



INFRA INDUSTRIES LIMITED

ANNUAL REPORT 2009-2010

INFRA INDUSTRIES LIMITED

BOARD OF DIRECTORS

Bhupendra J. Ambani	Chairman
Mukesh B. Ambani	Managing Director
Hareesh P. Sanghvi	Non-Executive Director
Rajnikant N. Shah	Non-Executive Director

REGISTERED OFFICE

Dhiraj Chambers, 7th Floor,
9, Hazratnagar, Sonani Marg,
Mumbai - 400 001
Telephone No. 022-32946372

FACTORIES

Arav, Maharashtra
Pukkathurai, Tamil Nadu,
Hubli, Karnataka

SALES OFFICES

Chennai, Renigunta

AUDITORS

M/s. Chaturvedi & Shah
Chartered Accountants

BANKER

Indian Overseas Bank

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REGISTRARS & TRANSFER AGENTS

Purva Share Registry (India) Pvt. Ltd,
9, Shiv Shakti Industrial Estate,
Ground Floor, Sitaram Mill Compound,
J. R. Boricha Marg, Lower Parel,
Mumbai - 400 011.
Phone No. (022) 23016761 / 23018261
Email:busicomp@vsnl.com

INFRA INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of INFRA INDUSTRIES LIMITED will be on Wednesday 15th day of September, 2010 at 11.30 am. at Malabar Hill Club Ltd, B. G. Khar Marg, Malabar Hill, Mumbai - 400 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Directors' Report thereon and Auditors' Report thereon.
2. To appoint Director in place of Mr. Rajakant N. Shah 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 and to fix their remuneration.

SPECIAL BUSINESS:

4. To pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Bhupendra J. Ambani, 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 (able to retire by rotation)."

5. To pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED pursuant to the provisions of Section 198, 269, 310, 311, Section II (1) (A) of Part II of schedule XIII and other applicable provisions, if any of the Companies Act, 1956 that Mr. Mukesh B. Ambani be and is hereby re-appointed Managing Director of the Company for a period of 5 (Five) years with effect from 1st December, 2009 and be paid remuneration as detailed hereunder:

1. Basic Salary:	Rs. 50,000/- per month.
2. House Rent Allowance	30% of the Salary
3. Electricity Charges	Actual Reimbursement
4. Medical Reimbursement	Reimbursement of the expenses actually incurred subject to ceiling of one month salary in a year or three months salary over a period of three years.
5. Leave Travel Concession	Leave Travel Concessions for Mr. Mukesh B. Ambani and his family once in year incurred in accordance with the rules of the company for the time being in force.
6. Club Fees	Fees of two clubs.
7. Personal Accident Insurance	Premium not exceeding Rs. 1,000/- per month.
8. Car with Driver for office use	—
9. Telephone at residence	Subject to personal long distance calls to be reimbursed to the Company.

FURTHER RESOLVED THAT the entitlement of Mr. Mukesh B. Ambani, Managing Director to usual benefits such as provident fund, bonus, gratuity (subject to a ceiling of Rs.2,50,000/-), privilege leave etc., as available to other executives of the Company is also recommended to the Board of Directors.

FURTHER RESOLVED THAT aforesaid remuneration to be paid to Mr. Mukesh B. Ambani, Managing Director will be minimum remuneration in case of inadequacy of profit or loss."

By Order of the Board of Directors

PLACE: Mumbai
DATED: 27th May, 2010
REGISTERED OFFICE:
7th FLOOR, DHIRAJ CHAMBERS,
9, HAZARIMAL SOMANI MARG,
MUMBAI - 400 001

Mukesh B. Ambani
(Managing Director)

INFRA INDUSTRIES LIMITED

NOTES

- 1) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in regard to the business as set out in Item Nos. 4 and 5 above and relevant details in respect of Item No. 4 and 5 pursuant to Clause 49 of the Listing Agreement with the Stock Exchange are annexed hereto.
- 2) 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.
- 3) A Proxy in order to be effective must be lodged with the Company at least 48 hours before the meeting.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 5th day of September, 2010 to Wednesday, 15th day of September, 2010 (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 27th May, 2010

The following Explanatory Statement sets out all material facts relating to Special Business mentioned in accompanying Notice dated 27th May, 2010 and shall be taken as forming part of the Notice.

ITEM NO. 4 :

Mr. Bhupendra J. Ambani, who has been appointed as an Additional Director under Section 260 of the Companies Act, 1956 effective October, 22, 2009 holds office up to the date of the 21st Annual General Meeting of the Company as provided under provisions of Articles of Association and Companies Act, 1956 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/- from a member signifying his intention to propose the candidature of Mr. Bhupendra J. Ambani for the Office of director.

Mr. Bhupendra J. Ambani has been later B.A. He is having wide experience in business environment. He started his career as Broker in Iron and Steel Trading. Activities of business were supplying Iron and Steel in bulk quantities to large business and Industrial Houses. With his vision, the group envisaged into manufacturing activities and embarked into ambitious project of roto-moulding project at Khapoli and thereafter the Company started expanding under his leadership and guidance. He is one of the Promoter of the Company.

Your Board recommends the resolution for your approval.

Mr. Bhupendra J. Ambani and Mr. Mukesh B. Ambani deemed to be concerned or interested in the resolution at Item No.4.

ITEM NO. 5 :

Mr. Mukesh B. Ambani was appointed as a Managing Director of the Company for a period of 5 years. It is now proposed to re-appoint him for further period of 5 years with effect from 1st December, 2009 in accordance with the provisions of Section 198, 269, 309, 310 and Part II, Section 31 of Schedule XIII of the Companies Act, 1956. The Act requires the approval of Members of the Company for the said appointment.

The Profile of Mr. Mukesh B. Ambani, who is a B. Com. Graduate and having knowledge and expertise in Plastic and Rotomoulded products. The terms of appointment of Mr. Mukesh B. Ambani are as under:

1. Period of appointment : 1st December, 2009 to 30th November, 2014.
2. Remuneration: As given in the Resolution under Item No.5.
3. Other terms: Managing Director shall be entitled to compensation for loss of Office as provided in Section 318 of the Companies Act, 1956.

INFRA INDUSTRIES LIMITED

No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or any committee of the Board.

The Contract of the appointment of Mr. Mukesh B. Ambani is terminable by either Board of directors or by Mr. Mukesh B. Ambani giving to other 90 days notice in writing.

The Board believes that the Company has grown extensively under the guidance of Mr. Mukesh B. Ambani and that he possesses the necessary expertise and experience to accelerate the Company's operations and achieve its vision and hence recommends the resolution appearing in the Item No.5 of the Notice for your approval.

The draft service agreement proposed to be entered into between the Company and Mr. Mukesh B. Ambani is available for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of the ensuing Annual General Meeting.

Mr. Mukesh B. Ambani is interested in his appointment and Mr. Hemendra J. Ambani being father, deemed to be interested in the Resolution.

By Order of the Board of Directors

PLACE: MUMBAI
DATED: 27th May, 2010
REGD. OFFICE:
7th Floor, Dhiraaj Chambers,
9, Hazrat Nizamuddin Marg,
Mumbai - 400 001.

Mukesh B. Ambani
(Managing Director)

INFRA INDUSTRIES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Twenty First Annual Report, and the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

(Rs.)	Year Ended 31.03.2010	Year Ended 31.03.2009
Profit/(Loss) before Interest, Depreciation and Tax	(5,61,588)	96,30,062
Less: Interest	36,18,392	62,28,555
Profit/(Loss) before Depreciation	(41,79,981)	34,01,507
Less: Depreciation	32,50,644	33,49,266
Profit/(Loss) before Tax	(74,30,625)	52,240
Less: Provision for Fringe Benefit Tax	0	2,60,000
Add: Deferred Tax Assets	(34,30,272)	(24,60,162)
Profit/(Loss) after Tax	(40,00,353)	22,52,403
Add: Balance Brought from Previous year	(1,55,11,897)	(1,77,64,306)
Balance Carried forward to next year	(1,95,12,250)	(1,55,11,897)

DIVIDEND

Due to carry forward losses of Rs 1,95,12,250/- your directors regret their inability to recommend any dividend for declaration.

OPERATIONS

The Sales during the year under review was Rs. 9,32,20,415/- as against Rs. 9,63,28,771/- in the previous year reflecting a reduction of 3.23% over the previous year. Company has incurred loss before Interest, Depreciation and Tax of Rs.5,61,588/- during the current year as against the Profit of Rs.96,30,062/- in the previous year. The Company incurred net loss of Rs. 40,00,353/- after making provision for Interest, Depreciation and Deferred Tax Assets compare to Net Profit of Rs. 22,52,403/- in the previous year. In order to reduce Company's debt liabilities and emerging interest cost burden, the management of the Company decided to dispose off one of the facility at Dadra which has been not used for past many years and not being yielding or giving commensurate returns as compared to the value invested in it.

FUTURE OUTLOOK

The Company has ventured into the manufacturing of colour water tanks under the Brand name 'RANGEELE' with advance processing technology. These being the value added product having higher margins which has improved and will improve the performance in future.

FIXED DEPOSITS

During the year the Company has not accepted any fixed deposits from the public under Section 58A.

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.

INFRA INDUSTRIES LIMITED

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, 2010; 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 year and of the profit 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, 2010 on a 'going concern' basis.

DIRECTORS

Mr. Rajnikant N. Shah, 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. Dipak Tipnis was appointed as an additional Director during the year on 25th November, 2009. He has resigned and ceased to be director due to personal works w.e.f. 31st March, 2010. The Board has placed on record appreciation of his services to the Company and look forward for his continuance support in future.

Mr. Bhupendra J. Ambani was appointed as an Additional Director w. e. f. 22nd October, 2009 in accordance with Article 123 of the Articles of Association of the Company and Section 260 of the Act. Mr. Bhupendra J. Ambani holds the office only upto the date of the forth coming A.G.M. and a Notice under section 257 of the Act has been received from a member signifying his intention to propose Mr. Bhupendra J. Ambani appointment as a Director.

On the recommendation of the Remuneration Committee, Board re-appointed Mr. Mukesh B. Ambani as Managing Director with effect from 1st December, 2009 for a period of 5 years pursuant to Articles 145 to 149 of the Articles of Association of the Company and Section 198, 269, 309, 310 and Part II, Section II of Schedule XIII of the Companies Act, 1956. The Board recommends his re-appointment for your approval.

CORPORATE GOVERNANCE

As per the attended Listing Agreement with the stock exchange, the Company has complied with the requirements of Corporate Governance. A report on Corporate Governance is attached.

AUDITORS AND AUDITORS' REPORT:

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

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record their appreciation of the 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: 27th May, 2010

Mukesh B. Ambani
(Managing Director)

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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 2010.

1. FORM A - ENERGY CONSUMPTION

A) POWER & FUEL CONSUMPTION

	Year Ended 31.03.2010	Year Ended 31.03.2009
1. Electricity:		
(a) Purchased Units (KWH)	323523	406897
Total Amount (Rs.)	1905847	2471101
Rate / Unit (Rs.)	5.89	6.07
(b) Own Generation		
i) Through Diesel Generator Units	21187	19149
Units per Ltr. of diesel oil	2.36	2.38
Cost / Unit (Rs.)	23.31	31.83
ii) Through Steam Turbine/Generator	Not Applicable	Not Applicable
2. Coal: (Specify quality and where used)	Not Applicable	Not Applicable
3. Fuel Oil:		
Quantity (Litres)	149208	198718
Total Amount (Rs.)	5427342	7110029
Average Rate (Rs.)	36.37	35.78
4. Others/Internal Generations:	NIL	NIL
B) CONSUMPTION PER UNIT OF PRODUCTION		
Products (with details)		
Production (MT)	611	636
Electricity (Kwh/MT)	530	640
Diesel oil for Oven (Ltrs/MT)	244	312
Coal (Special Quality)	NIL	NIL
Others (Specify)	NIL	NIL

FORM B - TECHNOLOGY ABSORPTION

- Specific areas in which R&D was carried out: R & D efforts were made in development of value added products. This break through has been achieved due to efforts put by the management and technical team of the Company.
- Benefits Derived: This will help the Company to develop an extended product range and also manufacture existing products at economical cost and better products.
- Future plan: The Company intends to cater to the growing non conventional products marketed specifically for the OEM of various industries.
- Expenditure on R & D: The technical team of the Company has been able to achieve the required innovations and introduce new product without affecting any expenses due to experience in the production system.

TECHNICAL ABSORPTION, TECHNOLOGY ADAPTION & INNOVATION

- Efforts in brief: The Company has made efforts in developing Customised Moulded Product for Rotomoulding division.
- Benefits Derived: Better quality products are been made with cost effectiveness.
- Imported Technology: N.A.

INFRA INDUSTRIES LIMITED

FOREIGN EXCHANGE EARNINGS & OUTGO

EARNINGS

NIL

OUTFLOW

1.	Towards import of Raw materials	:	Rs.	NIL
2.	On account of Foreign Travel	:	Rs.	11,29,707/-
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

PLACE: MUMBAI
DATED: 27th May, 2010

Mukesh B. Ambani
(Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Infra is recognized brand in the western and southern parts of India mainly due to its quality consciousness and services rendered. The Company has expanded product portfolio and ventured in manufacturing products for Industrial applications which have been well accepted by the customers.

The growth in industry and economy will provide opportunity to excel its performance in future. The boom in the housing sector will also contribute as the main business of Infra being in water storage tanks.

INDUSTRIAL OUTLOOK

Infra with experience of more than 19 years in the field of rotational moulding, by this process western countries service many industrial and various other applications including OEMs. Being a versatile process, Infra has ventured in catering the new application markets.

The advantage of Infra having multi location production facilities which gives the benefit of availability of products to its customers and assurance to OEMs to serve their requirements in time.

OPPORTUNITIES & THREATS

With the new materials and compounds being available in the market place, various conventional materials can be replaced by plastic processing which has advantages of standardization, accuracy and availability at multiple location and the awareness and recognition by the buyers has been a positive sign for the plastic process.

The Plastic water storage tank manufacturing industries are under pressure due to the competition from unorganized sectors and also the raw material prices which can increase due to uncertainty of petrochemical industries.

CAUTIONARY STATEMENT

Statement in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statute.

INTERNAL CONTROL SYSTEM

The Company has adequate internal control system to safeguard its assets and prevention of misappropriation and detection of fraud and or unauthorized use of assets and it has been designed to ensure preparation of reliable financial statement and maintaining all the assets.

The Audit Committee of the Board deals with the significant issues relating to control raised by the Statutory Auditors.