



GLOBAL INFRASTRUCTURE & TECHNOLOGIES LTD.

THIRTEENTH ANNUAL REPORT 2005

GLOBAL INFRASTRUCTURE AND TECHNOLOGIES LIMITED

ANNUAL REPORT

31st March, 2005

BOARD OF DIRECTORS

MR. RAKESH TAMBEKAR

Director

MR. ABHIJIT KULKARNI

Director

MR. D. N. WADEKAR

Director

Auditors

KALYANKUMAR & CO.

Chartered Accountants

Bankers

OSMANABAD JANATA SAHAKARI BANK LTD.

VIKAS SAHAKARI BANK LTD.

Registered Office

S. No. 137/4, Plot No. 47, Gururaj Co-Op Hsg. Society Ltd.,
Paud Road, Kothrud, Pune – 411 029

Works

Wagholi, Pune

GLOBAL INFRASTRUCTURE & TECHNOLOGIES LIMITED

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of the Company will be held on Saturday, 24th September, 2005 at 11.30 A.M. at the Registered Office of the Company at Plot No.47, Gururaj Co-Op Hsg. Society Ltd. S. No. 137/4, Paud Road, Pune – 411 029 to transact the following business:-

ORDINARY BUSINESS

- 1) To receive consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit & Loss Account for the period ended on that date together with the Directors Report and Auditors Report thereon.
- 2) To appoint a Director in place of Mr. Abhijeet Kulkarni who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint the Auditors to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mr. Rakesh S. Tambekar, who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 260 of the Companies Act, 1956, and Articles of Association of the Company, and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of the Director of the Company be and is hereby appointed as the Director of the Company liable to retire by rotation.”

By Order of the Board of Directors
For Global Infrastructure & Technologies Ltd.

Place : Pune
Date : 24th August, 2005

D.N. WADEKAR
Director

NOTES:-

01. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his stead and a Proxy need not be a Member of the Company.
02. The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
03. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 22nd September, 2005 to Saturday, 24th September, 2005 (both days inclusive).
04. An Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of Item No. 4 above is annexed herewith.

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

Item No. 4

Mr. Rakesh S. Tambekar was appointed as the Additional Director of the Company by the Board of Directors in its meeting held on 1st March, 2005.

The Company has received notice in writing from the member of the Company under Section 257 of the Companies Act, 1956 signifying his intention to propose him as the Director of the Company.

Hence the resolutions at Item No. 4 of the Notice has been recommended for your approval.

Mr. Rakesh S. Tambekar the Director is concerned and interested in the Resolution proposing his appointment. None of the other Directors of the Company are in any way interested in passing of the Resolution.

By Order of the Board of Directors
For Global Infrastructure & Technologies Ltd.

Place : Pune
Date : 24th August, 2005

D.N. WADEKAR
Director

DIRECTORS REPORT

To,

The Members,

Global Infrastructure and Technologies Ltd.

Your Directors submit herewith the 13th Annual Report together with the audited statement of Accounts for the year ended 31st March, 2005.

01. FINANCIAL RESULTS

The Company changed its Financial Year from January – December to April – March during the period under Report and as such the current Financial Year comprised of the period of 15 months from 1st January, 2004 to 31st March, 2005.

Particulars	Year Ended 31 st March 2005 (15 months) (Rs.)	Year Ended 31 st Dec 2003 (Rs.)
Income	28,89,53,175	9,84,41,273
Profit/ (Loss) for the Year	1,07,29,033	(4,45,42,095)
Add:- Brought forward from previous year	(26,37,60,826)	(21,92,18,731)
Balance of Loss carried over to Balance Sheet	<u>(25,30,31,793)</u>	<u>(26,37,60,826)</u>

02. MANAGEMENT DISCUSSION & ANALYSIS REPORT

During the year under Report, the Company had operated in Real Estate Operations, Contract business and Manufacturing activities.

During the year under Report, the Income from operations of the Company was dropped to Rs. 732.88 Lacs against Rs. 963.77 Lacs of the previous year. However, the other income of the Company mainly attributed from profit on sale of assets, amounted for Rs. 2154.65 Lacs

as against Rs. 20.64 Lacs of the previous year.

The Loss incurred by the Company during the year was also higher at Rs. 445.42 lacs as against Rs. 109.79 lacs of the previous year.

The Company during the year under report earned the Profit of Rs. 107.29 Lacs as against the Loss of Rs. 445.42 Lacs of the previous year.

The accumulated losses of the Company as of the end of the year under report, accordingly stood reduced at Rs. 2530.32 Lacs as against Rs. 2637.61 Lacs of the previous year.

03. ORDER OF BIFR

As reported in the Director's Report of the earlier year, the Company had filed reference before the Hon'ble BIFR under Section 15 (1) of Sick Industrial Companies (Special Provisions) Act 1985. Accordingly the Company has been declared as a sick Company under SICA Act, 1985 by the Hon'ble BIFR vide its order dated 22nd August, 2005.

04. DIVIDEND

Considering the Accumulated Losses, your Directors do not recommend payment of any Dividend.

05. FIXED DEPOSITS

Due to liquidity crunch and negative cash flow, the Company has defaulted in payment of Interest and repayment of principal amount of Fixed Deposits. As reported in the Director's Report of the previous year, the Hon'ble Company Law Board has granted re-schedulement of repayments of Fixed Deposits.

06. DIRECTORS

Mr. Abhijeet Kulkarni, Director retires by rotation and being eligible offers himself for reappointment.

Mr. Sudhir B. Gaikwad resigned as the Director of the Company with effect from 1st March, 2005.

GLOBAL INFRASTRUCTURE & TECHNOLOGIES LIMITED

07. AUDITORS

The present Auditors Kalyankumar & Co. Chartered Accountants will retire at the conclusion of the forthcoming Annual General Meeting. They have expressed their willingness to be reappointed for the Current year. You are requested to reappoint them and to fix their remuneration.

08. AUDITOR'S OBSERVATIONS

The observations made by the Auditors read with Notes to Accounts and Director's Report are self explanatory.

09. PERSONNEL

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, is not furnished, since no employees received the remuneration beyond the limits prescribed therein.

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

At present the activities of the Company are such that the information regarding compliance of Rules relating to Conservation of Energy and Technology Absorption pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not provided as the same is not applicable to the Company.

Particulars relating to Foreign Exchange Earning and Outgo appears as Item No. 10 of the Notes of Accounts.

11. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) as amended by the Companies (Amendment) Act, 2000, and subject to the observations made

by the Auditors and Notes to Accounts, the Directors hereby state :

- a) That while preparing the Annual Accounts for the year ended 31st March, 2005 the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- b) That the Directors had 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 at the end of the financial year and of the Profit of the Company for that year.
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors had prepared the Annual Accounts on a going concern basis.

12. APPRECIATION

Your Directors acknowledge the valued cooperation and continued support extended by various Departments of State Government and Municipal Corporations, Bankers of the Company, Housing Finance Companies, Customers, Professionals, Suppliers & Sub-Contractors, for their valuable contribution and support.

By Order of the Board of Directors
For Global Infrastructure & Technologies Ltd.

Place : Pune

Date : 24th August, 2005

D.N. WADEKAR

Director

Note : Report on Corporate Governance is attached separately.

Auditors' Report

To,

The Members of Global Infrastructure and Technologies Ltd.,

1) I have audited the attached Balance Sheet of Global Infrastructure and Technologies Ltd. as at 31st March, 2005 and also the Profit and Loss Account of the Company for the period from 1st January, 2004 to 31st March, 2005 annexed thereto. These financial statements are responsibility of the Company management. My responsibility is to express an opinion on these financial statements based on my audit.

2) I have conducted the audit in accordance with auditing standards generally accepted in India. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) Examining on a test basis, evidence to support the financial statements amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of financial statements and (d) Evaluating overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

3) As required by the Companies (Auditors Report) order, 2003 issued by the Central Government in term of section 227 (4A) of the Companies Act, 1956 I give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to my comments in the Annexure referred to in paragraph (3) above I report that :

a) I have obtained all the information and explanations, which, to the best of my knowledge and belief were necessary for the purpose of my audit.

b) In my opinion, proper books of account as required by law, have been kept by the Company so far as appears from examination of books of the Company (and proper returns adequate for the purpose of my audit have been received from the branches not visited by us.)

c) The Balance Sheet & the Profit and Loss Account referred to in this report are in

agreement with the books of account of the Company.

d) In my opinion, the accounts comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956, except (i) and (ii) below:

Accounting Standard 1 on ' Disclosure of Accounting Policies' with regard to non provision of interest on accrual. The Company has not provided for interest on loan amounting to Rs. 1,99,81,650/- for the current year and Rs. 11,01,30,316/- for the previous years. This is contrary to the fundamental accounting assumption of Accrual as prescribed in Accounting Standard 1 on 'Disclosure of Accounting Policies'. As a result, the finance cost for the year by Rs. 49,97,410/-, Cost of Sales for the year by Rs. 1,11,21,787/-, i.e. the total profit for the year by Rs. 1,61,19,197/- has been overstated. Inventories have been understated by Rs. 38,62,453/-. The Company has also not provided for Penal Interest on loans. The amount of penal interest required in this behalf could not be ascertained.

e) On the basis of written representation received from the directors and taken on record by the Board of Directors, in my opinion none of the Directors is disqualified from being appointed as director u/s 274 (1) (g) of the Companies Act, 1956.

f) As the Company is declared Sick with BIFR, the Company is not in a position to pay the Cess as required u/s 441A of the Companies Act, 1956.

4) In my opinion and to the best of my information and according to the explanations given to me the said Balance Sheet and the Profit & Loss Account together with other notes thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view on conformity with the accounting principles generally accepted in India:-

a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005.

b) In case of the Profit & Loss Account, of the profit of the Company for the year period on that date.

For Kalyankumar & Company
Chartered Accountants

Place : Pune
Date : 28.06.2005

Proprietor
Kalyankumar