

iiL

INFRA INDUSTRIES LIMITED

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ANNUAL REPORT 2001-2002

iiL INFRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Bhupendra J. Ambani
Chairman

Mukesh B. Ambani
Executive Director

Chandresh B. Ambani
Executive Director

R.K. Sundaram
Director

REGISTERED OFFICE

Dhiraj Chambers, 7th Floor,
9, Hazarimal Somani Marg,
Mumbai – 400 001.

FACTORIES

Arav, Maharashtra
Chingalpet, Tamil Nadu
Dadra, U/T of Dadra & Nagar Haveli

SALES OFFICES

Bangalore
Chennai, Cochin
Hyderabad

AUDITORS

M/s. Chaturvedi & Shah

REGISTRARS & TRANSFER AGENTS

Delta Services (I) Private Limited
Proto Prima Chambers,
2nd Floor, Suren Road,
Chakala, Andheri (E),
Mumbai – 400 093.

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NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of **INFRA INDUSTRIES LIMITED** will be on Saturday, 28th September, 2002 at 9.45 a.m. held at WIAA Club Ltd, Ridge Road, Malabar Hill, Mumbai - 400 006 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2002 and the Profit and Loss Account for the year ended on that date and the Directors' Report thereon and Auditors' Report thereto.
2. To appoint Director in place of Mr. Chandresh B. Ambani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. R. K. Sundaram who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 to fix their remuneration.

By Order of the Board of Directors

PLACE: MUMBAI

DATED: 28th August 2002.

REGISTERED OFFICE:

7TH FLOOR, DHIRAJ CHAMBERS,
9, HAZARIMAL SOMANI MARG,
MUMBAI - 400 001.

(MUKESH B. AMBANI)

EXECUTIVE DIRECTOR

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
- 2) A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 24th Day of September 2002 to Saturday, 28th Day of September 2002 (Both Days Inclusive).
- 4) In all correspondence with the Company, members are requested to quote their Folio Numbers and in case the shares are held in the dematerialised Form, they should quote their client ID Number and DP ID Number.
- 5) Members, who hold shares in De-materialised Form are requested to bring their client ID and DP Numbers for Easier Identification of Attendance at the meeting.

iiL INFRA INDUSTRIES LIMITED**DIRECTORS' REPORT**

To
The Members,

Your Directors present herewith their Thirteenth Annual Report, and the Audited Statement of Accounts of the Company for the year ended 31st March 2002.

FINANCIAL PERFORMANCE:

	Year Ended 31.03.2002	(Rs.) 6 Months Period Ended 31.03.2001
Profit/(Loss) before Interest, Depreciation and Tax	(2763817)	6301412
Less: Interest	486963	5309263
Gross Profit/(Loss)	(3250780)	992149
Less: Depreciation	4619201	2769124
Profit/(Loss) before Tax	(7869981)	(1776975)
Less: Provision for Tax	0	600000
Add: Deferred Tax Credit	3819438	0
Profit/(Loss) after Tax	(4050543)	(2376975)
Add: Balance Brought from previous year	(73709225)	(71332250)
Balance available for Appropriation	(77759768)	(73709225)
<u>APPROPRIATION</u>		
General Reserve	17500000	17500000
Less: Provision for Deferred Tax	14837927	0
Balance Carried forward to next year	(75097695)	(56209225)

DIVIDEND:

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

OPERATIONS:

During the year under review the sales has increased by 11.58% over the previous period, which was being for six months. However, Compliance with the Accounting Standard (AS-22) on deferred tax liability has resulted in the higher losses.

The Management has been putting all its efforts to improve the workings of the Company and expects to have better performance in the current year and a bright future.

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FINANCE:

During the period under review the Company reduced its short term liability and the Secured loan has been paid off while unsecured loan shows increased which is due to deferred sales tax liability.

FUTURE OUTLOOK:

The Company has successfully increased its sales during the year under review and selling and administrative expenses were brought down under control. The Company will also now look at adding new business lines thereby increasing its business in the market and encashing on its strong brand value.

FIXED DEPOSITS:

During the year the Company has not accepted any fixed deposits from the public.

PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2002, the applicable accounting standards have been followed along with explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

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DIRECTORS:

Mr. Chandresh B. Ambani and Mr. R. K. Sundaram, who retire by rotation and being eligible offers themselves for re-appointments in accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association.

AUDIT COMMITTEE:

As per the requirements of Section 292 A of the Companies Act, 1956 the Audit Committee has been constituted under the Chairmanship of Mr. Bhupendra J. Ambani, Director comprising the following directors:

1. Mr. Bhupendra J. Ambani
2. Mr. R. K. Sundaram
3. Mr. Chandresh B. Ambani, Executive Director

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

A Shareholders/ Investors Grievance Committee has been constituted under the Chairmanship of Mr. Bhupendra J. Ambani, Director comprising the following Directors:

1. Mr. Bhupendra J. Ambani
2. Mr. R. K. Sundaram
3. Mr. Mukesh B. Ambani, Executive Director.

AUDITORS:

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

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record their appreciation of 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 : 28th August, 2002.

(BHUPENDRA J. AMBANI)
CHAIRMAN

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ANNEXURE - I

Statement appended to directors' report pursuant to the companies (disclosure of particulars in the report of board of directors) rules 1998 under section 217 (1) (e) of the companies act 1956 and forming part of directors' report for the year ended 31st march 2002.

A. FORM A - ENERGY CONSUMPTION

a) POWER & FUEL CONSUMPTION

	Year Ended 31.03.2002	6 Months Period Ended 31.03.2001
1. Electricity:		
(a) Purchased Units (KWH)	933176	431381
Total Amount (Rs.)	4896879	2269726
Rate / Unit (Rs.)	5.25	5.26
(b) Own Generation		
i) Through Diesel Generator Units	16460	7580
Units per Ltr. of diesel oil	1.46	1.29
Cost / Unit (Rs.)	11.85	14.40
ii) Through Steam Turbine/Generator	Not applicable	Not applicable
2. Coal:		
(Specify quality and where used)	Not applicable	Not applicable
3. Diesel Oil:		
Quantity (Litres)	365200	165164
Total Amount (Rs.)	6310063	2963204
Average Rate (Rs.)	17.28	17.94

4. Others/Internal Generations:

b) CONSUMPTION PER UNIT OF PRODUCTION

Products (with details)

Production (MT)	804	359
Electricity (KwH/MT)	1161	1223
Diesel oil for Oven (Ltrs./MT)	454	460
Coal (Special Quality)	N.A.	N.A.
Others (Specify)	N.A.	N.A.

iiL INFRA INDUSTRIES LIMITED**B. FORM B – TECHNOLOGY ABSORPTION**

1. **Specific areas in which R&D was carried out:** R & D efforts were carried out to develop speciality compound and product thereof for Rotomoulding division. This will evolve the new generation of Rotomoulded Products, which will be used in various industrial applications.
2. **Benefits Derived:** This will help the Company to develop an extended product range and moving away from its traditional single product facility to start manufacturing and establishing itself as marketed product facility.
3. **Future plan fixed:** The Company intends to market its newly develop products and capture the market share as early as it can.
4. **Expenditure on R & D:** The Company has incurred expenditure of Rs.-NIL-- to carry out developmental activities.

TECHNICAL ABSORPTION, TECHNOLOGY ADAPTION & INNOVATION

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

C. FOREIGN EXCHANGE EARNINGS & OUTGO**OUTFLOW**

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

For and on behalf of the Board of Directors**(BHUPENDRA J. AMBANI)
CHAIRMAN**

Place : Mumbai
Dated : 28th August, 2002