



INFRA INDUSTRIES LIMITED

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ANNUAL REPORT 2004-2005

INFRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Bhupendra J. Ambani
Non- Executive Chairman

Mukesh B. Ambani
Managing Director

R.K. Sundaram

Sailesh R. Sheth

REGISTERED OFFICE

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

FACTORIES

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

SALES OFFICES

Bangalore, Belgaum
Chennai, Cochin
Renigunta

AUDITORS

M/s. Chaturvedi & Shah

REGISTRARS & TRANSFER AGENTS

Purva Sharegistry (India) Private Limited,
33, Printing House,
28-D, Police Court Lane, Fort,
Mumbai – 400 001.
Phone No. (022) 22617957 / 22632967
Fax No. (022) 22626407
Email.busicomp@vsnl.com

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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of **INFRA INDUSTRIES LIMITED** will be on Tuesday, 27th September, 2005 at 9.30 a.m. 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, 2005 and the Profit and Loss Account for the period on that date and the Directors' Report thereon and Auditors' Report thereto.
2. To appoint Director in place of Mr. R. K. Sundaram 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 consider and if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:

"RESOLVED that Mr. Sailesh R. Sheth, in respect of whom the Company has received notice in writing along with a deposit of Rs.500/- for notice, from a member proposing him as a candidate for the office of director under the provisions of Section 257 of the Companies Act, 1956, and who is eligible for appointment to the office of director, be and is hereby appointed a Director of the Company liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:

"RESOLVED pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 that consent of the Company be and is hereby accorded to the appointment and payment of remuneration to Mr. Mukesh B. Ambani as the Managing Director of the Company for a period of 5 years with effect from 1st April, 2005 on remuneration and terms and conditions as detailed herein below:

1. Salary:

Salary of Rs.25,000/- per month, with liberty to Directors to grant such increments as they may determine from time to time, within the overall limit laid down in Schedule XIII to the Companies Act, 1956.

2. Perquisites:

Perquisites as listed hereunder, shall be allowed in addition to salary. Monetary Value of the perquisites will be evaluated as per the applicable Income-Tax Rules in this regard.

- i) Unfurnished accommodation with expenditure on gas, electricity, water and furnishing to be borne by the Company. The expenditure incurred by the Company on hiring furnished accommodation for him will be subject to the ceiling of 60% of salary over and above 10% payable by him.
- ii) If the Company does not provide accommodation to him, House Rent Allowance shall be paid to him subject to a ceiling of 50% of the salary payable to him.
- iii) Leave as per the Rules of the Company including encashment of Leave at the end of the tenure.
- iv) Leave Travel Concession for him and his family once in a year incurred in accordance with the Rules of the Company.
- v) Medical Expenses actually and properly incurred for him and his family.
- vi) Club Membership Fees, including Life Membership Fees, subject to a maximum of Two Clubs.
- vii) Personal Accident Insurance Policy, including its Premium.
- viii) Free use of Company's Car with Driver for the Business of the Company. The Company shall bill use of Car for private purpose.
- ix) Free use of Telephone Facility at Residence. The Company shall bill all personal long distance calls.
- x) Reimbursement of Entertainment Expenses actually and properly incurred in the course of legitimate business of the Company.
- xi) He shall not be entitled to any sitting fees for Attending Meeting of the Board or Committee thereof.
- xii) The Company's Contribution on Provident Fund, Superannuation Fund or Annuity Fund, Gratuity, Retirement Funds in accordance with the Rules and Regulations of the Company from time to time.

FURTHER RESOLVED THAT in case the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary, perquisites and commission as

minimum remuneration to Mr. Mukesh B. Ambani, Managing Director, in any Financial Year during the currency of his tenure.”

By Order of the Board of Directors

PLACE: Mumbai
DATED: 30th June, 2005.
REGISTERED OFFICE:
7TH FLOOR, DHIRAJ CHAMBERS,
9, HAZARIMAL SOMANI MARG,
MUMBAI - 400 001.

Bhupendra J. Ambani
(Non-Executive 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 explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business under item No.4 and 5 as set out above is annexed hereto.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th day of September, 2005 to Tuesday, 27th day of September, 2005 (Both Days Inclusive).
- 5) In all correspondence with the Company, members are requested to quote their Folio.
- 6) 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.
- 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 2005.

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in accompanying Notice dated 30th June, 2005 and shall be taken as forming part of the Notice.

ITEM NO.4:

Mr. Sailesh R. Sheth, who has been appointed as an additional director under Section 260 of the Companies Act, 1956 effective March 31, 2005 holds office upto the date of the Sixteenth Annual General Meeting of the Company as provided under Article 123 of the Articles of Association of the Company and is eligible for appointment. In terms of Section 257 of the Companies Act, 1956, the Company has received notice in writing along with a deposit of Rs.500/- each from a member signifying his intention to propose the candidature of Mr. Sailesh R. Sheth for the office of director.

Your Board recommends the resolution for your approval.

Except Mr. Sailesh R. Sheth, no Director of the Company is concerned or interested in the resolution at item No. 4.

ITEM NO.5:

The Board of Directors at their Meeting held on March 31, 2005 decided to appoint Mr. Mukesh B. Ambani as the Managing Director for a period of 5 years with effect from April 1, 2005 at the remuneration and terms & conditions mentioned in the resolution at item no.5.

Mr. Mukesh B. Ambani has wide and rich experience in the field of Plastic, particularly in the Moulded Plastic and Rotomoulded Plastic products. Under stewardship of Mr. Mukesh B. Ambani, the Company will revive its past glory and reach new heights.

Your Board recommends the resolution for your approval.

Except Mr. Mr. Mukesh B. Ambani and his father Mr. Bhupendra J. Ambani is deemed to be concerned or interested in the resolution.

Your Board recommends the resolution for your approval.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract under section 302 of the Companies Act, 1956.

By Order of the Board of Directors

PLACE: Mumbai

DATED: 30th June, 2005.

REGISTERED OFFICE:

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

Bhupendra J. Ambani
(Non-Executive Chairman)



DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Sixteenth Annual Report, and the Audited Statement of Accounts of the Company for the period ended 31st March, 2005.

FINANCIAL PERFORMANCE:

	(Rs.)	
	Period Ended 31.03.2005	Period Ended 30.09.2004
Profit/(Loss) before Interest, Depreciation and Tax	848752	(54225)
Less: Interest	539938	547896
Gross Profit/(Loss)	308814	(602121)
Less: Depreciation	2162059	6406255
Profit/(Loss) before Tax	(1853245)	(7008376)
Add: Deferred Tax Credit	916318	1187365
Profit/(Loss) after Tax	(936927)	(5821011)
Add: Balance Brought from Pervious year	(1894131)	(91555203)
Transferred from General Reserve	0	21500000
Transferred from Capital Reserve	0	88000
Transferred from Shares Premium Accounts	0	73742000
Excess Provision for Taxation Written Back	0	152083
Balance available for Appropriation	(2831058)	(1894131)
<u>APPROPRIATION</u>		
General Reserve	0	0
Balance Carried forward to next year	(2831058)	(1894131)

DIVIDEND:

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

OPERATIONS:

During the period under review the sales has reduced by 5.52% over the previous year. But due to reduction in cost of raw material & other inputs the Company incurred Loss of Rs.936,927/- compared to Loss of Rs.58,21,011/- in the previous year. Net worth of the Company includes the unamortised portion of Deferred 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.

FINANCE:

During the period under review the Company has not made any new major financial commitment. However, the new plant at Hubli which being put by the Company would require investments for which arrangements has been done by the Management.

FUTURE OUTLOOK:

The Company has been able to reduce its selling and administrative expenses during the period under review and was brought down under control. The Company during the year has decided to put up a new plant at Hubli in the state of Karnataka and the same will be operational during the current year and also now look at adding new business lines thereby increasing its business in the market and en-cashing on its strong brand value.

CHANGE IN ACCOUNTING PERIOD :

The Board of Directors decided to change the Accounting period from 1st October to 30th September, to "1st April to 31st March" and the Current Accounting period was kept of 6 (Six) Months i.e. from 1st October, 2004 to 31st March, 2005.

FIXED DEPOSITS:

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

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:

- (i) That in the preparation of the accounts for the financial period ended 31st March, 2005; 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 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 at the end of the financial period and of the loss of the Company for the period 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 period ended 31st March, 2005 on a 'going concern' basis.

DIRECTORS:

Mr. R. K. Sundaram, 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.

Mr. Sailesh R. Sheth has been appointed as an Additional Director on 31st March, 2005 and holds the office till the day of the 16th Annual General Meeting. Notice from members pursuant to Section 257 has been received recommending his appointment as a Director. The Board recommends his appointment as a Director.

Mr. Mukesh B. Ambani has been appointed as the Managing Director with effect from 1st April, 2005 for a period of 5 (five) years on the terms and conditions, as mentioned in the notice of the meeting. Your Directors recommend his appointment and payment of remuneration.

Mr. Chandresh B. Ambani, who was retiring by rotation at the 15th Annual General Meeting was not re-appointed and ceased to be Director.

Mr. Sharadkumar K. Parekh resigned as Director due to ill health during the year under review.