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INFRA INDUSTRIES LIMITED

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ANNUAL REPORT 2002-2003

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IIL INFRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Bhupendra J. Ambani
Non- Executive Chairman

Mukesh B. Ambani
Executive Director

Chandresh B. Ambani
Executive Director

R.K. Sundaram
Director

Sharadkumar K. Parekh
Director (effect from March 2003)

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

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

SALES OFFICES
Bangalore
Chennai, Cochin
Hyderabad

AUDITORS
M/s. Chaturvedi & Shah

REGISTRARS & TRANSFER AGENTS
IIT Corporate Services Ltd.
Protoprima Chambers,
2nd Floor, Suren Road,
Chakala, Andheri (East),
Mumbai – 400 093.

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NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of **INFRA INDUSTRIES LIMITED** will be held on Saturday, 27th September 2003 at 10.00 a.m. held at WIAA Club Ltd. B.G.Kher Marg, Malabar Hill, Mumbai - 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March 2003 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. 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 to fix their remuneration.

SPECIAL BUSINESS:

4. To pass with or without modification the following resolution as an ordinary Resolution.

   "**RESOLVED** THAT Mr.SharadKumar K. Parekh be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit, to pass, with or without modification following resolution as a Special Resolution:

   (This item will be transacted through postal ballot as required under section 192A of the Companies Act, 1956 and the rules framed there under. The result of the postal ballot will be announced at the AGM).

   "**RESOLVED** pursuant to the provisions of section 17 and other applicable provisions, if any of the Companies Act, 1956 that Memorandum of Association of the Company be and is hereby altered, subject to the approval of Central Government, by adding the following Sub-Clauses 91 to 105 after the existing Sub-Clause 90 of the Clause III C of the Memorandum of Association of the Company"

   91. To carry on business as travel, tourist and booking agents or contractors and to arrange or provide for space, bookings, tickets, reservations to tourists and travelling public or for goods and live-stocks for travel or carriage by roadways, rope ways, railways, airways waterways and make arrangements with airlines, shipping or other concerns engaged in carriage or transport of passengers, live-stocks or goods in any manner and to arrange for boarding, lodging, guides, cars and other transport carriers and various facilities needed by tourists, travelling public, passengers and other persons and concerns engaged in or desiring transport of goods, live-stocks or passengers.

   92. To Finance or assist in financing the sale of goods, articles, commodities, merchandise, appliances, equipments, real estates, vehicles, industrial commercial or domestic articles for use by way of hire purchase or by differed payment or by lease rent.

   93. To set-up, provide and/or participate venture capital, technology funds or any other funds for seed capital, risk capital foundation including giving guarantees or such other financial assistance as may be conducive for development of new enterprises

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innovative methods of production and developments of existing and new technology to identify projects, project ideas, to prepare project profiles, projects exports, market research, feasibility studies and reports, pre-investment studies and investigation of industries, on micro and macro level, to undertake appropriate services, to identify scope or potential for economic and industrial development in any particular geographical areas or location whether in India or abroad.

94. To carry on investment business and to purchase, acquire hold and dispose of or otherwise deal and invest in fixed deposits, shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debenture stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debenture stocks, bonds, obligations and securities issued or guaranteed by any Government, State, dominion, sovereign, ruler, commissioner, public body or authority supreme, municipal local or otherwise whether in India or elsewhere and to deal in real estates or properties either out of its own funds or out of funds that the Company might borrow and to vary or otherwise dispose off, exchange, transfer or alienate any of the investments, real estates and properties of the Company.

95. To act as recognised Trading House/Export House and for that purpose Indent, buy, sell, deal, import, export raw materials, commodities, products, gold, silver, diamond, precious stones, Jewellery and/or such special items as may be authorised or permitted by Government through trade policies or notifications.

96. To manufacture, assemble, trade and deal in computers, word processors, computerised or electronic Typewriters and data processing machines, Video Displays, Screen-displays, Key-boards, disc drives, floppy discs, disc systems, documentation search systems, phonographs record, disc rotates, integrated soft-ware based systems, operating modes, printers daisy wheels accessories, components and spares and all paraphernalia relating thereto.

97. To construct, execute, carry out, equip, improve, work, develop, administer, manage or control in India and elsewhere in the world, public works and conveniences or all kinds, including railways, tramways, docks, harbours, piers, wharves, canals, freeways, highways, bridges, submersible roads, underground tunnels, tubes and tube rail road, reservoirs, embankments, irrigations, reclamations, improvement, sewerage, drainage, sanitary, water gas, electric light, telephonic, telegraphic and power supply works and hotels, warehouses, markets and public buildings and all other works or convenience of public utility.

98. To promote, establish, manage and carry on any trust scheme, mutual fund operations, investment (Whether fixed of flexible or a combination thereof) of or concerning any shares, stocks, debentures, debenture stocks, bonds, unit obligation, securities debt, promissory notes, participation certificates, policies, money market instruments, securities of the State or Central Government, Municipal or Local Corporation, or any other body or Authority of obligations or other securities or Investments or any kind or description whether in India or foreign country.

99. To carry on the business of generation accumulation, distributing and supply of electricity employing all methods of produce of electricity including Wind-Milld.

100. To advance and/or the lend money, either with or without security, issue guarantee/co-acceptance and generally to such persons firms, associations, trust, corporation, companies upon such terms and conditions as the Company may think fit.

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101. To carry on the business of owners and operators of all kinds of value added services including payment gateway services and international gateway services, long distance telephone services, e-commerce services and data-com services, video tech access points, multi-media access points, internal access points, voice mail services, e-mail services, video conference services, fax store and forward services, enhanced fax services, internet services, including basic and advance services and to carry on business as advisors, suppliers, traders of data processing and information retrieval systems (whether or not remotely located and including but not limited to video text, tele-fax and telex systems). verification / authentication/ provision of digital signature, network services including virtual private network services and broad band network services, frame relay services, ATM services, data center services including hosting services, application services and collocation services, computer hardware and software of all kind which incorporate, use and used in conjunction with or ancillary to systems of such description as aforesaid and any of the apparatus and equipment comprised therein and rendering consultancy and project counseling in connection with the above activities.

102. To engage in India or elsewhere, with or without foreign collaboration in the business and activities of producing, formulating, converting, developing, designing, buying, selling, importing, re-exporting, distributing, program planning, providing computerisation services, project planning, production scheduling, and such other services related to computer software, hardware, electronic and communication technology including technology transfer, software publishing, and of developing and patenting any computer or communication system or peripherals, spares, consumables pertaining to hardware software information technology with specific reference to software development maintenance of software and program products in packages and make to order relating to accounting, statistical, scientific, mathematical information, providing program and related services including information technology for business, industrial and/or general purpose requirement or on turnkey basis or otherwise for domestic market and for export enabled services providing transcription service through electronic media especially in area relating to medical, legal, science, engineering, cultural, politics, travel, electronic booking, entertainment, business, technology, sports, music, industrial, commercial or any other professional fields and for any other business or activity in India or abroad relevant to the industry data and telecommunication services like internet service provider, web site development and services relating thereto and communication systems creation, reproduction, amplification, reception, transmission and retention of sound, signals, communication, providing consultancy services in all areas of computer, computer oriented systems, computer-programming facilities, management operator training, trial and acceptance testing, electronic data processing and recording related services on block of shares time, self services or operator assisted basis, programming, system designs and to buy, sell, hire, exchange let on hire, lease, import, export, use, operate, convert, alter and in any manner considered expedient to deal in software systems.

103. To carry on E-mail & web site code, Information Technology, activities of Company, Internet products Technologies and activities of Company related to internet and E-mail and website products services in connection of the main objects.

104. To act as franchisers of computer education centers, offer manpower recruitment services offer internet services, establish and run computer training data processing center and library of books, magazines, newspaper, audio and cassettes, floppies, CD ROMs and any other kind of storage media and to offer consultancy and data processing and other services that the normally offered by computer training data, processing centers and libraries to individuals, business organization and other types of customers.

105. To engage in India or abroad internet and Multimedia training, implementation, providing Private ISP, CD ROM Drive applications, DVD (Digital Video Disc)

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Interactive, Electronics Conservations Design, development, creation, implementation, installation, configuration, supervision, administrations and trouble shooting of Web Site, Web page designing and hosting. Web Server, internet live surfing and downloading Setting up of Cyber Cafes, Visual Basic, Developing, Creating, Implementing, Maintaining, Modeling, Enterprise Resources Planning, E-Mail, E-Commerce based project, Video Conferencing Devices, interactive television, tele-text, satellite communication, internet Services and Networking Consultancy.

6. To consider and if thought fit, to pass, with or without modification following resolution as a Special Resolution:

"RESOLVED pursuant to the provisions of Section 149 (2-A) and all other applicable provisions, if any of the Companies Act, 1956 that the Company hereby approves the commencement and execution of all or any of the business activities of covered by new Sub-Clause No.91 to 105 of the Clause III (C) i.e. other objects Clause of the Memorandum of Association of the Company as and when deemed fit by the Board of Directors."

7. To consider and if thought fit, to pass the following resolution with or without modification as a Special resolution:

(This item will be transacted through postal ballot as required under section 192A of the Companies Act, 1956 and the rules framed there under. The result of the postal ballot will be announced at the AGM).

"RESOLVED pursuant to Clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities Guidelines, 2003(Delisting Guidelines), that the shares of the Company be voluntary de-listed from the Madras Stock Exchange Limited and necessary applications in this regard be made to them."

8. To consider and if thought fit, to pass the following resolution with or without modification As a Special resolution:

"RESOLVED pursuant to the provisions of Section 163 and all other applicable provisions, if any of the Companies Act, 1956 that consent of the Company be and is hereby given to keep the Register of Members, Indexes, Share Transfer Forms and Registers, instead of being kept at the Registered Office of the Company at 7th Floor, Dhiraj Chambers, 9, Hazarimal Somani Marg, Mumbai – 400 001 to be kept at the Office of the Company's Share Transfer Agents, M/s. IIT Corporate Services Ltd., Protoprima Chambers, 3rd Floor, Suren Road, Andheri (east), Mumbai - 400 093 where the Register and Indexes as mentioned above shall remain open for inspection on all working days except on Saturdays from 11.00 a.m. to 5.00 p.m."

By Order of the Board of Directors

Bhupendra J. Ambani
(Non – Executive Chairman)

PLACE: MUMBAI
DATED: 30th June 2003.
REGISTERED OFFICE:
7th floor, Dhiraj Chambers,
9, Hazarimal Somani Marg,
Mumbai - 400 001

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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 explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business under item No.4 to item No.8 as set out above is annexed hereto.

4) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th day of September 2003 to Saturday, 27th day of September 2003 (Both Days Inclusive).

5) In all correspondence with the Company, members are requested to quote their Folio.

6) Numbers and in case the shares are held in the dematerialised Form, they should quote their client ID Number and DP ID Number.

7) 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.

EXPLANATORY STATEMENTS

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE NOTICE DATED 30TH JUNE 2003.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in accompanying Notice dated 30th June, 2003 and shall be taken as forming part of the Notice.

IN RESPECT OF ITEM NOS. 4:

Mr.SharadKumar K.Parekh being A.I.C.W.A., M.Com. & LL.B and practicing as Financial Consultant, having experience of Accounts & Finance of 43 Years.

He has been appointed as an additional Director on 28th March, 2003 and holds the office till the day of 14th Annual General Meeting.

Notice Pursuant to section 257 of the Companies Act, 1956 has been received from a member recommending his appointment.

None of the Directors except Mr.Sharadkumar K.Parekh is concerned or interested in the resolution.

IN RESPECT OF ITEM NOS. 5:

The Company presently carries on the business of manufacturing Plastic Processed Goods.

The Company proposes to start new business as set out in the resolution under objects proposed to be added. Looking at the rapid growth and immense potential in the business proposed to be added, the Board of Directors of the Company had been considering to undertake the business as set out in the Notice under item no. 4. The new objects, which are proposed for the same, are in

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line of the proposed new business of the Company in addition to the existing business of the Company.

The Board therefore, proposes to amend the Memorandum of Association of the Company as set out in item No.4 of the Notice.

As per the provisions of Section 17 read with Section 192A of the Companies Act, 1956 and rules framed there under, the object Clause of the Memorandum of Association can be amended only by a Special Resolution passed by the members through postal ballot. The Postal Ballot Form is enclosed for your consideration. The Company has appointed Mr. Rajesh Chaturvdei, partner of M/s. Chaturvedi & Shah, Chartered Accountants as Scrutiniser for conducting the postal ballot process in a fair and transparent manner. Please read carefully the instructions printed in the Postal Ballot Form and return the Form duly complete in all respects in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutiniser within 30 days of posting.

The Scrutiniser will submit his report to the Chairman after completion of the scrutiny and the results of the Postal Ballot will be announced by the Chairman at the Fourteenth Annual General Meeting.

A copy of the Memorandum of Association and Article of Association of the Company together with the proposed changes is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day.

Your Board recommends the resolution for your approval.

None of the Directors of the Company is interested in the resolution.

IN RESPECT OF ITEM NOS. 6:

Sections 149(2A) of the Companies Act, 1956 require approval of the shareholders for Commencement of any new business. Accordingly, the Board seek the approval of the members for commencement of new business as set out under new sub-clauses 91 to 105 of Clause III (C) of the Memorandum of Association that can be done by the Company in future.

It would be in the interest of the Company to commence the new business as soon as practicable, after the approval of the new objects by the members.

Your Board recommends the resolution for your approval.

None of the Directors of the Company is interested in the resolution.

IN RESPECT OF ITEM NO. 7:

It has been observed that the equity shares of the Company are not being traded in a material way regularly at stock exchanges other than The Stock Exchange, Mumbai. The trading volumes on the Company's equity shares in Madras Stock Exchange Ltd. are almost nil.. The Company's equity shares are specified by the Securities and Exchange Board of India ("SEBI") for settlement only in dematerialised form by all investors. With the extensive networking of BSE terminals to other cities, the investors have access to trade and deal in the Company's securities across the country. It is therefore felt that continued listing with regional stock exchange does not provide any significant tangible advantage to the members of the Company.

The Equity Shares of the Company will continue to be listed on The Stock Exchange, Mumbai. Post delisting there would not be any change in the capital structure of the Company as the Company would be delisting its shares pursuant to clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (Delisting Guidelines).

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As provided in the Explanatory Statement for item no.5, the Company will pass the Special Resolution by conducting the Postal Ballot and the result of the same will be announced in the Annual General Meeting.

Your Board recommends the resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

IN RESPECT OF ITEM NO. 8 :

The Company had to change the Registrar and Transfer Agents due to directions of SEBI that under one roof only both the Physical Transfer of Shares and Demat of the Shares should be effected instead of having at two different places. As the Company's Transfer Agent Delta Services (India) Pvt. Ltd. were handling only the Physical Transfer of Shares and IIT Corporate Services Ltd. were handling Demat transactions, the Company had to shift the handling of shares transfer works to IIT Corporate Services Ltd.

Section 163 of the Companies Act, 1956 requires the approval of the members by a Special Resolution to keep the above Registers in a place other than the Registered Office of the Company and hence the proposed Resolution.

Your Board recommends the resolution for your approval.

None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board of Directors

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Bhupendra J. Ambani
(Non-Executive Chairman)

PLACE: MUMBAI
DATED: 30th June 2003.
REGISTERED OFFICE:
7th floor, Dhiraj Chambers,
9, Hazarimal Somani Marg,
Mumbai - 400 001.

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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Fourteenth Annual Report, and the Audited Statement of Accounts of the Company for the year ended 31st March 2003.

FINANCIAL PERFORMANCE:

(Rs.)

	Year Ended 31.03.2003	Year Ended 31.03.2002
Profit/(Loss) before Interest, Depreciation and Tax	3803957	(2763817)
Less: Interest	164313	486963
Gross Profit/(Loss)	3639644	(3250780)
Less: Depreciation	4144625	4619201
Profit/(Loss) before Tax	(504981)	(7869981)
Add: Deferred Tax Credit	1547473	3819438
Profit/(Loss) after Tax	1042492	(4050543)
Add: Balance Brought from previous year	(92597695)	(73709225)
Balance available for Appropriation	(91555203)	(77759768)
APPROPRIATION		
General Reserve	17500000	17500000
Less: Provision for Deferred Tax	0	14837927
Balance Carried forward to next year	(74055203)	(75097695)

DIVIDEND:

Your company has shown profit for the year and your management has decided to retain the earnings for better working of the company. Therefore, your directors do not recommend any dividend on the Equity Capital.

OPERATIONS:

During the year under review the sales has increased by 3.5% over the previous year and there has been effective monitoring and reduction of expenses. The same enabled the Company to show a profit for the year of 10,42,492.Net worth of the company includes the unamortised portion of Deffered Tax Liability. And the accounts are prepared on a going concern basis.

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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