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ANNA INFRASTRUCTURES LTD.

(Formerly known as Anna Finance Ltd.)

16th ANNUAL REPORT
2007-2008

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ANNA INFRASTRUCTURES LIMITED
(Formerly known as ANNA FINANCE LTD.)

Board of Directors

Directors	Ashok Mittal	(Chairman)
	Ramesh Chand Agarwal	
	Rakesh Mittal	
	Anil Kumar Agarwal	
	Dr. Shambhu Dayal Agarwal	
	CA Madan Mohan Agarwal	
	Shalabh Singh	
Auditors	Mehra Sanjay & Co Chartered Accountants Agra	
Bankers	Syndicate Bank & Canara Bank	
Registered Office	16-B/9, Dev Nagar, D.B. Gupta Road, Karolbagh, New Delhi – 110005. Tel. : 011-25784322.	
Corporate Office	E-14/6, Shanta Tower, 1st Floor, Sanjay Place, Agra – 282002. Tel. : 0562-2526650, 2527004. E-mail : afl@sanchernet.in	
Registrar & Share Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 99, Madangir, New Delhi –110062. Tel. : 011-29961281-84. E-mail : beetal@beetalfinancial.com	

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ANNA INFRASTRUCTURES LIMITED
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NOTICE

Notice is hereby given that the Sixteen Annual General Meeting of the Shareholders of Anna Infrastructures Limited will be held at the Registered Office of the Company at 16-B/9, Dev Nagar, D.B. Gupta Road, Karolbagh, New Delhi, on Friday, 26th September, 2008 at 10 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Ramesh Chand Agarwal who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Anil Kumar Agarwal who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration. M/s Mehra Sanjay & Co., Chartered Accountants, the retiring Auditor is eligible for re-appointment.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution:

5. Re-appointment of Mr. Ashok Mittal as a Whole-Time Director

Mr. Ashok Mittal was appointed as a Whole-Time Director of the Company for a period of five years with effect from 1st October, 2003 and therefore, his current term as Whole-Time Director is going to be expired on 30th September, 2008.

It is notified for the information of the members that subject to the provisions of Section 198, 269,309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and approval of the Shareholders of the Company in General Meeting, the Board of Directors of the Company at a meeting held on 27th June 2008 have appointed Mr. Ashok Mittal, as Whole-Time Director of the Company w.e.f. 1st October, 2008 for a period of 5(five) years i.e. upto 30th September, 2013.

An abstract of the terms of appointment of Mr. Ashok Mittal are :

Terms of Appointment

The Whole-Time Director shall conduct the day to day management of the Company subject to the supervision and control of the Board of Directors.

I. Period of Appointment

Mr. Ashok Mittal, has been appointed for a period of 5(five) years from October 1, 2008 till September 30, 2013.

II. Salary

Rs. 6,000-1,000-10,000/- per month.

III. Perquisites

Perquisites are classified into three categories 'A', 'B' and 'C'.

Category 'A'

(a) Reimbursement of Medical Expenses

Medical Expenses incurred by the Whole-Time Director for self and family subject to the ceiling of 1-month salary per year or 3 months salary in block of 3 years shall be reimbursed.

(b)Club Fees

Subscription to two clubs except admission and life membership fees.

(c) Personnel Accident Insurance

Personnel accident insurance subject to payment of premium not exceeding Rs 4000/- p.a. These shall be evaluated as per Income Tax Rules wherever applicable and at actual cost to the Company.

(d) Leave Travel

For the Whole-Time Director and his family, once in two year incurred in accordance with any rules specified by the Company.

Explanation

Family means the spouse, the dependent children and dependent parents of the Whole-Time Director.

Category 'B'

Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, Gratuity payable shall not exceed half a month's salary for each completed year of service.

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Category 'C'
Provision of Cars for use on Company's business and telephone at residence will not be considered as perquisites. Personnel long distance call on telephone and use of car for private purpose shall be billed by the company to the Whole Time Director.
All other expenses incurred by him, in connection with the business of the Company be reimbursed.
RESOLVED FURTHER THAT in the event of any further relaxation by the Central Govt. in the guidelines or ceilings on managerial remuneration, the consent of the company be and is hereby accorded to the Board of Directors to increase the remuneration and / or perquisites to Shri Ashok Mittal, Whole-Time Director in its absolute discretion, within such guidelines or ceilings and subject to obtaining the approval of the Central Govt. where applicable.

Notes
1. The Explanatory Statements, as required by section 173 of the Companies Act, 1956 in respect of the business under item no. 5 are annexed hereto.
2. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A proxy form is sent herewith. Proxy Form duly completed must be received by the Company at the Registered /Corporate Office of the Company not less than 48 hours before the time of the meeting.
3. Members are requested to bring their copy of the Annual Report along with them at the Annual General Meeting. No Copy of the report will be distributed at the meeting.
4. Members are requested to notify immediately change in their address, if any, to the Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2008 to 26th September 2008 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
6. Members can avail of the Nomination Facility by filling form No. 2B (in duplicate) with the Company.

By Order of the Board

Place : New Delhi
Date : 27th June 2008

Ashok Mittal
Chairman and WTD

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EXPLANATORY STATEMENT

Explanatory Statement under Section173(2) of the Companies Act, 1956, Annexed to notice dated 27.06.2008.

Item No. 5

In the meeting of the Board of Directors held on 27th June 2008, Mr. Ashok Mittal has been appointed as Whole-Time Director of the Company for a period of 5 years w.e.f. 1st October 2008. Mr. Ashok Mittal is a Director of the Company since incorporation. He has wide experience in Corporate Management. Keeping in view his vast experience and wide knowledge it will be in the interest of the Company that Mr. Ashok Mittal is appointed as Whole-Time Director of the Company.
Your Directors, therefore recommend the resolution for your approval.
Mr. Ashok Mittal and Mr. Rakesh Mittal may be deemed to be concerned or interested in this resolution. No other Director is concerned or interested in the resolution.

By Order of the Board
Ashok Mittal
Chairman

Place : New Delhi
Date : 27th June 2008

Registered Office : 16-B/9, Dev Nagar, D.B. Gupta Road, Karolbagh, New Delhi – 110005.
Corporate Office : E-14/6, First Floor, Shanta Tower, Sanjay Place, Agra – 282 002.

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ANNA INFRASTRUCTURES LIMITED
(Formerly Known as Anna Finance Limited)

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Sixteenth Annual Report on the business operation of your company and the Audited Financial Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

The financial results of the company are given below:-

	As At 31.03.2008 (Rs.)	As At 31.03.2007 (Rs.)
Profit before Tax, Interest & Depreciation	33,50,009	33,65,931
Less : Depreciation	6,17,760	4,48,052
Less : Finance Charges	9,78,800	11,40,752
Profit before Tax	17,53,449	17,77,127
Provision for Tax	6,30,225	4,98,386
Profit after Tax	11,23,224	12,78,741
Add : Balance B/f from last year	1,75,27,468	1,62,72,659
Less: Adjustment relating to previous year	71,950	23,932
Profit available for appropriation	1,85,78,742	1,75,27,468
Appropriations:		
Balance carried to Balance Sheet	1,85,78,742	1,75,27,468
	1,85,78,742	1,75,27,468

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry Structure & Developments

During the FY 2007-2008 the company has focused on Real Estate Business.

(b) Opportunities & Challenges

There are excellent opportunities for growth in Real Estate Business in the country. Your Company is well positioned to take advantage of emerging growth opportunities in the Indian economy.

(c) Outlook

Anna Infrastructures Ltd. is likely to maintain its focus on Real Estate Business activity.

(d) Adequacy of Internal Control

The Company has adequate internal control and systems commensurate with the size and nature of the business. The Company adheres to all internal control policies and procedures as well as complies with regulatory guidelines. The Audit Committee of the Board of Directors reviews the efficacy of internal controls.

(e) Human Resource Development

Your Company continued to have cordial and harmonious relations with all its employees.

DIVIDEND

In order to strengthen the Reserves of the Company the Directors do not recommend any dividend.

DEPOSITS

Fixed Deposit outstanding as on 31st March,2008 stood at Rs. NIL (Previous Year: Rs. NIL). There are Deposits amounting to Rs. NIL, which remained unclaimed and unpaid as on 31.03.2008 (Previous Year :Rs. NIL). The Company has complied with all the requirements of Reserve Bank of India Directions.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 and Articles of Association of the company Shri Ramesh Chand Agarwal and Shri Anil Kumar Agarwal, Directors of the Company retire by rotation and being eligible offer themselves for reappointment. The necessary resolutions for their reappointment are placed before you for approval.

AUDITORS & THEIR REPORT

M/s Mehra Sanjay & Co, Chartered Accountants retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Directors and the Audit Committee recommends their re-appointment. Auditors' Report is self explanatory and requires no comments by the Directors.

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AUDIT COMMITTEE

The Audit Committee constituted by the Board in compliance with section 292a of the Companies Act, 1956 and under the listing agreement, comprised of Sri Madan Mohan Agarwal, Dr. Shambhu Dayal Agarwal and Sri Shalabh Singh all of whom are non-executive Directors. Sri Madan Mohan Agarwal, who is the chairman of the Audit Committee, is a Practicing Chartered Accountant with more than 20 years experience in Finance and Accounts matters. The Finance Executives and Statutory Auditors of the Company are permanent invitees to the Audit Committee Meetings.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion & Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

PARTICULARS OF THE EMPLOYEES

Provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 are not applicable as there was no employee in receipt of or entitled to receive emoluments exceeding the limits prescribed under said section.

THE COMPANIES (DISCLOSURE OF PARTICULRS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

In terms of the requirement of clause (e) of sub section (1) of section 217 of the Companies Act, 1956 read with the companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 the particulars are given as follows:

The Company is engaged in the business of Real Estate and Financing, hence provisions relating to Energy conservation and Technology absorption are not applicable. There is no foreign exchange earnings/outgo during the year.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

As required u/s 217 (2AA) of the companies Act, 1956, we hereby confirm:

(i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;

(ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2008 and the Profit & Loss for the year ended 31st March 2008;

(iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

The Directors wish to place on record our valued clients, Bankers, Shareholders for continues their support. The Directors also wish to express their sincere appreciation to all the staff members for their contribution to the performance of the company.

By order of the Board

Place : New Delhi
Date : 27-06-2008

ASHOK MITTAL
chairman

Regd. Office : 16-B/9, Dev Nagar, D.B. Gupta Road, Karolbagh, New Delhi -5
Corp. Office : E-14/6, Shanta Tower, First Floor, Sanjay Place, Agra - 2

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ANNA INFRASTRUCTURES LIMITED
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CORPORATE GOVERNANCE REPORT

In Compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company is pleased to submit this report on the matters mentioned in the said clause and the practices followed by the Company in this regard.

1. Company's philosophy on Code of Governance

Corporate Governance refers to systems by which the Company is managed, directed and controlled, keeping in view the long-term interests of shareholders. It refers to various regulations, which enable the Company to attract financial and human capital and to generally perform efficiently. Corporate Governance therefore generates long-term economic value for its shareholders.
Anna Infrastructures Ltd. believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for making disclosures in the Annual Report 2007-2008.

2. Board of Directors

- Composition

The Company has an Executive Chairman and the number of independent Directors are more than 50% of the total number of directors.
During the year, 2007-2008, the Board met 4 times on following dates, namely 29th June 2007, 30th July 2007, 30th October 2007 and 30th January 2008.
The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and committee memberships held by them in other companies are given below :

Name	Category	Attendance Particulars		No. of Other Directorship and Committee Member /Chairmanship		
		Board Meeting	AGM	Other Directorship	Committee Membership	Committee Chairmanship
Ashok Mittal	Chairman, Executive, Not Independent	4	Yes	1	1	NIL
Rakesh Mittal	Director, Executive, Not Independent	4	Yes	2	NIL	NIL
Anil Kumar Agarwal	Director, Executive, Not Independent	4	Yes	2	2	NIL
Ramesh Chand Agarwal	Director, Non Executive, Independent	4	Yes	None	1	1
Dr. Shambhu Dayal Agarwal	Director, Non Executive, Independent	4	Yes	None	1	1
Madan Mohan Agarwal	Director, Non Executive, Independent	4	Yes	None	NIL	1
Shalabh Singh	Director, Non Executive, Independent	4	Yes	1	1	NIL

3. Audit Committee

The Audit Committee consisted of three Directors viz. Mr Madan Mohan Agarwal as Chairman, Dr. Shambhu Dayal Agarwal and Mr Shalabh Singh as members.
The terms of reference specified by the Board for the Audit Committee are as follows :

- To review the Company's financial reporting process and its financial statements.
- To review the accounting and financial policies and practices.
- To review the efficiency of the internal control mechanism and monitor risk management.
- Policies adopted by the company and ensure compliance with regulatory guidelines.
- To review report furnished by the Statutory Auditors and ensure suitable follow-up thereon.

All the three Committee members have attended all the three Audit Committee meetings held during the year.

4. Remuneration Committee

- Terms of Reference

- To review, assess and recommend the appointment of Whole Time Directors
- To periodically review the remuneration package of Whole Time Directors and recommend suitable revision to the Board.

- Composition

The Remuneration Committee consisted of three Directors viz. Dr. Shambhu Dayal Agarwal as Chairman, Mr Ramesh Chand Agarwal and Mr. Anil Kumar Agarwal as members.

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- Remuneration Policy

The remuneration policy is directed towards rewarding performance based on review of achievements. The remuneration paid to the Directors of the Company during the financial year 2007-2008 is as under :

Name of the Director	Salary & Perquisites	Sitting Fees	Remuneration	Total
Ashok Mittal	72000	Nil	Nil	72000
Rakesh Mittal	60000	Nil	Nil	60000
Anil Kumar Agarwal	216000	Nil	Nil	216000
Ramesh Chand Agarwal	Nil	2000	Nil	2000
Dr. Shambhu Dayal Agarwal	Nil	2000	Nil	2000
Madan Mohan Agarwal	Nil	2000	15000	17000
Shalabh Singh	Nil	2000	Nil	2000

5. Shareholders and Investors Grievance Committee

Shareholders and Investors Grievance Committee which comprises of Mr. Ramesh Chand Agarwal as Chairman, Mr. Ashok Mittal and Mr. Anil Kumar Agarwal as Member. The Committee approves the Share Transfers and issue of duplicate shares certificates if any. The Committee also takes note of dematerialisation requests received from shareholders and Beetal Financial and Computer Services Pvt. Ltd. who are the Registrars and Share Transfer Agent of the Company. Details of Share Transfers/transmissions approved by the committee are placed at the Board Meetings from time to time.

- Compliance Officer

Mr. Anil Kumar Agarwal, Whole Time Director of the Company is compliance officer.

During the year ended 31st March 2008, the company has received 3 complaints from the shareholders and all were resolved. No complaints were pending as on 31.03.2008.

- Pending Share Transfer

During the year ended 31st March 2008 the Company processed 5,24,910 Shares for Physical Transfer of Shares. Pursuant to the compulsory trading of shares of the Company in electronic mode company received demat requests for 16,36,110 Shares and the same were dematerialized. The Company received remat requests for Nil Shares and the same were rematerialized. There were no share transfers pending for registration for more than 30 days as on the said date.

6. General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

AGM No.	Location	Date	Time
AGM 13th	Registered Office of the Company at New Delhi	17-08-2005	10 A.M.
AGM 14th	Registered Office of the Company at New Delhi	30-08-2006	10 A.M.
AGM 15th	Registered Office of the Company at New Delhi	29-08-2007	10 A.M.

7. Disclosures

a. Disclosure on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters or the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large :

There are no materially significant related party transactions made by the Company with its promoters, Directors or the management.

The details of related party transactions are given in note no 8, in Schedule 'N' of the schedules forming part of the Balance Sheet and Profit & Loss Account.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.

---None---

8. Means of Communications

The Board of Directors of the Company approves and takes on record the unaudited financial results in the Performa prescribed by the Stock Exchange, Mumbai, within one month of close of the quarter/half year and announces forthwith results to The Mumbai Stock Exchanges where the shares of the Company are listed. Further, the quarterly results in the prescribed Performa are published within 48 Hours in The Pioneer & Vir Arjun. The annual Audited Results of the Company are likewise communicated in the prescribed Performa to all the Stock Exchanges where the shares of the Company are listed.

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