NIL	NIL	NIL	NIL

(d) 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, 2013 are as under:

Name of the non – executive Director	No. of shares of ₹10 each
Mr. Bhupendra J. Ambani	50,082
Mr. Haresh P Sanghvi	NIL
Mr. Rajnikant N. Shah	NIL

(d) Share Transfer Committee/Investor Grievance Committee

The Board has constituted the Share Transfer Committee, with the one Executive Director 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. Mukesh B. Ambani and Mr. Haresh P. Sanghvi as member.

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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 Executive Chairman and one Independent Director. During the year ended 31st March 2013, the Committee met three times on 31st May, 2012, 15th January, 2013 and 15th March, 2013.

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 April, 2009 to 31 st March, 2010	15-09-2010	Malabar Hill Club Ltd., B.G. Kher Marg, Malabar Hill, Mumbai – 400 006.
1 st April, 2010 to 31 st March, 2011	28-09-2011	Malabar Hill Club Ltd., B.G. Kher Marg, Malabar Hill, Mumbai – 400 006.
1 st April, 2011 to 31 st March, 2012	31-08-2012	Malabar Hill Club Ltd., B.G. Kher Marg, Malabar Hill, Mumbai – 400 006.

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:

1. Advances paid include ₹ 12,000 related to professional fees incurred on behalf of Infra Fenestration Private Limited (where Company holds 49% of stake).
2. Deposit Paid during the year include Ambani Sales organisation ₹ 1,905,656
3. Payment to Key Managerial Personnel include to Mr. Mukesh b. Ambani ₹ 726,750
4. Payment to relative of Key Managerial Personnel include to Mr. Pratik M. Ambani ₹ 211,699
5. Payment to relative of Key Managerial Personnel include to Mr. Varun M. Ambani ₹ 144,200

There are no Contracts or Arrangements referred to in section 301 of the Companies Act, 1956 that needs to be entered in to the register maintained under section 301.

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

INFRA INDUSTRIES LIMITED

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 are listed and Published in the Business Standard (English) & Mumbai Lakshadeep (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.
- (b) There are, to 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
 - i. No significant change in internal control over financial reporting during the year.
 - ii. No significant change in accounting policies during the year under review and
 - iii. No instance of any fraud in the Company in which the management has any role.

For INFRA INDUSTRIES LIMITED

Place: Mumbai
Date: 30th May, 2013

(Mukesh B. Ambani)
Managing Director

INFRA INDUSTRIES LIMITED

GENERAL SHAREHOLDING INFORMATION

- 1 Annual General Meeting to be held on : 19th Day of September, 2013
- 2 Financial Year : 1st April, 2012 to 31st March, 2013.
- 3 Book Closure Date : 11th September, 2013 to 19th September, 2013.
- 4 Dividend Payment Date : NIL
- 5 Listing in Stock Exchanges : Mumbai Stock Exchange
- 6 Stock Code : 530777
- 7 **Stock Market Price Data for the period**

	BSE			BSE	
	HIGH (Rs.)	LOW (Rs.)		HIGH (Rs.)	LOW (Rs.)
April,2012	3.99	3.35	October, 2012	5.21	4.05
May,2012	4.68	3.44	November, 2012	5.30	4.85
June,2012	4.78	3.65	December, 2012	5.82	4.61
July,2012	5.11	4.21	January, 2013	5.52	3.28
August, 2012	4.87	4.00	February, 2013	4.06	3.09
September, 2012	4.91	4.14	March, 2013	3.69	2.80

8. Share Transfer Systems

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

9. Distributions of Share Holdings as on 31-03-2013

Category	No. of Shares held	% of Shareholding
Promoters	4,171,222	69.72
Banks, Financial Institutions	74,500	1.25
Others	1,737,378	29.03

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 38,48,990 representing 64.33%. 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 TamilNadu 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.

INFRA INDUSTRIES LIMITED

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 2013, 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 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
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749
Place: Mumbai
Date: 30th May, 2013

INFRA INDUSTRIES LIMITED

Independent Auditor's Report

To the Members of
Infra Industries Limited

Report on the Financial Statements

We have audited the Financial Statements of **Infra Industries Limited ("the Company")**, which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

INFRA INDUSTRIES LIMITED

Report on Other Legal and Regulatory Requirements

- a) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- b) As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - i) 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;
 - ii) 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;
 - iii) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in subsection (3C) of section 211 of the Act;
 - v) On the basis of written representation received from the directors as on 31st March, 2013 and taken on record by the board of Directors, we report that none of director is disqualified as on 31st March, 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;

For Chaturvedi & Shah
(Firm Registration No.: 101720W)
Chartered Accountants

Jignesh Mehta
Partner
Membership No.: 102749

Place: Mumbai
Date: 30th May, 2013

INFRA INDUSTRIES LIMITED

Annexure referred to in paragraph (a) under the heading Report on other legal and regulatory requirements of our Report of even date

{Re: Infra Industries Limited (“the Company”)}

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 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 was 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) The Company has not granted any loan during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (b), (c) & (d) of paragraph 4 of the Order are not applicable.
 - b) The Company has not taken loan during the year from the parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (e), (f) & (g) of paragraph 4 of the Order are not applicable.
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. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. According to information and explanation given to us, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under section 301. Therefore, the provisions of clause (v) (b) of paragraph 4 of the Order are not applicable.
6. According to the information and explanation given to us, the Company has not accepted any deposits from the public and therefore the provision of clause (vi) of paragraph 4 of the order is not applicable to the Company.

INFRA INDUSTRIES LIMITED

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 transactions.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
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, 2013 for a period of more than six months from the date of becoming payable *except in respect of Sales Tax/ Vat of Rs. 1,224,860/- and repayment of sales tax deferral loan aggregating to Rs. 8,541,176/-*.
 - b) There are no disputed statutory dues, which are not deposited on account of matters pending before appropriate authorities.
10. *The Company has accumulated losses of Rs. 31,039,907/- at the end of the year, which is more than 50% of the net worth of the Company.* Further the Company has not incurred cash losses during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and bank.
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.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause (xiii) of paragraph 4 of the order is not applicable to the Company.
14. The Company has maintained proper records of the transactions and contract in respect of dealing or trading in shares, securities, and other investments and timely entries have been made therein. . All shares, securities and other investment have been held by the Company in its own name.
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 (xv) of paragraph 4 of the order is not applicable to the Company.
16. The Company has raised new term loan during the year and the same have been applied for the purposes for which they were raised.

INFRA INDUSTRIES LIMITED

17. According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company as at the year end, we are of the opinion that there are no funds raised on short term basis that have been used 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 (xix) of paragraph 4 of the order is not applicable to the Company.
20. The Company has not raised any monies by way of public issue during the year.
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
(Firm Registration No.: 101720W)
Chartered Accountants

Jignesh Mehta
Partner
Membership No.: 102749

Place: Mumbai
Date: 30th May, 2013

INFRA INDUSTRIES LIMITED

BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE	As at 31st March, 2013	As at 31st March, 2012
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' FUNDS			
Share Capital	2	59,875,000	59,875,000
Reserves and Surplus	3	(31,039,907)	(30,201,431)
		28,835,093	29,673,569
Non - Current Liabilities			
Long Term Borrowings	4	11,855,660	2,963,564
Long Term Provisions	5	1,653,480	1,105,473
		13,509,140	4,069,037
Current Liabilities			
Short Term Borrowings	6	20,508,594	20,238,406
Trade Payables	7	15,465,807	15,883,983
Other Current Liabilities	8	25,304,094	22,561,606
Short Term Provisions	9	522,087	388,463
		61,800,582	59,072,458
TOTAL		104,144,815	92,815,065
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	10	50,988,022	49,322,695
Capital Work in Progress	10	14,580,536	-
Non-Current Investments	11	98,000	98,000
Long Term Loans and Advances	12	15,772,542	17,808,285
		81,439,100	67,228,980
Current Assets			
Inventories	13	6,048,335	9,133,549
Trade Receivables	14	13,970,396	12,401,813
Cash and Cash Equivalents	15	1,068,859	2,745,915
Short-Term Loans and Advances	16	1,618,125	1,304,808
		22,705,715	25,586,086
TOTAL		104,144,815	92,815,065
Significant Accounting Policies on Financial Statement	Notes 1 to 29		

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.101720W

For and on behalf of the Board

Jignesh Mehta
Partner
Membership No.102749
Date : 30th May, 2013
Place : Mumbai

Mukesh B. Ambani
Managing Director

Bhupendra J. Ambani
Chairman

INFRA INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹)

PARTICULARS	NOTE	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
INCOME			
Revenue from Operations	17	111,802,415	101,548,440
Less: Excise Duty		12,269,451	9,586,440
		99,532,964	91,961,999
Other Income	18	4,965,878	3,773,959
Total		104,498,842	95,735,958
EXPENDITURE			
Cost of Materials Consumed	19	51,886,948	53,661,915
Purchase of Stock-in-Trade		713,530	-
Change in Inventories of Finished Goods and Work-in-Progress	20	2,394,215	804,598
Employees Benefits Expense	21	16,509,510	14,266,061
Finance Cost	22	4,452,921	3,819,171
Depreciation and Amortisation Expense		4,028,171	3,497,470
Other Expenses	23	25,352,023	28,402,693
Total		105,337,318	104,451,909
Loss before Tax		(838,476)	(8,715,951)
Tax Expenses			
Current Tax		-	-
Profit/(Loss) for the year		(838,476)	(8,715,951)
Earning per Equity Shares of face value of ₹ 10 each			
Basic and Diluted (in ₹)	24	(0.14)	(1.46)
Significant Accounting Policies on Financial Statement	Notes	1 to 29	
As per our Report of even date			
For Chaturvedi & Shah		For and on behalf of the Board	
Chartered Accountants			
Firm Registration No.101720W			
Jignesh Mehta	Mukesh B. Ambani	Bhupendra J. Ambani	
Partner	Managing Director	Chairman	
Membership No.102749			
Date : 30th May, 2013			
Place : Mumbai			

INFRA INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2012-2013

(Amount in ₹)

		2012-2013	2011-2012
A. CASH FLOW FROM OPERATING ACTIVITIES			
LOSS BEFORE TAX		(838,476)	(8,715,951)
Adjustment for :			
Interest Income	(17,231)		(1,472,524)
Depreciation and Amortisation Expense	4,028,171		3,497,470
Profit on Sale of assets	(962,496)		-
Finance Cost	4,452,921		3,819,171
Sundry Balances Write back	(3,668,582)		(2,222,322)
Sundry Balances Write Off	10,989		148,282
		3,843,772	3,770,077
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		3,005,296	(4,945,874)
ADJUSTMENTS FOR			
Trade Receivables	(1,568,583)		(1,466,060)
Inventories	3,085,214		65,151
Long Term Loans and Advances	2,027,674		948,955
Short-Term Loans and Advances	(313,317)		410,736
Trade Payables	(418,176)		7,524,885
Other Current Liabilities	1,708,242		(44,052)
Long Term Provisions	548,007		127,357
Short Term Provisions	133,624		362,045
		5,202,685	7,929,018
CASH GENERATED FROM OPERATIONS		8,207,981	2,983,143
-Direct Taxes Paid Net		(8,068)	(7,323)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES		8,199,912	2,975,820
B. CASH FLOW FROM INVESTING ACTIVITIES			
Additions to Fixed Assets		(16,819,408)	(5,620,354)
Sales of Fixed Assets		1,555,810	-
Purchase of Investments		-	(98,000)
Interest Received		17,231	1,472,524
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		(15,246,367)	(4,245,830)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short Term Borrowings		270,188	6,649,134
Proceeds from Long Term Borrowings		11,632,110	4,130,147
Repayment of Long Term Borrowings		(1,860,497)	(4,813,086)
Interest Paid		(4,672,402)	(3,819,171)
Loan Received from Directors		-	21,438
Loan Repayment to Directors		-	(21,438)
NET CASH FROM/(USED IN) FOR FINANCING ACTIVITIES		5,369,400	2,147,024
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(1,677,055)	877,014
CASH AND CASH EQUIVALENTS AS AT 31.03.2012		2,745,915	1,868,901
CASH AND CASH EQUIVALENTS AS AT 31.03.2013		1,068,859	2,745,915

Notes:

- 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
- Figures in brackets represent outflows.

As per our Report of even date

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No.101720W

For and on behalf of the Board

Jignesh Mehta
Partner
Membership No.102749
Place : Mumbai
Date : 30th May, 2013

Mukesh B. Ambani
Managing Director

Bhupendra J. Ambani
Chairman

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

1 Significant Accounting Policies

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.

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 Investment

Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

F Inventories

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.

G 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 statement of profit or loss.

H Employee Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognised as an expense in the statement of profit and loss for the year in which the employee has rendered services . The expense is recognised at the present value of the amounts payable determined using actuarial valuation technique. Actuarial gains and losses in the respect of post employment and other long term benefits are charged to the statement of profit and loss.

I Borrowing Costs

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.

J Sales

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection . Sales net of excise duty and is recognised on accrual basis, net of sales returns, sales tax and Vat.

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

K Provision for Current and Deferred Tax

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.

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.

L 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 statement of profit and loss 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.

M 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 Share Capital

	As at 31st March, 2013	(Amount in ₹) As at 31st March, 2012
Authorised Share Capital :		
7,000,000 Equity Shares of ₹ 10 each (7,000,000)	70,000,000	70,000,000
300,000 Cumulative Redeemable Preference Share of ₹ 100 each (300,000)	30,000,000	30,000,000
	100,000,000	100,000,000
Issued, Subscribed and Paid up:		
5,983,100 Equity Shares of ₹ 10 each fully paid up (5,983,100)	59,831,000	59,831,000
Add : Amount originally Paid up on Forfeited Shares	44,000	44,000
TOTAL	59,875,000	59,875,000

2.1 The details of shareholders holding more than 5% shares; Equity Shares:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% held	No. of Shares	% held
Mukesh B. Ambani	1,323,990	22.13	1,323,990	22.13
Infra Leasefinance Pvt. Ltd.	1,480,600	24.75	1,555,100	25.99
Springfield Investment Ltd.	1,200,000	20.06	1,200,000	20.06
Chandresh B. Ambani	721,884	12.07	841,884	14.07

2.2 The reconciliation of number of shares outstanding is set out below;

Particulars	As at	As at
	31st March, 2013	31st March, 2012
	No. of Shares	No. of Shares
Equity Shares at the beginning	5,983,100	5,983,100
Add : Shares issued during the year	-	
Equity Shares at the end of the year	5,983,100	5,983,100

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

2.3 **Rights of Equity Share Holders** : The company has only one class of equity shares having face value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shareholders are also entitled to dividend as and when proposed by the Board of Directors and approved by share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the shareholders.

3 Reserves and Surplus

	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Profit and Loss Account		
As per last Balance Sheet	(30,201,431)	(21,485,480)
Add: Transferred from Statement of Profit and Loss	<u>(838,476)</u>	<u>(8,715,951)</u>
	(31,039,907)	(30,201,431)
TOTAL	<u><u>(31,039,907)</u></u>	<u><u>(30,201,431)</u></u>

4 Long Term Borrowing

	(Amount in ₹)			
	As at 31st March, 2013		As at 31st March, 2012	
Secured Loan	Non Current	Current	Non Current	Current
Term Loan From Bank	11,253,807	3,200,640	2,452,593	1,206,240
Hire Purchase Car Loan	601,853	733,247	510,971	531,386
TOTAL	<u>11,855,660</u>	<u>3,933,887</u>	<u>2,963,564</u>	<u>1,737,626</u>
Un-Secured Loan				
Sales Tax Deferred	-	8,541,176	-	9,857,920
TOTAL	<u>-</u>	<u>8,541,176</u>	<u>-</u>	<u>9,857,920</u>

4.1 Term Loan

a) Term Loan from bank are secured against primary charge of Mould/Equipments purchase out of term loan finance and secured by way of collateral security by registered mortgage of land and building at Arav village(Khopoli), Pukkathurai village(Chengalput) and hypothecation residual value of plant & machineries of the company.

b) Term Loan are repayable for the period of 3 to 5 years.

4.2 Vehicle loan secured by hypothecation of vehicle and repayable for the period of 3 years.

	(Amount in ₹)				
	2013-14	2014-15	2015-16	2016-17	2017-18
4.3 Repayment Schedule					
a) Term Loan Banks	3,200,640	3,200,640	3,060,216	2,998,100	1,994,851
b) Vehicle Loan	733,247	508,712	93,141	-	-

5 Long Term Provisions

	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits		
Provision for Leave Encashment	49,043	67,163
Provision for Gratuity	1,604,437	1,038,310
TOTAL	<u><u>1,653,480</u></u>	<u><u>1,105,473</u></u>

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

6 Short Term Borrowings	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Secured		
Working Capital Loan From Bank	20,508,594	20,238,406
TOTAL	20,508,594	20,238,406

6.1 Working capital loan from bank are secured against hypothecation of raw material, finished goods, WIP, consumables stores at factories of the Company at Arav, Pukkathurai & Hubli and receivable books debts and further secured by collateral security by registered mortgage of the factory land & building at Arav, Pukkathurai and hypothecation of fixed assets of the Company including machinery installation in the Company factories at Arav, Pukkathurai & Hubli and furnitures & fixtures.

7 Trade Payables	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Micro, Small, and Medium Enterprise	-	-
Others		
Payable for Raw Material	9,172,050	12,730,143
Payable for Others	6,293,757	3,153,840
TOTAL	15,465,807	15,883,983

7.1 The company has not received the required information from the vendors regarding their status under the Micro, Small and Medium Enterprises development Act, 2006. Hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said act have not been made.

8 Other Current Liabilities	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Current maturities of long term debts (Refer Note No.4)	12,475,063	11,595,546
Creditors for Capital Expenditure	-	105,327
Advance received from Customers	5,789,436	5,000,000
Interest accrued but not due	154,729	-
Other Payables		
Statutory Dues	5,088,452	4,667,696
Others	1,796,414	1,193,037
TOTAL	25,304,094	22,561,606

9 Short Term Provisions	(Amount in ₹)	
	As at 31st March, 2013	As at 31st March, 2012
Provision for Employee Benefits		
Provision for Leave Encashment	497,321	372,590
Provision for Gratuity	24,766	15,873
TOTAL	522,087	388,463

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

10 . FIXED ASSETS										
(Amount in ₹)										
	GROSS BLOCK				DEPRECIATION				NETBLOCK	
	As at 01-04-2012	Addition	Deduction	As at 31-03-2013	Up to 01-04-2012	For the Year	Deduction	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
	Freehold Land	12,323,000	-	-	12,323,000	-	-	-	-	12,323,000
Factory Building	17,568,162	-	-	17,568,162	3,525,310	540,638	-	4,065,948	13,502,214	14,042,852
Office Building	2,561,411	-	-	2,561,411	161,517	25,382	-	186,899	2,374,512	2,399,894
Plant and Machinery	36,370,644	6,104,874	2,122,337	40,353,181	20,466,579	2,783,043	1,684,929	21,564,693	18,788,489	15,904,066
Furniture and Fixtures	1,220,285	21,200	-	1,241,485	498,511	80,231	-	578,742	662,743	721,774
Office Equipments	1,231,668	76,194	-	1,307,862	364,327	64,096	-	428,423	879,439	867,341
Computers	2,587,168	44,857	-	2,632,025	2,172,458	219,298	-	2,391,756	240,269	414,710
Vehicles	3,534,532	39,686	298,105	3,276,113	885,473	315,483	142,199	1,058,757	2,217,356	2,649,059
Total	77,396,870	6,286,812	2,420,442	81,263,239	28,074,175	4,028,171	1,827,128	30,275,218	50,988,022	49,322,696
Previous Year	71,776,515	5,620,354	-	77,396,870	24,576,704	3,497,470	-	28,074,175	49,322,695	47,199,811
Capital Work in Progress	-	-	-	-	-	-	-	-	14,580,536	-

Note :- Capital Work in Progress includes project development expenditure of Rs. 4,213,100/- (Refer note no.27).

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

	As at 31st March, 2013	(Amount in ₹) As at 31st March, 2012
11 Non-Current Investments		
Other Investments (Unquoted)		
In Equity shares		
9,800 Infra Fenestation Pvt. Ltd of ₹ 10 each fully paid	98,000	98,000
(9,800)		
TOTAL	98,000	98,000
12 Long-term Loans and Advances		
(unsecured considered good subject to confirmation)		
	As at 31st March, 2013	(Amount in ₹) As at 31st March, 2012
Security Deposits	1,670,158	2,078,051
Deposit with related parties (Refer Note No.28)	13,716,470	15,622,126
Advance Income Tax (Net of Provision)	8,068	108,108
Advance for Capital Item	377,847	-
TOTAL	15,772,542	17,808,285
13 Inventories		
	As at 31st March, 2013	(Amount in ₹) As at 31st March, 2012
Raw Materials	1,111,238	2,083,184
Stores & Spares	335,859	273,893
Fuel	383,359	164,378
Work in Progress	3,501,944	5,244,098
Finished Goods	715,935	1,367,996
TOTAL	6,048,335	9,133,549
13.1 Inventories are valued at lower of cost and net realisable value.		
14 Trade Receivable		
(unsecured considered good subject to confirmation)		
a) Debts outstanding for a period exceeding six months from due date		
Good	211,366	1,444,764
Consider Doubtful	-	317,568
b) Others	13,759,030	10,957,049
	13,970,396	12,719,381
Less : Provision for Doubtful Debts	-	317,568
TOTAL	13,970,396	12,401,813
15 Cash and Cash Equivalents		
	As at 31st March, 2013	(Amount in ₹) As at 31st March, 2012
Cash on Hand	268,875	277,727
Balance with Banks	799,984	2,468,187
TOTAL	1,068,859	2,745,915

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

16 Short-Term Loans and Advances		(Amount in ₹)
(Unsecured considered good)	As at	As at
	31st March, 2013	31st March, 2012
Balance with customs, central Excise and Sales Tax authorities	704,978	372,246
Advance to Vendors	399,345	-
Others	513,802	932,562
TOTAL	1,618,125	1,304,808
17 Revenue from Operations	2012-13	(Amount in ₹) 2011-12
Sale of Products	111,802,415	101,548,440
Less: Excise duty	(12,269,451)	(9,586,440)
TOTAL	99,532,964	91,961,999
17.1 Broad Category of Product	2012-13	2011-12
Rotomoulded Plastic Products	111,802,415	101,548,440
18 Other Income	2012-13	(Amount in ₹) 2011-12
Profit on Sale of assets	962,496	-
Bad Debts Recovered	317,569	-
Miscellaneous income	-	60,997
Foreign Exchange Gain/Loss	-	18,115
Sundry Balances written back	3,668,582	2,222,322
Interest Income	17,231	1,472,524
	4,965,878	3,773,959
19 Cost of Raw Material Consumed	2012-13	(Amount in ₹) 2011-12
Opening Stock	2,083,184	1,219,366
Add: Purchases	50,915,002	54,525,733
	52,998,186	55,745,099
Less : Closing Stock	1,111,238	2,083,184
TOTAL	51,886,948	53,661,915
19.1 Particulars of Raw Material Consumed	2012-13	2011-12
	(Amount in ₹)	(Amount in ₹)
	% of	% of
	Consumption	Consumption
Imported	-	622,291
Indigeneous	51,886,948	53,039,624
	51,886,948	53,661,915
	100.00	98.84
	100.00	100.00
19.2 Broad Category of Material Consumed	2012-13	2011-12
Polymers	51,886,948	53,661,915

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

20 Change in Inventories of Finished Goods and Work-in-Progress	(Amount in ₹)	
	2012-13	2011-12
Opening Stock of Finished Goods & Work-in-Progress	6,612,094	7,416,692
Less : Closing Stock of Finished Goods & Work-in-Progress	4,217,879	6,612,094
	2,394,215	804,598
21 Employee Benefit Expense	(Amount in ₹)	
	2012-13	2011-12
Salaries, Wages and Bonus	14,692,180	12,818,651
Contribution to Provident Fund, Gratuity Etc.	691,828	524,545
Staff Welfare Expenses	1,125,502	922,865
TOTAL	16,509,510	14,266,061

21.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are Given below:

Defined Contribution Plan

Contribution to Defined Contribution Plans , recognised as expense for the year is as under

	(Amount in ₹)	
	2012-13	2011-12
Employers Contribution to Provident Fund	634,112	435,802
Employers Contribution to ESIC	57,716	88,743

Company makes contributions toward provident fund and pension fund for qualifying employees to the Regional Provident Fund Commissioner and ESIC to Regional Director of ESIC

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.

I Reconciliation of Opening and closing balances of Defined Benefit obligation

	(Amount in ₹)			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit obligation at beginning of the year	1,054,183	945,490	439,753	59,044
Current Service Cost	187,077	145,534	245,237	443,896
Interest cost	60,326	75,639	250	3,667
Actuarial (gain) / loss on obligations	927,842	(112,480)	(8,758)	(40,436)
Benefits paid	(600,225)	-	(130,118)	(26,418)
Defined Benefit obligation at end of the year	1,629,203	1,054,183	546,364	439,753

II Reconciliation of fair value of assets and obligations

	(Amount in ₹)			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Present Value of obligation	1,629,203	1,054,183	546,364	439,753
Amount recognised in Balance Sheet	(1,629,203)	(1,054,183)	(546,364)	(439,753)

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

III Expense recognised during the year

	(Amount in ₹)			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	187,077	145,534	245,237	443,896
Interest Cost	60,326	75,639	250	3,667
Actuarial (gain) / loss	927,842	(112,480)	(8,758)	(40,436)
Net cost	1,175,245	108,693	236,729	407,127

IV Actuarial Assumptions

	(Amount in ₹)			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2012-13 (Ultimate)	2011-12 (Ultimate)	2012-13 (Ultimate)	2011-12 (Ultimate)
Mortality Table(LIC)	8%	8%	8%	8%
Interest/Discount rate (per annum)	5%	5%	5%	5%
Rate of increase in Compensation	0.50%	0.50%	0.50%	0.50%
Employee Attrition Rate	LIC 1994-96 ULTIMATE	LIC 1994-96 ULTIMATE	LIC 1994-96 ULTIMATE	LIC 1994-96 ULTIMATE
Mortality	20.81	20.47	20.81	20.48
Expected average remaining Services				

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

22 Finance costs

	(Amount in ₹)	
	2012-13	2011-12
Interest on Term Loan	860,255	283,315
Interest on Working Capital	2,655,262	2,427,108
Interest on Others	829,666	890,655
Other Borrowing Cost	107,739	218,093
TOTAL	4,452,921	3,819,171

23 Other Expenses

	(Amount in ₹)	
	2012-13	2011-12
Stores Consumed	1,208,990	1,149,021
Power and Fuel	11,743,439	11,347,695
Repairs and Maintenance -Building	56,558	1,945
-Machinery	210,110	115,538
-Others	219,360	378,718
Labour Charges	173,335	564,018
Factory Expenses	1,752,078	1,908,997
Excise Duty #	374,260	314,232
Rent, Rates and Taxes	1,151,495	747,513
Electricity Expenses	279,686	185,622
Freight, Transport and Octroi	1,058,060	1,044,639
Inspection Charges	108,952	133,941

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

Insurance	439,945	379,642
Travelling and Conveyance Expenses	1,575,113	3,999,235
Telephone, Printing, Postage & Subscription	1,375,700	1,321,765
Miscellaneous Expenses	638,598	832,152
Payment to Auditors		
Audit Fees	400,000	400,000
Tax Audit Fees	100,000	100,000
Advertisement and Sales Promotion	1,855,746	2,702,945
Legal and Professional Fees	619,609	626,793
Sundry Balances Write Off	10,989	148,282
TOTAL	25,352,023	28,402,693

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

	(Amount in ₹)	% of Consumption	(Amount in ₹)	% of Consumption
23.1 Particulars of Stores and Spares Consumed				
Indigeneous	1,208,990	100.00	1,149,021	100.00
	1,208,990	100.00	1,149,021	100.00

23.2 Value of Imports on CIF basis in respect of		(Amount in ₹)
	2012-13	2011-12
Finished Goods purchase	713,530	-
TOTAL	713,530	1,569,147

23.3 Expenditure In Foreign Currency		(Amount in ₹)
	2012-13	2011-12
Travelling Expenses	369,585	1,569,147
TOTAL	369,585	1,569,147

24 Earning Per Share :		(Amount in ₹)
	2012-13	2011-12
Net Profit after tax as per statement of profit and loss (Amount in ₹)	(838,476)	(8,715,951)
Weighted Average number of equity shares used as denominator for Basic and Diluted Earnings per share of face value of ₹ 10 each	5,983,100	5,983,100
	(0.14)	(1.46)

25 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.

26 Deferred tax Asset consist mainly of carried forward loss, and depreciation. As a matter of prudence, the Company has not recognised Deferred Tax Asset in Accounts.

27 Project Development Expenditure

(in respect of Projects up to 31st March, 2013, included under Capital work-in-progress and Intangible assets under development)

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

		2012-13	(Amount in ₹) 2011-12
Opening Balance		-	-
Add :	Employee Cost	1,103,529	-
	Power & Fuel Cost	1,996,545	-
	Travelling Expenses	937,214	-
	Bank Interest	374,209	-
	Other Misc. Expenses	2,554,629	-
		6,966,126	-
Less :	Project Development Expenses Capitalised during the year	2,753,026	-
Closing Balance		4,213,100	-

28 Related Party Disclosures

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

SNo.	Name of the Related Party	Relationship
1	Infra Fenestation Pvt. Ltd.	Associate
2	Ambani Sales Organisation	Enterprises over which Key Managerial Personnel are able to exercise significant
3	Bhupendra J. Ambani	Key Managerial Personnel & Relative
4	Mukesh B. Ambani	
5	Pratik M. Ambani	Relative of Key Managerial Personnel
6	Varun M. Ambani	

(ii) Transactions during the year with related parties: (Amount in ₹)

Nature of Transaction Excluding reimbursements		Associate	Enterprises in which Directors are interested	Key Management Personnel	Relative of Key Management Personnel
Advance Taken					
(a)	Amount received during the year	198,000	-	-	-
	Amount received previous year	-	-	<i>21,438</i>	-
(b)	Amount repaid during the year	12,000	-	-	-
	Amount repaid previous year	<i>20,000</i>	-	<i>21,438</i>	-
(c)	Balance as at 31st March 2013	166,000	-	-	-
	Balance as at 31st March 2012	<i>(20,000)</i>	-	-	-
Investment					
	Purchase of Investments during the year	-	-	-	-
	Purchase of Investments previous year	<i>98,000</i>	-	-	-
	Balance as at 31st March 2013	98,000	-	-	-
	Balance as at 31st March 2012	<i>98,000</i>	-	-	-
Deposit Given					
(a)	Received back during the year	-	1,905,656	-	-
	Received back Previous year	-	<i>935,000</i>	-	-
(b)	Balance as at 31st March 2013	-	13,716,470	-	-
	Balance as at 31st March 2012	-	<i>15,622,126</i>	-	-
Expenditure					
	Remuneration during the year	-	-	726,750	355,899
	Remuneration previous year	-	-	<i>495,252</i>	<i>120,000</i>

Note :- Figure in Italic represent previous year figures

INFRA INDUSTRIES LIMITED

Notes on Financial Statements for the year ended 31st March, 2013

Disclosures in respect of Material Related Party Transactions during the year

- 1 Remuneration paid to Key Management Personnel Mr. Mukesh B. Ambani ₹ 726,750 (Previous Year ₹ 495,252)
 - 2 Remuneration paid to Relative of Key Management Personnel Mr. Pratik M. Ambani ₹ 211,699 (Previous Year ₹ 120,000)
 - 3 Remuneration paid to Relative of Key Management Personnel Mr. Varun M. Ambani ₹ 144,200 (Previous Year ₹ NIL)
- 29** The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No.101720W

Jignesh Mehta
Partner
Membership No.102749

Mukesh B. Ambani
Managing Director

Bhupendra J. Ambani
Chairman

Date : 30th May, 2013
Place : Mumbai

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 19th September, 2013 at the Twenty Fourth 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 _____ 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 Twenty Fourth ANNUAL GENERAL MEETING of the Company to be held at 10.30 a.m. on 19th September, 2013 and at any adjournment thereof.

As witness my / our hand (s) this _____ day of _____ 2013.

**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.