

Corporate Information

Board of Directors

Shri G. RAMAMURTHY	<i>Chairman & Managing Director</i>
Smt R. USHA	<i>Whole-time Director</i>
Shri D. SEKARAN	<i>Director</i>
Shri N.P. JAGANATHAN	<i>Director</i>
Shri K.V. SAMBAVADASS	<i>Director</i>

Company Secretary

Shri AMRITLAL BISANI

Bankers

**Indian Overseas Bank
Standard Chartered Bank
Corporation Bank
Kotak Mahindra Bank
Andhra Bank
Yes Bank**

Auditor

Shri R. SUNDARARAJAN
Chartered Accountant

Registered Office

18/23, 2nd Cross Street
East CIT Nagar, Nandanam
Chennai - 600 035.
E-mail: rajeswarifoundationsltd@yahoo.com
Website: www.rflindia.org

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
Fifth Floor, Subramanian Building,
No.1, Club House Road, Chennai - 600 002.
Tel. No.: 91-44-28460390/91/92/93
E-mail: cameosys@satyam.net.in

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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NOTICE TO THE MEMBERS

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of the Company will be held on Thursday the 30th September 2010 at 11.30 A.M. at Narada Gana Sabha (Mini Hall), at 314 T.T.K. Road, Chennai-600 018 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the profit and loss Account for the year ended 31st March 2010, the Balance Sheet as at the date and the Auditors' Report there on.
2. To declare a dividend of 5% on equity shares
3. To elect a director in place of Mr. D. Sekaran who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. K.V. Sambavadass who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and for this to consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

“RESOLVED THAT the retiring Auditor **R. SUNDARARAJAN**, Chartered Accountant, be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

By order of the Board

-sd-

G. Ramamurthy

Chairman & Managing Director

Place : Chennai
Date : 06.08.2010

Registered Office
18/23, 2nd Cross Street,
East CIT Nagar, Nandanam,
Chennai - 600 035.

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED WITH THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING. Revenue Stamp for 15 paise should be affixed on the Proxy Form. Forms which are not stamped or inadequately stamped are liable to be considered invalid. Further, for identification purposes etc., it is advisable that the proxy holder's signature may also be furnished in the Proxy Form.**
2. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Registered Office of the company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Registrar of Members and Share Transfer Books of the Company will be closed from Monday 27th September 2010 to Thursday 30th September 2010 (both days inclusive)
4. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.

5. Securities and Exchange Board of India (SEBI), vide Circular No.MRD/DoP/Cir-05/2009 dated May 20, 2009, has informed that in respect of Securities Market transactions and off-market/private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferees to furnish copy of PAN card to the Company/Registrars and Transfer Agents for registration of such transfer of shares.
In view of the above circular dated 20-05-2009, all requests for transfer of shares received after 20.05.2009 will be processed only if the requests are accompanied by a copy of the PAN card.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company at any early date so as to enable the Management to keep the information ready.
7. After declaration of the dividend at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after September 30, 2010. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
8. Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar and Transfer Agent, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai-600 002. Members holding shares in electronic form may intimate any such change to their respective Depository Participants (DPs).
9. The equity shares of the Company are available for trading in dematerialized form (scripless trading in electronic form) through Depository Participants. The ISIN Code is INE 016C01014
10. Pursuant to the provisions of Section 205A of the Companies Act, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the investor Education and Protection Fund of the Central Government, shareholders/investors who have not encashed the dividend warrant(s) so far are requested to make their claim to the Secretarial Department, 18/23, 2nd Cross Street, East CIT Nagar, Nandanam, Chennai-600035. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

The particulars of due dates for transfer of such unclaimed dividend to Investor Education and Protection Fund are furnished below:

Financial year	Date of Declaration of Dividend	Date of Transfer to Special Account/ Unclaimed Account	Date of Transfer to IEPF
2005-2006 (Interim Dividend)	04.01.2006	04.02.2006	04.02.2013
2005-2006 (Final Dividend)	07.09.2006	07.10.2006	07.10.2013
2006-2007	26.09.2007	26.10.2007	26.10.2014
2007-2008	26.09.2008	26.10.2008	26.10.2015
2008-2009	26.09.2009	24.10.2009	24.10.2016

Rajeswari Infrastructure Limited

INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IN RESPECT OF RESOLUTION NO.3 AND 4 ABOVE

(In accordance with Clause 49 VI of the Listing Agreement)

Name of the Director	Age	Qualification	Other Directorship(s) if any	Committee Memberships
D. Sekaran	54	Graduate	Nil	Nil
K.V. Sambavadass	65	DAE	Nil	Nil

By order of the Board

-sd-

G. Ramamurthy

Chairman & Managing Director

Place : Chennai
Date : 06.08.2010

Registered Office
18/23, 2nd Cross Street,
East CIT Nagar, Nandanam,
Chennai - 600 035.

DIRECTORS' REPORT

Your Directors are pleased to present the 17th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

Financial Results of your Company are as follows:

	Year ended 31.03.2010 (Rs. in lakhs)	Year ended 31.03.2009 (Rs. in lakhs)
Income from Operations	755.93	1009.78
Non-Operating Income	6.67	4.52
Total Expenditure	668.53	847.69
Interest	21.20	41.39
Gross Profit (after Interest but before depreciation and taxation)	72.87	125.57
Depreciation	16.96	16.56
Profit before tax	55.90	109.00
Provision for Current Taxes	20.35	42.51
Provision for Deferred Taxes	(2.93)	2.94
Fringe Benefit Tax	—	0.85
Profit after Tax	38.49	62.68
Balance brought forward from last year	0.17	0.07
Amount available for appropriation	38.67	62.76
Appropriations have been made us under:		
Transfer to General Reserve	—	1.70
Dividend(Proposed)	27.65	52.03
Dividend Tax	4.59	8.84
Surplus carried to Balance Sheet	6.42	0.17

DIVIDEND

Your Directors take pleasure on recommending equity dividend of 5% (Re.0.50 per share of Rs.10/- face value) on the paid-up equity share capital for the approval of members. The dividend, if approved, at the 17th Annual General meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 27th September and also to those, whose names as beneficial owners are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited.

OPERATIONAL PERFORMANCE

You will be glad to note that your company achieved a turnover of Rs.755.93 lakhs as against Rs.1009.78 lakhs achieved in the previous year. The earned gross profit of Rs.72.87 lakhs after interest and before depreciation as against Rs.125.57 lakhs in the previous year. After deducting interest of Rs.21.20 lakhs, providing a sum of Rs.16.96 lakhs towards depreciation, income tax provision of Rs.20.35 lakhs, the operations resulted in a net profit of Rs.38.49 lakhs as against Rs.62.68 lakhs in the previous year.

The Company has developed excellent engineering, planning and project execution skills during this period. It is well recognized for quality consciousness and timely completion of the projects without cost over-run.

FUTURE OUTLOOK

India leads the pack of top real estate investment markets in Asia for 2010, according to a study by Pricewaterhouse Coopers (PwC) and Urban Land Institute, a global non-profit education and research institute, released in December 2009, Accordingly to the report of the Technical Group of Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the eleventh year plan (2007-12) provides a big investment opportunity.

Rajeswari Infrastructure Limited

According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including Cineplex, multiplex, integrated townships and commercial complexes etc., attracted a cumulative foreign direct investment (FDI) worth US\$ 8.4 billion from April 2000 to March 2010 wherein the real estate and the housing sector witnessed FDI amounting US\$ 2.8 billion in the fiscal year 2009-10.

The Indian construction industry is an integral part of the Indian economy. It is the second largest Industry of the country after agriculture. The investment in construction accounts for nearly 11 percent of India's Gross Domestic Product (GDP) and nearly 50 percent of its Gross Fixed Capital Formation (GFCF)

In the year to come, your company has initiated major cost effective measures to improve the margins. Sustainable medium and long term goals are envisaged and pursued. Your director's foresee that, the performance of the Company will be better. The track record of the Company and proven skills of its employees of various levels will be useful in further improving the performance of the Company in the years to come.

PREFERENTIAL ISSUE OF EQUITY SHARES TO PROMOTERS OF THE COMPANY & OTHERS

As approved by the members at the Extra-ordinary General Meeting of the company held on 22nd June 2009, the Board of Directors at their meeting held on 31/08/2009 has made allotment of 2,50,000 equity shares on conversion of warrants of face value of Rs.10/- each to non-promoters and 9th October 2009 has made allotment of 5,50,000 equity shares on conversion of warrants of face value of Rs.10/- each to promoters of the company as per SEBI Guidelines on preferential basis.

CHANGE IN CAPITAL STRUCTURE

At the Last Annual General Meeting of the company held on 24th September 2009 the Authorised Capital of the Company was increased from Rs.10 crores to 15 Crores. Now the Authorised Capital is Rs.15 crores divided into 1,50,00,000 Equity shares of Rs.10/- each.

CHANGE OF NAME OF THE COMPANY

After complying with all statutory formalities the name of the company was changes from Rajeswari Foundations Limited to Rajeswari Infrastructure Limited with effect from 29.10.2009 fresh certificate of Incorporation consequent to the change of name was issued by the registrar of companies, Tamilnadu, Chennai on 29.10.2009.

DIRECTORS

Mr. D. Sekaran and K.V. Sambavadass retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

PUBLIC DEPOSITS

Your Company has not accepted any deposits an, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

Mr. R. Sundararajan, Chennai Chartered Accountant, who are the statutory auditors of the Company retire at the ensuing annual general meeting and is eligible for re-appointment. The retiring Auditor have furnished a Certificate of his eligibility for re-appointment under Section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to be re-appointed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

AUDITORS' REPORT

With regard to the remarks of the Auditors in their report to the members, the Directors have to state that the note no.2, and referred to by the Auditors are self explanatory and no further comments are called for.

Your Directors have to comment as under on the point regarding confirmation of balances. The Company had sent circulars to most of the suppliers but the confirmation from them were not received except in a few cases. However, from the current year the Company will be writing for confirmation of all debit and credit balances.

The Report of the Auditors being self-explanatory needs no further comments.

INVESTOR EDUCATION & PROTECTION FUND

As at March 31, 2010 dividends amounting to Rs. 10,25,221 have not been claimed by shareholders of the Company. The Company has been intimating the shareholders to lodge their claim for dividend from time to time.

As per the provisions of Section 205A of the Companies Act, 1956, dividends that have not been claimed by the shareholders for a period of seven years from the date of transfer to the unpaid dividend account will be transferred to the Investor Education and Protection Fund in accordance with the current regulations.

LISTING

The securities of the Company are listed on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited. The Company has duly paid the listing fees to all the aforesaid Stock Exchanges for the year 2009-2010.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges, with which the Company's shares have been enlisted. A separate Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate as to Compliance of the conditions of Corporate Governance as stipulated under Clause-49 of the Listing Agreement is annexed to the Report on Corporate Governance.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

DEPOSITORY SYSTEM

Trading in Equity shares of the Company is permitted only in dematerialized form. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. NSDL and CDSL within the stipulated time. Upto 31st March 2010, 74.31% Equity Shares of the Company have been dematerialized.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year 2009-2010 is annexed hereto.

DISCLOSURES

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 –CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's core activity at present is civil construction which is not power intensive. The Company is making every effort to reduce the consumption of power.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings Rs. Nil (Previous Year Rs. Nil/-)

Particulars	Year ended 31.3.2010		Year ended 31.3.2009	
	INR	In foreign currency	INR	In foreign currency
Foreign Exchange Outgo				
Imports	Nil	Nil	Nil	Nil
Foreign Travel	6,47,535	—	2,72,559	—

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of monetary ceiling prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 during the financial year 2009-2010.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial and contributed significantly to the record results achieved during the year.

ACKNOWLEDGEMENTS

The Board placed on record its appreciation for the assistance and co-operation received from the Banks and Government Authorities.

The Board also places on record its gratitude to the employees at all levels for their commitment and dedicated efforts. The Directors are also thankful to the shareholders for their continued support to the Company.

For and on Behalf of the Board of Directors
-sd-

G. Ramamurthy
Chairman and Managing Director

Place : Chennai
Date : 06.08.2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Rajeswari Infrastructure Limited presents the Industry Overview, Opportunities and Threats, Initiatives by the Company and overall strategy of Rajeswari Infrastructure Limited for the year 2009-2010 and its outlook for the future. This outlook is based on assessment on the current business environment; it may vary due to future economic and other developments.

This Management Discussion and Analysis statement of the Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India.

Macro-Economic and Industry Development

In India, the economic recovery, which began around the second quarter of 2009-2010, has since shown sustained improvement. Industrial recovery has become more broad-based and is expected to continue in the wake of rising domestic and external demand. Reversing a nearly yearlong decline, exports and imports have both grown since October/November 2009. Flow of credit from both bank and non-bank sources has picked up and overall business sentiment has turned distinctively positive. India's GDP growth in 2009-10 has been estimated at 7.4% driven by 9.3% growth in the industrial sector and 8.5% in the services sector. The abundance of liquidity in the system ensured that interest rates remained reasonable for most part.

The outlook for the Indian economy remains broadly positive, with GDP projected to grow at 8.5% in 2010-11, subject to the assumption of a normal monsoon and continued robustness in the growth of the manufacturing and service sectors. On the downside, global commodity and energy prices remain volatile and could adversely impact growth.

As an Industry, the growth of the construction sector exceeds that of India's national projected GDP growth, creating a myriad of possibilities for development in the near future. The industry employs approximately 31 million people throughout India.

The key factors behind this growth are continuing government investment in infrastructure creation, as well as real estate construction to meet the demands for residential and commercial real estate, but the fact remains that infrastructure bottlenecks, particularly in energy and roads, remain the constraining factors for stepping up growth to a higher level.

Industry Structure and Developments

The Indian construction industry is an integral part of the Indian economy. It is the second largest industry of the country after agriculture. India has the world's second largest road network, aggregating over 3.34 million kilometers(km). The Tamilnadu government has allocated US\$ 2.25 billion for project envisaging laying of roads of international standard in 11 cities.

The Indian construction industry grew by 6.5% in the last fiscal against 5.9% growth in 2008-09.

Housing Sector and Real Estate

India leads the pack of top real estate investment markets in Asia for 2010, according to a study by Pricewaterhouse Coopers (PwC) and Urban Land Institute, a global non-profit education and research institute, released in December 2009. Accordingly to the report of the Technical Group of Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the eleventh year plan (2007-12) provides a big investment opportunity.

According to the confederation of Real Estate Developers' Associations of India (CREDAI), the affordable housing segment is set to play an important role in India's real estate sector in 2010 on the back of substantial demand.

Rajeswari Infrastructure Limited

Moreover, 2010 is expected to be a positive year for the real estate sector. The revival is expected to be driven by infrastructure growth, which in turn, can accelerate real estate activities both in the residential as well as commercial spaces.

Overview of the Business of the Company

Your Company has been focusing in the development of construction of independent Bungalows and infrastructure development. The growth and progress of the Company depends on the potential buyers. In the opinion of the Directors, the growth in the industry is fairly good and the demand for Independent Bungalow is expected to grow.

Besides, the Company also has expertise in the following areas:

- | | |
|--|------------------------------|
| 1) Civil & Structural work | 2) Infrastructure Developers |
| 3) Township projects | 4) Road developers |
| 5) Prepress of Reprographic work for the printing Industry | 6) Offset printing |
| 7) Pressure sensitive adhesive labels and non-adhesive labels. | |

The market for building activities is growing steadily while competition also increases by many folds. The market acceptance of our product and the creation of Brand Equity have provided good credibility to the Dream Bungalows.

The printing division market has growth potential, due to severe competition between a large numbers of suppliers in the market; the profit margins have dropped down substantially resulting in reduced profit.

Recent development in printing technology, particularly in offset printing, both in prepress and press activities has revolutionized the printing and publishing industry. It is expected that the share held by offset printing will increased.

Opportunities and Threats

Building activities

Opportunities

Your Company's performance with regard to overall sales should be regarded as good considering the competitive market condition.

We have one of the most diversified business portfolios which will help us in mitigating the risk of slow down in any one particular segment. With the starting of the new business comprising of Road development, Township development. During the last 5 years, we executed various construction projects all over the Chennai. The client list of the company includes reputed. The company has developed excellent engineering, planning and project execution skills during this period. It is well recognized for quality consciousness and timely completion of the projects without cost over-run.

The Company has also submitted bids for other projects, which are under evaluation. The Company is confident of securing a sizeable share of these new projects.

The market for our product is so large that the growth potential seems unlimited.

Threats

- Demand is dependent on general economic conditions. A downturn can adversely affect the Company's business and earnings.
- Increasing competition from domestic and international construction companies affect the market share and profitability.
- Uncertainties regarding government policies can significantly affect operations.

- Volatility in prices of inputs and / or changes in assumptions may cause cost overruns affecting the profitability delay in completion of project could result in liquidated damages and / or additional costs affecting profitability.
- Risk of accidents, fire, theft etc., to Company's properties and stocks will affect the company's operations affecting profitability. Similarly the breakdowns to the Company's machinery will affect operations and profitability.

Printing Division

Opportunities

Since the Company's products have various applications in all industries, it is difficult to project the demand for the products but it can be safely said that the demand will be quite high and it may also be mentioned that this industry is a recession free industry since printing is required in all the industries. Therefore the prospects of this line of business are very good.

Threats

- Company may face competition from existing and new units as is normal and prevalent in any industry.
- The business witnessed intense competition in the market and the overall margins are under pressure. The printers are working on very thin margin.

Segmental Analysis

Segment wise revenue, profit and capital employed have been reported in the notes on accounts for the year ended 31st March, 2010. The segmental report has been prepared in the manner prescribed in Accounting Standard 17 issued by the Institute of Chartered Accountants of India and audited by the statutory auditors of the Company.

Internal Controls and Their Adequacy

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Checks and balances are in place and are reviewed at regular intervals by the Audit Committee in consultation with the internal auditors and corrective action(s) are initiated, wherever deemed necessary.

Human Resources

Human resources continued to be one of the biggest assets of the Company. The management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year.

Future Outlook

Your Company is aware of the risks and threats noted above and have devised its business strategy accordingly. By leveraging its brand value and strategically positioning its divisions, the Company believes that it will largely de-risk itself from pricing pressures and competitions.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary depending upon economic conditions, Government policies and other incidental/related factors.

REPORT ON CORPORATE GOVERNANCE

Compliance with clause 49 of the listing agreement with the Stock Exchanges

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance (in the prescribed format), alongwith the Certificate of Statutory Auditors (Annexure I) is given as under:

PHILOSOPHY ON CODE OF GOVERNANCE

Rajeswari Infrastructure Limited is committed to standards of Corporate Governance in all activities.

A. BOARD COMPOSITION

1. Size of the Board and Independent Directors

The Board has currently Five Members comprising the Managing Director, Whole Time Director and three non-executive Directors. As per the current by-laws of the Company, the Board can have up to 12 (twelve) Members. The present Board has three independent directors and Two executive directors.

B. BOARD COMMITTEES

1. The Committees of the Board

Currently, the Board has Three Committees – the Audit Committee, the Investor Relations Committee and Remuneration Committee

a. Board of directors

- ❖ Composition and category of directors as of March 31, 2010 is as follows:

Category	No. of directors	%
Executive Directors	2	40
Non- Executive Directors	3	60

- ❖ During the year ended 31.3.2010, 6 Board Meetings were held.

Director	Held	No. of Directors Present
D. Sekaran	6	6
N.P. Jaganathan	6	6
K.V. Sambavadass	6	6
G. Ramamurthy	6	6
R. Usha	6	6

❖ Attendance of each director at the Board Meetings and the last AGM

Sl. No.	Name of Director	Category •	Board Meetings		Attendance in last AGM on 24.9.2009
			Held Nos.	Attended Nos	
1	G. Ramamurthy	ED	6	6	Yes
2	R. Usha	ED	6	6	Yes
3	D. Sekaran	NED/ID	6	6	Yes
4	N.P. Jaganathan	NED/ID	6	6	Yes
5	K.V. Sambavadass	NED/ID	6	6	yes

• ED - Executive Director; NED - Non Executive Director; ID - Independent Director
No Director of the Company is a member in other Board Committee or Committee Chairmanship

b. Audit Committee

Mr. D. Sekaran, Chairman of the Audit Committee.

❖ **Brief description of terms of reference**

The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board.

Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.

Composition of committee:

- Mr. D. Sekaran - Chairman
- Mr. N.P. Jaganathan
- Mr. K.V. Sambavadass

❖ Meetings and attendance of members during the year

Director	Held	Attended
D. Sekaran	4	4
N.P. Jaganathan	4	4
K.V. Sambavadass	4	4

REMUNERATION COMMITTEE

Remuneration Policy

The compensation of the executive directors comprises of a fixed component and/or a performance incentive by way of commission. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The commission is determined based on certain pre-agreed performance parameters. The Executive Directors are not paid sitting fees for any board/committee meetings attended by them.

Role of Committee

The main scope/role of remuneration and Nomination Committee is to recommend to the Board the appointment/reappointment of the executive/non-executive directors. The committee has also been vested with the authority to determine the periodic increments in salary and annual incentives of the Executive Directors.

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The committee elects one of its members as chairman for each meeting. The committee met twice during the year ended 31st March 2010.

The Composition of the committee and the attendance of each member at these meetings is given below.

Name of the Member	Number of meetings attended
D. Sekaran - Chairman	2
N.P. Jaganathan	2
K.V. Sambavadass	2

Remuneration for the year

The details of remuneration provided for the year ended 31st March, 2007 are as follows:

Director's Remuneration

(Amount in Rs.)

	2009-10 (Rs.)	2008-09 (Rs.)
Salaries	19,50,000	19,50,000
Perquisites	7,30,000	7,30,000
Commission	33,205	62,455

C. INVESTOR RELATIONS COMMITTEE

A Sub-Committee of the Board of directors of the Company consisting of D. Sekaran (Chairman of the Committee)

❖ Brief description of terms of reference

The terms of reference of this Committee encompasses formulation of shareholders'/investors' servicing policies, looking into redressal of shareholders and investors complaints viz., transfer of shares, non receipt of balance sheet, etc., and deciding on any other matter as may be required in connection with the shareholders'/investors servicing and redressal of their grievances.

The Board has delegated the power of Share Transfer to Registrar & Share Transfer agents, who process the transfers. The Committee also looks after the performance of the Registrar and Transfer Agents of the Company.

Composition of Committee

The Members of the Company's Shareholders' Committee are:

- D. Sekaran - Chairman
- N.P. Jaganathan
- K.V. Sambavadass

❖ Name and designation of compliance officer

Mr. G. Ramamurthy, Managing Director.

❖ Number of shareholders complaints received, number not solved to the satisfaction of the shareholder and number of pending transfers

- There is no investors complaint as on date of Balance Sheet.
- Representatives of your company are continuously in touch with Cameo Corporate Services Limited, Share Transfer Agents of the Company, and review periodically the outstanding complaints.

General Meetings**❖ Location and time for the last three Annual General Meetings**

Year	Date	Time	Venue
2008-2009	24.09.2009	11.45 A.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018
2007-2008	26.09.2008	12.05 P.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018
2006-2007	26.09.2007	10.15 A.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018

❖ Location and time for the last three Extra-ordinary General Meetings

Date	Time	Venue
22.06.2009	3.30 P.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018.
08.05.2006	3.30 P.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018.
02.01.2002	10.00 A.M.	G-4, Parsn Paradise Apartment , No.109, G.N. Chetty Road, T.Nagar, Chennai-600 017.

Postal Ballot

None of the subjects placed before the shareholders in the last annual general meeting required approval by a postal ballot.

Disclosures

- ❖ Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the company at large.
- ❖ During the year, the Company has not entered into any transaction of material nature with the directors, their relatives or management which were in conflict with the interest of the Company.
- ❖ The transaction with the promoters, its associate companies etc., or routine nature have been reported elsewhere in the annual report as per Accounting Standard 18 (AS18) issued by the Institute of Chartered Accountants of India.
- ❖ Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. - **NIL**

Means of communication

- a) The un-audited Financial Results on quarterly basis subject to Limited Review by the Auditors of the Company, are taken on record by the Board of Directors at its meeting within one month of the close of every quarter/half year respectively and the same are furnished to all the Stock Exchanges where the Company's Shares are listed. Results of the Company were published in the newspapers viz., Business Line/Economic Times/ Financial Express and the Tamil version of the financial results in a Tamil daily viz., Maalai Sudar.
- b) Management's Discussions & Analysis forms part of this Annual Report, which is also being posted to all the shareholders of the Company.

COMPLIANCE WITH CLAUSE 49

Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of the revised Clause 49.

Non-Mandatory Requirements

1. The Board:

No separate office is maintained since chairman is Executive.

2. Remuneration Committee:

The Company has constituted a Remuneration Committee; full details are furnished under this Report.

3. Shareholders Communications:

The Company displays its quarterly (unaudited), half yearly (unaudited) and annual (audited) result on its website at www.rflindia.org, which is accessible to all. The results are also published in English newspaper having a wide circulation and in Tamil newspapers having a wide circulation in TamilNadu respectively.

4. Audit Qualifications:

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

5. Training of Board Members:

The Company's Board of Directors consists of professionals with expertise in their respective field and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshop and seminars to keep themselves abreast with the changing business environment.

6. Mechanism for evaluating Non-Executive Board Members:

The Company has adopted a policy for evaluation of Non-Executive Board members based on primarily of attendance and a few other factors including contribution at the Board Meeting and at Meeting of the Audit Committee of the Board.

7. Whistle Blower Policy:

The Company has adopted whistle blower policy. All the employees have the access to Board and Audit Committee. Further Board / Audit Committee ensure that no victimization is done to such employee.

Shareholders' Information

A separate Section has been included in the Annual Report furnishing various details, viz., time and venue of Annual General Meeting, share price movements, financial calendar, BSE Index, etc.

For and on Behalf of the Board

Place : Chennai
Date : 06.08.2010

G. Ramamurthy
Chairman and Managing Director

General Shareholder Information

1. AGM: Date and venue Thursday, 30th September 2010, at 11.30 a.m.
At Narada Gana Sabha, Mini Hall, 314, T.T.K. Road, Chennai-600 018.
2. Date of Book Closure Monday 27th September, 2010 to Thursday 30th September 2010
3. Financial Calendar Financial Reporting for 2010-2011
First Quarter June30, 2010 : on or before Aug 15, 2010
Second Quarter Sep. 30, 2010 : on or before Nov. 15, 2010
Third Quarter Dec. 31, 2010 : on or before Feb. 15, 2011
Fourth Quarter Mar. 31, 2011 : on or before May 15, 2011
AGM for year ending March 2011 : September 2011
4. Registrar and Transfer Agents M/s.Cameo Corporate Services Ltd.
“Subramanian Building “ No.1, Club House Road, Chennai-600 002.
Tel: 28460390, Fax: 28460129
5. Share Capital Details Authorised 1,50,00,000 equity shares of Rs.10/- each
Paid-up 55,30,900 equity shares of Rs.10/- each
6. Listing of Company’s Shares i) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
ii) The Madras Stock Exchange Limited
P.B. No. 183, No. 11, Second Line Beach, Chennai-600 001.
7. Works Location **(Printing and Graphics Division)**
i) 29E, Kandasamy Layout, Sakthi Theatre Road, Tirupur— 641 603.

Stock Market Data

Monthly high and low quotations along with the volume of shares traded at BSE for 2009-2010 are:

Stock Prices

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades
Apr 09	8.29	9.35	7.65	8.31	25,432	108
May 09	8.31	14.60	8.25	14.60	33,870	160
Jun 09	15.33	17.99	13.62	14.06	1,15,229	487
Jul 09	14.70	24.55	14.10	19.23	5,47,208	3,417
Aug 09	18.50	21.55	18.00	18.40	2,32,710	1,351
Sep 09	17.50	20.00	16.70	18.25	1,94,966	1,889
Oct 09	18.65	18.80	15.80	16.80	68,652	504
Nov 09	16.00	18.00	15.10	16.50	61,587	556
Dec 09	18.10	19.95	15.55	18.50	1,07,989	543
Jan 10	18.00	20.80	16.00	17.55	96,998	822
Feb 10	17.75	18.50	15.10	15.60	43,106	647
Mar 10	17.00	18.55	15.30	15.85	84,061	592

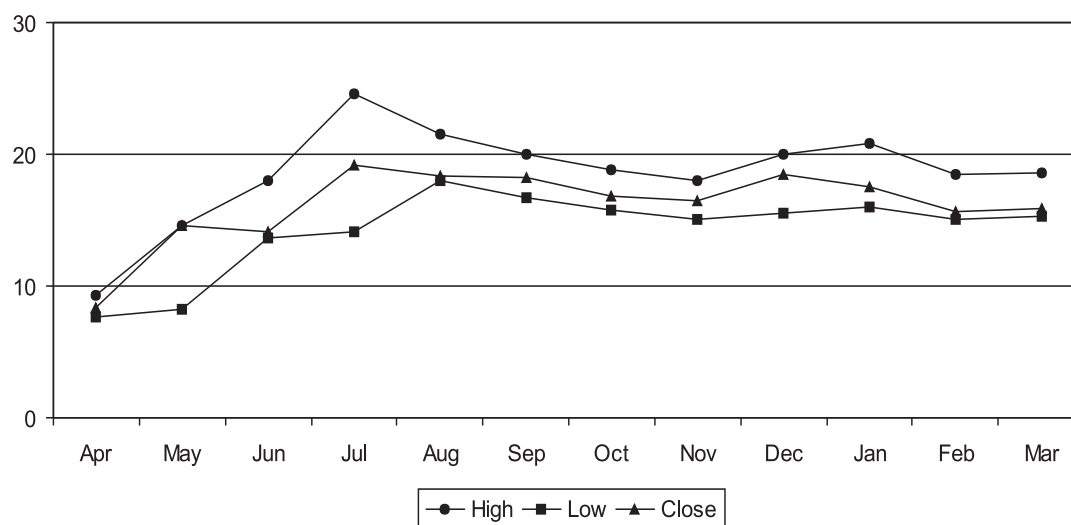
Dematerialisation of equity shares

The trading in the Company’s Equity Shares on the specified Stock Exchanges have to be compulsorily settled in the electronic form by all investors. The Company has entered into tripartite agreement along with the registrar and Share transfer Agents of the Company with two depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Equity Shares of the Company have been admitted for dematerialisation by these depositories with the International Securities Identification Number (ISIN)-INE 016CO1014.

As on 31st March 2010, out of total 55,30,900 Equity Shares of the Company, 74.31% of total shares have been dematerialised.

**Share Price Movement
BSE-April 2009 to March 2010**



Nomination Facility

The Companies Act, 1956 and the Rules prescribed thereunder provides for nomination of shares. The shareholders can now nominate a person with whom the shares shall vest in the event of death of the shareholders. The nomination can be made only by individuals holding shares of the company either in sole name or jointly with another (not exceeding one joint holder). The nominee shall be individual. In the case of nominee being a minor he/she may be represented by his/her natural guardian or a court appointed guardian. The transfer of shares in favour of a nominee shall be a valid discharge by the company against the legal heirs. The nomination shall stand rescinded upon transfer of shares. The nomination by a shareholder can be changed or cancelled at any time by giving due notice and upon execution of a fresh nomination form.

Communication

All share transfers should be forwarded to the Registrars & Share Transfer Agents of the Company. All communications should be forwarded to the Registered Office of the Company marked to the attention of the Managing Director.

Distribution of Shareholding (as at the year end)

No. of Equity Shares held	2009-2010			
	No. of shareholders	% of shareholders	No. of Shares held Rs.	% of shareholding
10 - 5000	4885	89.4361	7327310	13.2479
5001 - 10000	283	5.1812	2391130	4.3232
10001 - 20000	140	2.5631	2169320	3.9221
20001 - 30000	47	0.8604	1217790	2.2017
30001 - 40000	20	0.3661	713500	1.2900
40001 - 50000	21	0.3844	988180	1.7866
50001 - 100000	38	0.6957	2669020	4.8256
100001 and above	28	0.5126	37832750	68.4025
Total	5462	100.0000	55309000	100.0000

Categories of Shareholding (as at the year end)

Category of shareholder	No. of shareholders	Total no. of shares	Total no. of shares held in dematerialized form	Total shareholding as a % of total no. of shares	
				As a % of (A+B)	As a % of (A+B+C)
(A) Shareholding of Promoter and Promoter Group					
(1) Indian					
Individuals / Hindu Undivided Family	16	3036423	2473923	54.90	54.90
Sub Total	16	3036423	2473923	54.90	54.90
(2) Foreign					
Total shareholding of Promoter and Promoter Group (A)	16	3036423	2473923	54.90	54.90
(B) Public Shareholding					
(1) Institutions					
Mutual Funds / UTI	2	1500	—	0.03	0.03
Sub Total	2	1500	—	0.03	0.03
(2) Non-Institutions					
Bodies Corporate	120	291000	270500	5.26	5.26
Individuals					
Individual shareholders holding nominal share capital up to Rs. 1 lakh	5237	1530206	967692	27.67	27.67
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	16	613512	339712	11.09	11.09
Any Others (Specify)	71	58259	58259	1.05	1.05
Clearing Members	5	5313	5313	0.10	0.10
Hindu Undivided Families	59	45728	45728	0.83	0.83
Non Resident Indians	7	7218	7218	0.13	0.13
Sub Total	5444	2492977	1636163	45.07	45.07
Total Public shareholding (B)	5446	2494477	1636163	45.10	45.10
Total (A)+(B)	5462	5530900	4110086	100.00	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	—	—	—	—	—
Total (A)+(B)+(C)	5462	5530900	4110086	—	100.00

**CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION**

I, G. Ramamurthy, Chairman and Managing Director of Rajeswari Infrastructure Limited, to the best of our knowledge and belief hereby certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : 06.08.2010

G. Ramamurthy
Chairman and Managing Director

DECLARATION UNDER CLAUSE 49(1)(D)(ii) OF THE LISTING AGREEMENT

I G. Ramamurthy, Chairman and Managing Director of Rajeswari Infrastructure Limited, to the best of my Knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct of the Company for the year ended 31st March 2010.

Place : Chennai
Date : 06.08.2010

G. Ramamurthy
Chairman and Managing Director

AUDITOR'S CERTIFICATE

To
The Members of Rajeswari Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by Rajeswari Infrastructure Limited for the year ended 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has broadly complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing.

We state that no investor grievance(s) against the Company is/are pending exceeding one month as per records maintained by the shareholders' Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Chennai
Date : 06.08.2010

R. Sundararajan, F.C.A.
Chartered Accountant
(Membership No.25762)

AUDITORS' REPORT

To
The Members of **Rajeswari Infrastructure Limited**

I have audited the attached Balance Sheet of **RAJESWARI INFRASTRUCTURE LIMITED** as at 31st March 2010 and the Profit and Loss Account and the cash flow statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I report as follows:

- 1) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India and on the basis of such checks as I considered appropriate and according to the information and explanations given to me, I give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to my comments in the Annexure referred to in paragraph 1 above:-
 - 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 my examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) On the basis of the written representation received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors. I report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Act;
 - e) In my opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
 - f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Act, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 and
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In so far as it relates to the Cash flow Statement, of the cash flows for the year ended on that date.

Place : Chennai
Date : 06.08.2010

R. SUNDARARAJAN, F.C.A.
Chartered Accountant
(Membership No.25762)

ANNEXURE

Referred to in paragraph 1 of my report of even date

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us all the fixed assets of the Company have been physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) In my opinion, and according to the information and explanations given to me, no substantial part of fixed assets has been disposed off by the Company during the year.
2. (a) The inventory of the Company has been physically verified by the Management during the year. In my opinion the frequency of verification is reasonable.
(b) In my opinion and according to the information and explanations given to me the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In view of the complexities in nature of the process involved which consumes multi various inputs of heterogeneous sizes giving rise to varied outputs of different sizes according to customer tolerances the company is unable to maintain proper records of inventory .
3. (a) According to the informations and explanations given to me the Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii)(b),(c) and (d) of the order are not applicable.
(b) According to the informations and explanations given to me the Company has not taken any loans, secured or unsecured, to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii) (f) and (g) of the order are not applicable.
4. In my opinion and according to the information and explanations given to me there are adequate internal control systems commensurate with the size of the company and the nature of its business, for purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of my examination and information and according to the explanations given to me I have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. (a) In my opinion, and according to the information and explanations given to me the particulars of contract or arrangement that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) This item does not arise as there are no transactions exceeding the value of five lakh rupees in respect of any party covered in the register to be maintained under section 301 of the Companies Act, 1956 during the financial year under consideration.
6. According to the information and explanations given to me the Company has not accepted any deposits from the public therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In my opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. In my opinion and according to the information and explanations given to me the Central Government order for the maintenance of cost records, under Section 209 (1) (d) of the Companies Act, 1956, has no application to the Company.
9. (a) According to the information and explanations given to me and according to the books and records as produced and examined by me, in my opinion, the undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, customs duty, excise duty and other material statutory dues as applicable, have been generally regularly deposited by the Company during the year with the appropriate authorities.

Rajeswari Infrastructure Limited

(b) According to the information and explanations given to me and according to the books and records as produced and examined by me the particulars of sales tax/income tax/custom tax/wealth tax/excise duty/cess as at March 31, 2010 which have not deposited on account of a dispute pending.

Name of the Status	Nature of the disputed dues	Amount Rs.Lacs	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Dispute regarding assessment of Income tax for the AY 2006-07	15.41	FY 2005-06	Commissioner- Appeals Income Tax
	Dispute regarding assessment of Income tax for the AY 2007-08	5.77	FY 2006-07	Commissioner- Appeals Income Tax

10. The Company has neither accumulated losses exceeding 50% of its net worth as at 31st March 2010 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by me and the information and explanations given to me, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet Date.
12. According to the information and explanations given to me, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
13. In my opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In my opinion and according to the information and explanations given to me the Company is not a dealer or trader in securities.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof, in my opinion, are not prima facie prejudicial to the interest of the Company.
16. In my opinion, and according to the information and explanations given to me and on overall examination, the term loans have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to me and on an overall examination of the balance sheet of the Company, in my opinion, there are no funds raised on short term basis which have been used for long term investments, and vice versa.
18. During the year the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year amounting to Rs.80,00,000. Price fixed to the issue was as per SEBI Guidelines and which is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures and hence this clause is not applicable.
20. The Company has not raised any money by public issue during the year.
21. During the course of my examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me I have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have I been informed of such case by the management.

Place : Chennai
Date : 06.08.2010

R. SUNDARARAJAN, F.C.A.
Chartered Accountant
(Membership No.25762)

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
I. SOURCES OF FUNDS			
1) Shareholders Funds			
Share Capital	1	55309000.00	47309000.00
Share application money received		—	1828500.00
2) Reserves & Surplus	2	3340767.00	888182.68
3) Loan Funds			
Secured Loan	3	18092825.00	13535835.00
Unsecured Loan	4	2094904.00	2768696.68
Total		78837496.00	66330214.00
II. APPLICATION OF FUNDS			
1) Fixed Assets	5		
Gross Block		58318887.78	35572192.00
Less: Depreciation		22798395.00	21102026.19
Net Block		35520492.78	14470165.81
Add: Capital Work-in-progress - Building		12648617.00	1759172.31
Total		48169110.00	16229338.00
2) Investments	6	309000.00	509000.00
3) Deferred Tax Asset	7	436366.04	142672.00
4) Current Assets, Loans And Advances			
(a) Inventories	8	28882476.00	62438612.00
(b) Sundry debtors	9	269550.00	310287.00
(c) Cash and bank balances	10	5351859.00	2749317.94
(d) Loans & advances	11	29546126.00	20618327.88
Total		64050011.00	86116545.00
Less: Current Liabilities & Provisions	12	34126991.00	36667340.67
Net Current Assets		29923020.00	49449204.33
Total		78837496.00	66330214.00
Notes on accounts & Significant accounting policies	19		

As per my Report of even date

R. SUNDARARAJAN, F.C.A.
Chartered Accountant
(Membership No.25762)

Place : Chennai - 17
Date : 06.08.2010

D. SEKARAN
Director

AMRITLAL BISANI
Company Secretary

For and on behalf of the Board

G. RAMAMURTHY
Chairman and Managing Director

R. USHA
Whole-time Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	Current Year 2009-2010 Rs.	Previous Year 2008-2009 Rs.
INCOME			
Sales of Bungalow Units	13	75,593,339.50	100,978,486.99
Other Income	14	666,748.74	452,298.81
		<u>76,260,088.00</u>	<u>101,430,785.80</u>
EXPENDITURE			
Cost of Goods Sold	15	55,168,966.00	73,208,899.20
Staff Costs	16	4,345,633.40	3,870,287.15
Administrative & Selling Expenses	17	7,338,524.92	7,690,235.16
Finance Charges	18	2,120,168.10	4,103,923.51
		<u>68,973,292.00</u>	<u>88,873,345.02</u>
Profit/(Loss) before depreciation		7,386,796.00	12,557,440.78
Depreciation	5	1,696,369.00	1,656,657.00
Profit after depreciation and before tax		5,590,427.00	10,900,783.78
Provision for Taxation		2,035,279.60	4,251,538.00
Deferred Tax Cr/(Dr)		(293,694.04)	294,922.00
Fringe Benefit Tax		—	85,700.00
Profit/(Loss) for the year		3,848,841.44	6,268,623.78
Balance brought forward from last year (profit)		17,833.00	7,967.00
Profit available for appropriation		3,866,674.44	6,276,590.78
Less: Transferred to General Reserve		—	170,350.00
Profit available for distribution		3,866,674.44	6,106,240.78
Proposed Dividend		2,765,450.00	5,203,990.00
Dividend Tax		459,307.00	884,418.10
Balance carried to Balance Sheet		641,917.00	17,832.68
Earning per Share (Basic) (face value of Rs.10/-)		0.75	1.33
Notes on accounts & Significant accounting policies	19		

As per my Report of even date

R. SUNDARARAJAN, F.C.A.
Chartered Accountant
(Membership No.25762)

Place : Chennai - 17
Date : 06.08.2010

D. SEKARAN
Director

AMRITLAL BISANI
Company Secretary

For and on behalf of the Board

G. RAMAMURTHY
Chairman and Managing Director

R. USHA
Whole-time Director

**SCHEDULES FORMING PART OF THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2010**

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
1,50,00,000 Equity Shares of Rs.10/- each (Previous Year - 1,00,00,000)	<u>150000000</u>	<u>100000000</u>
Issued, subscribed & paid-up:		
55,30,900 equity shares of Rs.10/- each (Previous Year - 47,30,900 equity shares of Rs.10 each)	<u>55309000</u>	47309000
	<u>55309000</u>	<u>47309000</u>
Note: 800000 (Previous year Nil) Convertible Warrants have been converted into Equity Shares during the year.		
SCHEDULE 2: RESERVES AND SURPLUS		
General Reserve		
Opening Balance	870350	700000
Add: Amount transferred from Profit & Loss Account	<u>—</u>	<u>170350</u>
Profit & Loss Account	<u>641917</u>	17833
Capital Reserve		
Opening Balance	<u>—</u>	<u>—</u>
Add: Share Application money transferred	<u>1828500</u>	<u>—</u>
	<u>3340767</u>	<u>888183</u>
SCHEDULE 3: SECURED LOANS		
LIC HFL (Secured by way of pledge of company owned property of Pallikaranai)	<u>10000000</u>	<u>—</u>
IOB Term Loan (Secured by way of mortgage on immovable properties of company owned construction lands and immovable property of Managing Director)	<u>—</u>	12996898
Kotak Mahindra Bank Ltd. (Secured by hypothecation of Honda Civic car)	<u>313317</u>	538937
RELIGARE Finvest Limited (Secured by way of company owned property at CIT Nagar)	<u>7779508</u>	<u>—</u>
	<u>18092825</u>	<u>13535835</u>
SCHEDULE 4: UNSECURED LOANS		
Citifinancial Consumer Finance India Ltd. (Secured by personal guarantee given by Directors)	<u>2094904</u>	2481684
Cholamandalam DBS Finance Ltd.	<u>—</u>	152628
Kotak Mahindra Bank Ltd.	<u>—</u>	134385
	<u>2094904</u>	<u>2768697</u>

**SCHEDULE 5: FIXED ASSETS
DEPRECIATION AS PER THE COMPANIES ACT 1956**

Fixed Assets	Depre- ciation (%)	Gross Block				Depreciation				Net Block	
		As at 31.03.09 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.10 Rs.	Upto 31.03.09 Rs.	For 2009-10 Rs.	Deductions Rs.	Upto 31.03.10 Rs.	As at 31.03.10 Rs.	As at 31.03.09 Rs.
Land-CIT Nagar		3845500	—	—	3845500	—	—	—	—	3845500	3845500
Land-Pallikaranai		—	17067480	—	17067480	—	—	—	—	17067480	—
Building (CIT Ngr)	1.63%	—	5216944	—	5216944	—	28345	—	28345	5188598	—
Plant & Machinery	4.75%	27575315	—	—	27575315	18892551	1309827	—	20202378	7372937	8682764
Computer	16.21%	316847	48275	—	365122	185179	53560	—	238739	126383	131668
Furniture&Fixtures	6.33%	2104539	73840	—	2178379	1354650	134018	—	1488668	689711	749889
Vehicles	9.50%	1729991	340157	—	2070148	669646	170619	—	840265	1229883	1060345
Total		35572192	22746696	—	58318888	21102026	1696369	—	22798395	35520492	14470166
Previous year		35460433	111759	—	35572192	19445369	1656657	—	21102026	14470166	16015064

**As at
31.03.2010
Rs.** **As at
31.03.2009
Rs.**

SCHEDULE 6: INVESTMENTS

A. LONG TERM INVESTMENTS

Non - Trade (Valued at cost)

In shares (Quoted and fully paid up)

Munoth Investments Limited	No.of Shares		
	300	9000	9000

B. CURRENT INVESTMENTS

In Units - Quoted

DSPML Top 100 Equity Fund		60000	100000
HDFC top 200 fund		60000	—
Kotak 30 Fund		60000	100000
IDFC Imperial Equity		60000	—
Reliance growth fund		—	100000
HSBC equity fund		—	100000
Sundaram BNP Paribas Select Focus Fund		60000	100000
		309000	509000

SCHEDULE 7: DEFERRED TAX ASSET

Opening Balance		142672	437594
Less: For the Current Year		(293694)	294922
		436366	142672

SCHEDULE 8: INVENTORIES

(As per inventories taken, valued & certified by Managing Director)

a) Materials (Valued at Cost) – Construction		3033500	765050
b) Semi Finished and Work-in-progress (Valued at estimated cost)		25848976	61673562
		28883476	62438612

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 9: SUNDRY DEBTORS <i>(Unsecured and considered good)</i>		
a) Over six months old	269550	210287
b) Others	—	100000
	269550	310287
SCHEDULE 10: CASH AND BANK BALANCES		
a) Cash on hand (as certified by the management)	6837	14709
b) With Scheduled banks in current account	4319650	1957998
c) Unclaimed Dividend Account with Bank	—	776611
	1025372	776611
	5351859	2749318
SCHEDULE 11: LOANS & ADVANCES <i>(Unsecured and considered good)</i>		
(a) Advance recoverable in cash or in kind or for value to be received	10306144	16489945
(b) Advance taxes paid & Tax deducted at source	17308817	984589
(c) Deposits with Govt.Dept/Agencies	1007059	1007059
(d) Other deposits	256329	1600000
(e) Mahindra Holiday Resorts	667777	536735
	29546126	20618328
SCHEDULE 12: CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
(i) for goods supplied	5025687	5347228
(ii) for others	5268092	8963905
Provisions		
Provision for Income tax	14286222	12250942
Provision for FBT	—	27936
For Expenses	392209	323734
Other Liabilities a) Employees contribution to P.F	6296	—
b) Provident fund payable	6296	—
c) TNVAT Payable	39597	29038
Advance for Sale of Machinery	—	22000
Booking advance received	3977000	1750000
Advance received from customers	—	3000
Unclaimed Interim Dividend Warrant (2005-06)	133322	133722
Unclaimed Final Dividend Warrant with Axis Bank	149331	150331
Unclaimed dividend account with HDFC Bank (2007-08)	246133	267883
Unclaimed Dividend Account with HDFC Bank (2006-07)	223224	224524
Unclaimed final Dividend Warrant (2008-09)	273211	—
TDS payable	21174	—
Outstanding expenses	36085	87085
Tds on perquisites	150000	150000
Perquisites	580000	730000
Proposed dividend	2765450	5203990
Dividend tax on proposed dividend	459307	884418
Commission payable to MD	33205	62455
Audit fees payable	55150	55150
	34059142	36667341
	34059142	36667341

**SCHEDULES FORMING PART OF
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	Current Year 2009-2010 Rs.	Previous Year 2008-2009 Rs.
SCHEDULE 13 : SALES		
Sale of Bungalow Units	75593340	100978487
	<u>75593340</u>	<u>100978487</u>
SCHEDULE 14 : OTHER INCOME		
Purchase Discount received	41078	61580
Interest on Term deposit with Bank	58844	20563
Machinery Hire charges	275000	300000
Profit on sale of mutual fund investment	240170	—
Delayed payment charges on Sales	—	40000
Dividend on mutual fund investment	26657	5156
House booking Cancellation charges	25000	25000
	<u>666749</u>	<u>452299</u>
SCHEDULE 15: COST OF GOODS SOLD		
a) Consumption of raw materials (including consumables)		
Opening Stock		
Construction	765050	4501155
Add: Purchases		
Construction	21761707	31406474
Land for Construction Ramamoorthy Avenue	6482775	
Purchase of land for construction phase V		13000000
	<u>28244482</u>	<u>—</u>
	29009532	48907629
Less: Closing Stock		
Construction	3033500	765050
“A”	<u>25976032</u>	<u>48142579</u>

	Current Year 2009-2010 Rs.	Previous Year 2008-2009 Rs.
SCHEDULE 15: COST OF GOODS SOLD (Contd.)		
b) Other Expenses		
Power & Fuel	359007	261242
Labour Charges	11865268	16475848
Freight & Transportation	306191	374363
Land development charges	—	5337
Landscaping Expenses	76000	21415
Anti Termite charges	32800	64000
CMDA Approval	346609	1533913
Sundry Expenses	197677	493125
Planning Permission Expenses	402932	1272731
Registration Expenses	1462626	2270531
“B”	15049110	22772505
c) (Increase)/Decrease in stocks of finished goods & work-in-progress Construction		
Opening Stock	61673562	63967378
Less: Opening Stock transferred to Fixed Assets	21680761	
Less : Closing stock	39992801	
	25848976	61673562
	14143825	2293816
Total Cost of Goods Sold (A+B+C)	55068966	73208900

SCHEDULE 16: STAFF COSTS

Salaries & Wages	1210343.00	936763.00
Staff Welfare	374546.40	329197.15
Contribution to Provident Fund	80744.00	74327.00
Director's Remuneration	2680000.00	2530000.00
	4345633.40	3870287.15

	Current Year 2009-2010 Rs.	Previous Year 2008-2009 Rs.
SCHEDULE 17: ADMINISTRATIVE & SELLING EXPENSES		
Advertisement	741849.50	1826354.11
Listing Fees	128167.00	23684.00
Professional, Legal & Consultancy Charges		
- For Architects Consultancy	37000.00	227697.00
- Others	442303.00	271070.00
Vehicle Maintenance	517573.27	530538.33
Sales Promotion	171948.15	130206.00
Rent	56000.00	96000.00
Rates & Taxes	2878878.00	2637880.50
Insurance	328150.00	47349.00
Travelling & Conveyance	15729.00	27756.68
Travelling -Directors Foreign Travel	647535.59	272559.58
Postage & Telegrams	59975.74	98534.03
Telephone Charges	177796.54	206665.20
Printing & Stationery	224374.42	192287.39
Commission to Managing Director	33205.00	62455.00
Office Maintenance	33681.00	111571.00
Other expenses	451940.21	459608.34
Legal Fees	29500.00	111500.00
Commission & Brokerage	122500.00	300000.00
Repairs & Maintenance	181510.50	—
Internet charges	3758.00	1369.00
Audit Fees	55150.00	55150.00
	7338524.92	7690235.16
SCHEDULE 18: FINANCE CHARGES		
Bank Charges	80632.26	71608.52
Interest on Car Loan	47380.00	64295.00
Interest on Term Loan	829226.00	3351000.00
Interest on Loan	24837.00	94700.00
Others	1138092.84	522319.99
	2120168.10	4103923.51

SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The Financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles and comply with the applicable Accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialised.

3. Revenue Recognition

The accounts are prepared on accrual basis in accordance with normally accepted accounting principles.

Receipts from fixed price construction contract recognised as revenue on the percentage of completion measured by reference to percentage of construction cost incurred up to the reporting date to the estimated total construction cost for each project.

Cost incurred for the construction contract recognised as expenditure only when agreement to sale of individual units is entered into.

4. Foreign Currency Translation

Foreign Currency Transaction:

Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:

A Foreign Currency monetary items are not reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

5. Income Taxes

Tax Expenses comprises of current, and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has no unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

6. Borrowing Cost

Borrowing cost attributable to acquisition/construction of qualifying fixed assets which takes substantial period of time to get ready for its intended use is capitalized as part of the cost of such fixed asset. All other borrowing costs are recognized as an expense in the period in which they are incurred.

7. Segment Information

The Company has disclosed Business Segment as Primary Segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organization structure and internal reporting system.

The Company's operations predominantly related to Construction division. Other Business segment reported is printing division.

The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

For the purpose of reporting, business segment are primary segment and the geographic segment is a secondary segment.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate assets and liabilities respectively.

Details of Business Segment Information is presented.

8. Employee benefits

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution payable to the respective authorities.

Since the number of employees in the company does not exceed the limit prescribed in the provisions of Payment of Gratuity Act, 1972 is not made applicable to the company. The company does not have the policy of encashment of Earned Leave. Hence no provision has been made for gratuity and leave encashment.

9. Fixed assets

All fixed assets are valued at cost less depreciation.

10. Depreciation

Depreciation is provided on a straight line basis applying the rates specified in schedule XIV to the companies Act,1956.

11. Investments

Long term investments are carried at cost. Current investments valued at lower of cost or market value.

12. Inventories

Raw materials are valued at cost Semi - finished goods are valued at estimated cost.

Finished goods are valued at lower of cost or net realizable value.

13. Impairment of assets

As at each Balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) the provision for impairment loss, if any, required; or
- b) the reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and the value in use;
- b) In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present values of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

14. Provisions, Contingent Liabilities and contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet Date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in financial statements.

15. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shared outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes on Accounts

1. Contingent liabilities not provided for:

Claims against the company / disputed liabilities not acknowledged as debts:

- i) towards disputed income tax liability – Rs.51,46,537 (Previous year – Rs.39,91,181).
- ii) towards disputed sales tax liability – Rs.3,59,025 (Previous year – Rs.3,59,025).

Appeal by the Company is pending with the Income Tax Authorities against which Rs.30,28,207/- is already deposited.

The Company has issued 8,00,000 Convertible warrants on 4th July 2009 by way of preferential issue to various promoters' and non promoters . Each warrant carried an option to get converted within a period not latter than 18 months into Equity Shares of Rs.10 each at a price of Rs.10. The Company has received 100% of the issue price in terms of SEBI Guidelines. Out of the above warrants, 8,00,000 (previous year Nil) all the Warrants held by Promoters' entities were converted into Equity Shares on 31.08.2009 and 9.10.2009 amounting Rs.80,00,000.

2. Sundry debtors, Sundry creditors and Loans and advances are subject to confirmation.

3. Remuneration to Auditors

Particulars	Current year 2009– 10 Rs.	Previous year 2008 – 09 Rs.
For Statutory Audit	35,000	35,000
For Tax Audit	15,000	15,000
Total	50,000	50,000

4. The Company has incurred the following foreign currency transactions during the year:

- Imports — Nil (Previous year - Nil)
- Foreign Travel Expenses — Rs.6,47,535/- (Previous year - Rs.2,72,559/-)

5. Director's Remuneration

Particulars	Current year 2009– 10 Rs.	Previous year 2008 – 09 Rs.
Salaries	19,50,000	19,50,000
Perquisites	7,30,000	7,30,000
Commission	33,205	62,455

6. Particulars of installed capacity, quantities and value of each class of goods dealt with by the company, opening & closing stocks, production and raw materials consumed by the company have not been reported since the nature of business of the company is construction of houses based on orders from its customers.

7. The Company has issued 8,00,000 Convertible warrants on 4th July 2009 by way of preferential issue to various promoters' and non promoters. Each warrant carried an option to get converted within a period not latter than 18 months into Equity Shares of Rs.10 each at a price of Rs.10. The Company has received 100% of the issue price in terms of SEBI Guidelines. Out of the above warrants, 8,00,000 (previous year Nil) all the Warrants held by Promoters' entities were converted into Equity Shares on 31.08.2009 and 9.10.2009 amounting Rs.80,00,000.

8. Company has issued convertible warrants during the year 2007-08 into Equity shares of Rs.10/-each at a premium of Rs.13/- to the promoters. Since the period of 18 months had elapsed the application money received amounting to R.18,28,500 have been transferred to Capital Reserve.
9. Computation of net profit under section 198 read with section 309(5) of the companies Act 1956, has not been made as only minimum remuneration prescribed under part-B of section II of Schedule XIII of the Act has been paid to the managing and whole time director of the company.
10. Land purchased for construction purpose have been treated as work in progress for which the Company has Ownership / Power of Attorney in its name. No agreement to sale for Bungalow units relating to this land entered during this year.
11. Loans and advances also include Rs.2,75,800/-(Previous year Rs.2,75,800/) representing rental deposit paid to managing and other directors in respect of the premises belonging to them and taken on rent by the company maximum balance during the year Rs.2,75,800 /-(Previous year Rs. 2,75,800 /-)
12. Segment Reporting – Schedule Attached
13. The Deferred Tax Asset comprise of the following:

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Deferred Tax Asset related to Depreciation of Fixed Assets	4,36,366	1,42,672

14. Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

Particulars	Current year 2009 – 10 Rs.	Previous year 2008 – 09 Rs.
Profit after Taxation & Before exceptional items	38,48,841.44	62,68,624
Profit after Taxation	38,48,841.44	62,68,624
Weighted Average No.of shares	51,51,733 Nos.	47,30,900 Nos.
Earnings per share before exceptional items (Basic and diluted)	0.75	1.33
Earnings per share (Basic and diluted)	0.75	1.33
Face value per share	10	10

15. Related party information:

1. Relationships

- (a) Where Control exists:

- (i) G. Ramamurthy

- (b) Key Management personnel

- (i) G. Ramamurthy

- (ii) Usha Ramamurthy

- (c) Other Related Parties

- (i) Rajeswari Prints - Tirupur

Note: Related party relationship on the basis of the requirements of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

Rajeswari Infrastructure Limited

2. Transactions with related parties.

Related parties particulars:

Particulars	Referred in 1(a) above	Related parties Referred in 1(b) above	Referred in 1(c) above
Expenses			
Commission to Directors	33,205.00	—	—
Remuneration to Directors	20,30,000	6,50,000	—
Income			
Machinery Hire Charges	—	—	2,75,000

16. The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act,2006, (MSMED Act,2006) as at March 31,2010.

17. Previous year's figures have been regrouped wherever necessary.

18. Figures have been rounded off to the nearest rupee.

As per my Report of even date

R. SUNDARARAJAN
Chartered Accountant
(Membership No.25762)

Place : Chennai
Date : 06.08.2010

D. SEKARAN
Director

AMRITLAL BISANI
Company Secretary

For and on behalf of the Board

G. RAMAMURTHY
Chairman and Managing Director

R. USHA
Whole-time Director

Segment Reporting for the year ending 31st March 2010 (AS-17)

Particulars	House Construction		Off Set Printing		Unallocable		Total	
	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.
Segment Revenue								
Sales	75,593,339.50	100978487	—	—	—	—	75593340	100978487
Other Income	66078	126580	275000	300000	325670.74	25718.81	666749	452299
Total Revenue	75659418	101105067	275000	300000	325671	25719	76260088	101430786
Segment result (Profit before interest, Depn & Tax)	9231964	16361364	275000	300000	—	(71609)	9506964	16589755
Less: Interest Paid	1645979	3351000	346177	522319.99	128012.26	158995	2120168	4032315
Profit before Taxes & Depn		13010364		(222320)		(230604)	7386796	12557440
Depreciation							1696369	1656657
Profit before Tax							5590427	10900783
Provision for Current Tax							2035280	4337238
Provision for Deferred Tax							(293694)	294922
Profit after Taxes							3848841	6268623
Segment Assets	77862964.12	86077636	7123545	8411386	27977978	8508533	112964487	102997555
Segment Liabilities	31950286.43	29058031	2094904	2503684	20164196	21410158	54209386	52971873
Total Cost incurred during the year to acquire segment assets	5216944	55157	—	—	462272	56602	5679216	111759
Segment Depreciation	40782	3153	1297390	1306338	358197	347166	1696369	1656657
Non cash expenses other than depreciation	—	—	—	—	—	—	—	—

Notes:

1. The Company has disclosed business segments taking into account the nature of products, the differing risks and returns, the organisational structure and internal reporting system.
2. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segment as also amounts allocated on a reasonable basis. The expenses which are not directly relatable to the business segment, are shown as unallocable cost. Assets and Liabilities that cannot be allocated between the segments are shown as unallocated Corporate assets and liabilities respectively.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	Year ended 31-03-2010 Rs. in lakhs	Year ended 31-03-2009 Rs. in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before Tax & Extraordinary item	55.90	109.01
Adjustments for:		
Depreciation & amortisation	16.96	16.57
Provision for Income Tax	(20.35)	(42.52)
Provision for Deferred Tax	2.94	2.95
Interest & Miscellaneous income	6.67	(4.52)
Interest on borrowings	21.20	40.32
Provision for FBT	—	(0.86)
Operating Profit before working Capital Changes	83.32	120.95
Adjustments for:		
Loans & Advances	(89.28)	(61.42)
Trade and other Receivables	0.41	0.34
Inventories	335.56	60.30
Trade Payables and other Liabilities	(25.40)	122.35
Cash generated from operations	304.61	242.52
Interest Paid	(21.20)	(40.32)
Net Cash from operating activities	283.41	202.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(176.32)	(1.11)
Interest and Miscellaneous income	6.67	4.52
Purchase (-)/Sale of Investment	2.00	(5.00)
Capital work-in-progress	(126.49)	17.59
Net cash used in investing activities	(294.13)	16.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Application for long term borrowings	38.83	(124.77)
Share Application money received	80.00	—
Dividend and Dividend Tax paid	(60.88)	(60.88)
Interest on long term borrowings	(21.20)	(40.32)
Net cash used in financing activities	(36.75)	(225.97)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	26.02	(7.78)
Cash & cash equivalents as at 01-04-2009 (Opening Balance)	27.50	35.27
Cash & cash equivalents as at 31-03-2010 (Closing Balance)	53.52	27.50

For and on behalf of the Board

Place : Chennai
Date : 06.08.2010

G. RAMAMURTHY
Chairman and Managing Director

R. USHA
Whole-time Director

AUDITOR'S CERTIFICATE

The Board of Directors,
Rajeswari Infrastructure Limited
Chennai.

I have examined the attached Cash Flow Statement of Rajeswari Infrastructure Limited for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by my report to the members of the Company.

Place : Chennai
Date : 06.08.2010

R. SUNDARARAJAN
Chartered Accountant
(Membership No.25762)

**Additional Information as per Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile**

I. Registration Details

Registration No.			2	4	8	6	8	State Code	1	8			
Balance Sheet Date			3	1			0	3		2	0	1	0
			Date		Month		Year						

II. Capital Raised during the year [Amount in Rs. Thousands]

Public Issue						Rights Issue											
						N	I	L							N	I	L
Bonus Issue						Private Placement											
						N	I	L							N	I	L

III. Position of Mobilisation and Deployment of Funds [Amount in Rs. Thousands]

Total liabilities						Total Assets											
				7	8	8	3	7					7	8	8	3	7

Sources of Funds

Paid-up Capital						Reserves and Surplus										
				5	5	3	0	9					3	3	4	0
Secured Loans						Unsecured Loans										
				1	8	0	9	2					2	0	9	4

Application of Funds

Net Fixed Assets						Investments									
				4	8	1	6	9					3	0	9
Net Current Assets						Misc. Expenditure									
				2	9	9	2	3					N	I	L
Accumulated Losses															
						N	I	L							

IV. Performance of Company [Amount in Rs. Thousands]

Turnover						Total Expenditure													
				7	5	5	9	3					6	8	9	7	3		
+	-	Profit/Loss Before Tax						+	-	Profit/Loss After Tax									
+						5	5	9	0	+						3	8	4	8
Earnings Per Share Rs.						Dividend Rate %													
				0	.	7	5					0	5						

V. Generic Names of Three Principal Products / Service of Company [as per monetary terms]

Item Code No. [ITC Code]	N	A							
Product Description	NIL								
Item Code No. [ITC Code]	N	A							
Product Description	NIL								
Item Code No. [ITC Code]	N	A							
Product Description	CONSTRUCTION								

RAJESWARI INFRASTRUCTURE LIMITED

Regd. Office: 18/23, 2nd Cross Street, East CIT Nagar, Nandanam, Chennai - 600 035.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Hall.

I hereby record my presence at the 17th Annual General Meeting of the Company being held at 11.30 A.M. on Thursday, 30th September, 2010 at Narada Gana Sabha (Mini Hall), at No.314 T.T.K. Road, Chennai - 600 018.

Folio No.
DP ID.
Client ID
No.of Shares

SIGNATURE OF THE SHAREHOLDER OR PROXY

NAME OF THE PROXY :

NAME OF THE SHAREHOLDER :

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT WITH THEM TO THE ANNUAL GENERAL MEETING.

RAJESWARI INFRASTRUCTURE LIMITED

Regd. Office: 18/23, 2nd Cross Street, East CIT Nagar, Nandanam, Chennai - 600 035.

PROXY FORM

I/We

being a member/ members of above named Company, hereby appoint

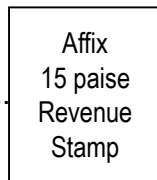
(1) Sri of or failing him

(2) Sri of as my/our Proxy

to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held at 11.30 A.M. on Thursday, 30th September, 2010 at Narada Gana Sabha (Mini Hall), at No.314 T.T.K. Road, Chennai - 600 018 and at any adjournment thereof.

Signed this day of 2010.

Signature



Folio No.
DP ID.
Client ID
No.of Shares

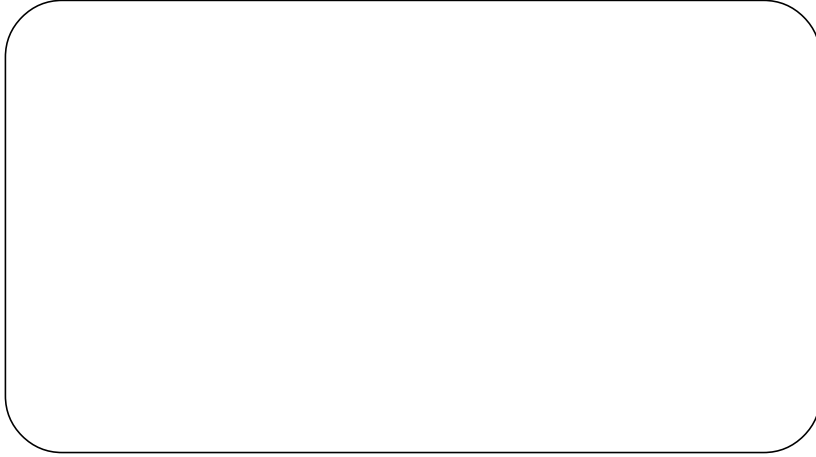
- Note:
1. This form in order to be effective should be duty stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
 2. Proxy form must be deposited with the Company's Share Transfer Agent M/s. Cameo Corporate Services Limited, Fifth Floor, Subramaniam Building, No.1 Club House Road, Chennai - 600 002.

RAJESWARI INFRASTRUCTURE LIMITED

17th Annual Report
2009 - 2010

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Regd. Office: 18/23, 2nd Cross Street,
East CIT Nagar, Nandanam,
Chennai - 600 035.