

# 18<sup>th</sup> Annual Report 2010-2011



**RAJESWARI**  
INFRASTRUCTURE LIMITED





**Rajeswari's Flagship Product: RGL Dream Bungalow**  
Most successful Design of Rajeswari  
Implemented in Six Projects totaling 105 houses in Mugalivakkam



#### **Rajeswari's Compact House**

This project was then considered the best "value for money property"  
Implemented in two projects in Velachery and Nanmangalam totaling 36 houses

#### **Rajeswari's Independent Budget House**

The design was hugely appreciated and favoured after the Global Economic Crisis.  
Implemented in Three projects in Mugalivakkam containing more than 45 houses



#### **Rajeswari's Contemporary Homes**

This design is created, keeping in mind the current trends in architecture to provide utmost elegance and Coziness  
This design will be implemented in the company's Upcoming project in GST Road.

#### **Red Sun Serviced Apartments**

Rajeswari's foray into the hospitality sector starts with the commencement of "Red sun Serviced Apartments" in pallikaranai, which aims at accommodating the corporate guests and the international guests who come to Chennai for medical treatments.

Redsun has just began operations and is getting a thunderous welcome from the corporate world, giving a huge impetus for the company's future hospitality projects.

This block consists of 12 opulently designed duplex apartments.  
Fully furnished with comfy couches and modern interiors  
Each unit has a fully equipped kitchenette



## Corporate Information

### Board of Directors

**Shri G.RAMAMURTHY** *Chairman & Managing Director*

**Smt R.USHA** *Whole-time Director*

**Shri D.SEKARAN** *Director*

**Shri N.P.JAGANATHAN** *Director*

**Shri K.V.SAMBAVADASS** *Director*

**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.  
Email: rilindia@yahoo.com  
Website: www.rflindia.org

**Registered &  
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  
Email: 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 Eighteenth Annual General Meeting of the Shareholders of the Company will be held on Thursday the 18th August 2011 at 11.00 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 2011, the Balance Sheet as at the date and the Auditors' Report there on.
2. To declare a dividend of 3% on equity shares
3. To elect a director in place of Mr. N.P. Jaganathan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. D. Sekaran who retires by rotation and being eligible, offers herself 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.”

### **SPECIAL BUSINESS**

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

“RESOLVED THAT pursuant to section 198,269,309,311 and all other applicable provisions of the Companies Act 1956, read with Schedule XIII of the Companies Act 1956 the Company hereby approves the re-appointment of Mr.G Ramamurthy, as the Managing Director of the company for a further period of 5 (Five) years with effect from 1st October 2010, on the following terms and conditions.

Salary: Rs.1,00,000/- (Rupees One Lakh Only) per month with authority to the Board of Directors to grant suitable increments from time to time and Commission 1% of Net Profit of the Company. For the above purpose.

- (i) “**Remuneration**” includes salary, commission and personal Allowance.
- (ii) “**Perquisites**” include furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, furnishings, domestic assistance, use of car with driver, telephone at residence, children's education allowance, medical reimbursement and leave ravel



concession for self and family, club fees and personal accident insurance etc. In accordance with the rules of the Company.

The aforesaid remuneration and perquisites shall be restricted to the above referred limits and overall limits laid down in sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the said Act. In addition, the above managerial personnel shall be entitled to Company's contribution to Provident Fund, Superannuation Fund upto tax exemption limit and Gratuity payment in accordance with the rules of the company .The above modification in remuneration requires Members approval

**(iii) Overall Remuneration**

The aggregate of salary, allowances, perquisites and performance bonus in any one financial year and performance bonus in any financial year shall not exceed the limits prescribed under section 198, 309, and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said Act or any modifications or re-enactment for the time being in force.

**(iv) Minimum Remuneration**

In the event of the Company incurring a loss or having inadequate profits in any financial year during the currency of tenure of service of Mr. G Ramamurthy the payment of salary, performance bonus, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII to the Act, as may be in force from time to time.

**RESLOVED FURTHER THAT** as the Managing Director Mr. G Ramamurthy, shall not be liable to retire by rotation under section 255 of the Companies Act, 1956,

**RESLOVED FURTHER THAT** during the tenure as the Managing Director Mr. G Ramamurthy shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company

**RESLOVED FURTHER THAT** the Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to the resolution.

Place: Chennai  
Date: 20.07.2011

By order of the Board  
-sd-

G. Ramamurthy  
Chairman & Managing Director

Registered Office  
18/23, 2nd Cross Street, East CIT Nagar  
Nandanam, Chennai-600035.



**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.
2. 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.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted in the meeting is annexed hereto.
4. 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.
5. The Registrar of Members and Share Transfer Books of the Company will be closed from Tuesday 16.08.2011 to Thursday 18.08.2011( both days inclusive)
6. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
7. 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.
8. In compliance with the "Green Initiative in Corporate Governance" as allowed by The Ministry of Corporate Affairs ("Ministry"), Government of India, vide its circular nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011, the Company shall send the Notice of this Annual General Meeting and Annual Report for the financial year 2010 -11, through electronic mode, to those members who have registered their e-mail address with the Company or with their respective depository participant and have opted to receive the aforesaid documents in electronic form.
9. 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.

10. After declaration of the dividend at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after 18.08.2011. 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).
11. 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).
12. 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
13. 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.
14. 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 Divided)	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	24.09.2009	24.10.2009	24.10.2016
2009-2010	30.09.2010	30.10.2010	30.11.2017





15. INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IN RESEPECT OF RESOLUTION NO.3, 4 AND 6 ABOVE (In accordance with Clause 49 VI of the Listing Agreement)

<b>01</b>	Name	Mr. N.P. Jaganathan
A	Date of Birth	13.05.1955
B	Date of Appointment	30.12.2005
C	Qualifications	Graduate
D	Expertise	More than 25 years experience in various industries
E	Other Directorships	NIL

<b>02</b>	Name	Mr. D. Sekaran
A	Date of Birth	11.04.1956
B	Date of Appointment	15.03.2004
C	Qualifications	Graduate
D	Expertise	Industrial experience of more than 25 years
E	Other Directorships	NIL

<b>03</b>	Name	Mr. G. Ramamurthy
A	Date of Birth	28/09/1957
B	Date of Appointment	19/04/1993
C	Qualifications	Matriculation
D	Expertise	Industrial experience of more than 34 years
E	Other Directorships	NIL

Place: Chennai  
Date: 20.07.2011

By order of the Board  
-sd-

G. Ramamurthy  
Chairman & Managing Director

Registered Office  
18/23, 2nd Cross Street, East CIT Nagar  
Nandanam, Chennai-600035

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No. 6

Mr. G Ramamurthy is the Managing Director of the Company. His tenure expires on 30th September 2010. The Board of Directors (based on the recommendation of the Remuneration Committees) at its meeting held on 30/09/2010 have approved the re-appointment and remuneration including perquisites of Mr. G Ramamurthy as Managing Director for a period of five (05) years with effect from 1st October 2010 which have been enumerated in the resolution at item no.6 of this notice. The said remuneration and perquisites are in consonance with the provisions of the Companies Act, 1956. Mr. G Ramamurthy Managing Director, Further, is having over two decades of rich experience particularly in Construction and allied industries and the Company has shown significant progress in terms of business growth, operations and profitability during his tenure.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of terms and conditions of his appointment and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The appointment and payment of remuneration is in conformity with the schedule XIII of the Companies Act, 1956 and the revised terms of appointment and remuneration of Mr. G Ramamurthy specified in the resolution are now placed before the members for their approval. The Board recommends passing of the Ordinary Resolution at Item No.6 of the Notice.

Except Mr. G Ramamurthy and Mrs. R. Usha none of the Directors of the Company is concerned or interested in the resolution.

Place: Chennai  
Date: 20.07.2011

By order of the Board  
-sd-  
G. Ramamurthy  
Chairman & Managing Director

Registered Office  
18/23, 2nd Cross Street, East CIT Nagar  
Nandanam, Chennai-600035



## **DIRECTORS' REPORT**

Your Directors are pleased to present the Eighteenth Annual Report together with the Audited statement of Accounts for the year ended 31st March 2011.

### **FINANCIAL RESULTS**

The financial results of Company for the year ended March 31, 2011 are presented below:-

Particulars	(Amount in Rs.)	
	2010-2011	2009-2010
Income from Operations	<b>5,74,24,293.00</b>	7,55,93,339.50
Other Income	<b>4,37,302.18</b>	6,66,748.74
Total Expenditure	<b>5,78,61,595.00</b>	7,62,60,088.24
Interest	<b>26,16,931.10</b>	21,20,168.10
Gross Profit (after Interest but before depreciation and taxation)	<b>50,14,883.00</b>	72,86,795.82
Depreciation	<b>19,18,791.00</b>	16,96,369.00
Profit before tax	<b>30,96,092.00</b>	55,90,426.82
Provision for Current Taxes	<b>10,34,466.00</b>	20,35,279.60
Provision for Deferred Taxes	<b>(49,336.00)</b>	(2,93,694.04)
Profit after Tax	<b>21,10,962.00</b>	38,48,841.26
Balance brought forward from last year	<b>6,41,917.00</b>	17,833.00
Amount available for appropriation	<b>27,52,879.00</b>	38,66,674.26
<b>Appropriations have been made us under</b>		
Transfer to General Reserve	<b>NIL</b>	NIL
Dividend (Proposed)	<b>16,59,270.00</b>	27,65,450.00
Dividend Tax	<b>2,75,584.01</b>	4,59,307.00
Surplus carried to Balance Sheet	<b>8,18,024.99</b>	6,41,917.00

### **DIVIDEND**

Your Directors take pleasure on recommending equity dividend of 3% (Re.0.30 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 18th Annual General meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 18.08.2011 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

The turnover of the Company has been reduced from Rs.755.93 lakhs to 574.24 during 2010-2011 and the company earned a gross profit of Rs.50.14 lakhs before depreciation as against Rs.72.86 lakhs in the previous year. After deducting depreciation of Rs.30.96 lakhs and income tax provision Rs.9.86 lakhs, the operations resulted in a net profit of Rs.27.52 Lakhs as against Rs.38.66 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.

## BUSINESS OUTLOOK

### Construction & Infrastructure

The construction sector in 2010-11 stood at Rs.591,864 crores at current prices by economic activity, showing a growth of 18 percent over previous year's Rs.501,706 crores. But the overall contribution to the GDP decreased marginally to 8.1 percent compared to 8.2 percent last year. At the constant prices (2004-05), the construction sector showed a growth of 8.1 percent in 2010-11 compared to 7 percent growth in 2009-10. It contributed Rs.384,629 (7.9 percent) to the GDP at constant prices. In 2010-11, the top line growth was subdued for most construction companies. In addition, the rise in cost of debt hit earnings growth. The increase in competitive pressure is taking a toll on operating margins while a rising cost of debt, would further dent earnings. At the same time, the current challenging situation has had some positive fallouts companies have renewed their focus on cash management, leading to working capital reduction. Monetary tightening over the past couple of months along with volatility in commodity prices has induced delays in capex decisions. Once the macro environment begins to improve, government sector and private sector capex activity will pick up. We also expect state government investment to gather pace, now that, elections in some large states are over. However, the focus on containing the fiscal deficit (both at the central and state level) is likely to limit such spends. In terms of central government outlay, we expect the momentum in road project awards to continue and hope for speedier investment activity from the railways (given its far-reaching implications on the Indian economy) in FY12.

### Buildings and housing & Real Estate

The residential real estate segment accounts for about 5-6 percent of the country's GDP. Despite this, the country's housing shortage is estimated at Rs.26.53 million houses in the Eleventh Five Year Plan. In the Union Budget 2011-12, the government increased urban development allocation from Rs.30.6 bn to Rs.54 bn, allocation to Housing and Urban Poverty Alleviation was raised from Rs.8.5 bn to Rs.10 bn, allocation to Indira Awas Yojna was increased to Rs.100 bn and for Rajiv Awas Yojna from Rs.1.5 bn to Rs.12.7 bn. The relaxed FDI rules implemented by Indian government have attracted more foreign investors and real estate in India. The revised investor friendly policies allowed foreigners to own property, and dropped the minimum size for housing estates built with foreign capital to 25 acres (10 hectares) from 100 acres (40 hectares). The overseas firms welcomed these modifications and they can now put up commercial buildings as long as the projects surpass 50,000 square meters (538,200 square feet) of floor space. Affordable housing will be a key factor in driving the sector. 2011 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

## **DIRECTORS**

In compliance with the provisions of the Companies Act, 1956 in accordance with the Company's Articles of Association, Mr. N.P. Jaganathan and Mr. D. Sekaran retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

The term of office of Sri G. Ramamurthy, Managing Director expired on 30.09.2010 and subject to the approval of the shareholders, the Board of Directors, at its meeting held on 30th September 2010 re-appointed Sri G. Ramamurthy as Managing Director of the Company for a further period of 5 (five) years with effect from 01.10.2010 on the remuneration determined and recommended by the Remuneration Committee of the Board of Directors.

Brief resume of the Directors, seeking appointment/ re-appointment, nature of their expertise as stipulated under clause 49 of the listing agreement with the Stock Exchanges, is appended to the notice convening the Annual General Meeting.

## **DISCLOSURES OF PARTICULARS OF CONSTITUTING "GROUP" PURSUANT TO REGULATION 3(1)(E) OF THE SEBI(SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997.**

Pursuant to an information from the promoters, the name of the promoters and entities comprising group as defined under Monopolies and restrictive Trade Practice (MRTP) Act, 1969, are as under for the purpose of the SEBI(Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

## **PROMOTERS**

### **G. RAMAMURTHY & Family**

(Family for this purpose includes spouse, dependent children and parents.)

## **PUBLIC DEPOSITS**

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

## **AUDITORS AND AUDITORS REPORT**

The retiring auditors, Mr.R.Sundararajan, Chennai, Chartered Accountant have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Audit Committee and the Board of Directors recommend the re-appointment of Mr. R. Sundararajan, Chennai, Chartered Accountant as Auditors for a further period of one year and to fix their remuneration.

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

## **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, 2011 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.

## **INVESTOR EDUCATION & PROTECTION FUND**

As at March 31, 2011 dividends amounting to Rs. 138287 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 2010-2011.





## 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 2011, 74.51% 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 2010-11 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 31.03.2011		Year ended 31.03.2010	
	INR	In foreign Currency	INR	In foreign Currency
<b>Foreign Exchange outgo</b>				
Imports	-NIL-	-NIL-	-NIL-	-NIL-
Foreign Travel	4,97,392	-	6,47,537	-

## **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 2010-11.

## **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-

Place : Chennai  
Date : 20/07/2011

G. Ramamurthy  
Chairman and Managing Director



## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

The Management of Rajeswari Foundations Limited presents the Industry Overview, Opportunities and Threats, Initiatives by the Company and overall strategy of Rajeswari Foundations Limited for the year 2010-11 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**

India is on the verge of witnessing a sustained growth in infrastructure build up. The construction industry has been witness to a strong growth wave powered by large spends in housing, road, ports, water supply and airport development. The construction sector has registered double digit growth during the last few years and its share as a percentage of GDP has increased considerably as compared to the last decade.

After a slowdown in last fiscal order inflows in the construction industry registered a healthy growth in 2010. Real estate investments account for majority of the total construction investments. Demand-supply gap for residential housing, favourable demographics, rising affordability levels, availability of financing options as well as fiscal benefits available on availing of home loan are the key drivers supporting the demand for residential construction. In addition to this, demand for office space from IT/BPO segment is expected to continue due to emergence of India as a preferred outsourcing destination. Also, boom in organized retail is expected to result in huge demand for real estate construction. As per the ASSOCHAM, the Indian real estate industry size is pegged at US\$ 16 bn and growing at the rate of 30% per annum.

### **Real Estates and Construction Industries Structure and Developments**

#### Indian Real Estate: The Outlook For 2011

After one and a half years of gradual consolidation, real estate in India has fathomed its own comfortable ground, and is poised at the right threshold to take a giant leap in years to come. While a differential pace of strengthening is evident across sectors, geographies and segments, several property market indicators point to the fact that the industry has indeed bottomed out in the current cycle. The fears of a possible double dip recovery have given way to beliefs in the sustained healthy levels, if not a rapid growth.

The experience thus gained in this slowdown is invaluable and will serve real estate strategists for years to come. The various stakeholders in the entire supply chain – the material manufacturers, developers, property consultants, occupiers, investors and policy makers, have all emerged stronger and primed than yesteryears. And, if we have taken our lessons right, 'caution' and 'diligence' would be the keywords for the industry in the medium term.

On one hand, the stakeholders can't afford to sway on the riding waves of healthy demand, and lose the ground advantage that they have so painfully regained by adapting to the rapidly changing business environment. And on the other, the emerging opportunities should be targeted with an unmatched fervor of potential and pragmatism.

The year 2011 would usher a new decade of opportunities for Indian real estate, which will be a test of sorts for its stakeholders between these two fringes of the fulcrum. And the winners would be the ones who balance caution with diligence evaluating all the potential opportunities with pragmatism.



## Construction Industry Trends

Construction Industry Trends all over the world show a rise in its rate of growth. This industry is composed of many components including construction of heavy and civil engineering (highways, bridges, railway tracks, airports, etc.), real estate (both residential as well as commercial) development, and specialized construction products (such as architectural products, electrical connections, decorative items, etc.). All these segments cannot be expected to show similar trends and in fact are showing differential growth pattern all over the world.

### 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

Construction sector accounts for nearly 45% of the total investment in infrastructure and is expected to be the prime beneficiary of the surge in infrastructure investment in the near to medium term. The importance that the Gol places on bridging the country's acute infrastructure deficit is evident from the two fold increase in the planned outlay for the infrastructure sector in the XIIth five year plan. Significant infrastructure investments, along with revival in industrial capex and improvement in real estate scenario, are likely to catalyse growth for construction companies in India, going forward.



India's construction industry employs a work force of nearly 32 million and its market size is worth about Rs. 2,48,000 crores. It is the second largest contributor to the GDP after the agricultural sector.

Construction sector is viewed as a service industry. It generates substantial employment and provides growth impetus to other manufacturing sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles etc. whose combined value is Rs.1, 92,000 crores annually.

The construction industry in India is one of the most rapidly growing sectors and contributes significantly to the economy. It is growing at a rate of 9.2% against the world average of 5.5%.

Buildings account for one-sixth of the world's fresh water withdrawals, one-quarter of its wood harvest, and two-fifths of its material and energy flows (Roodman and Lenssen, 1995). Material and design improvisations continue to be made in the way buildings are constructed in our country. The recent attention given to the global warming & environmental conditioning by all socially responsible countries has witnessed, an increasing number of countries, states and cities adopting policies and implementing laws that encourage or require new construction and existing buildings to be energy & eco-efficient.

However, the laws that bind the Green Building Code in India are more voluntary than specific. Buildings already represent approximately 40% of primary energy use globally and energy consumption in buildings is projected to rise substantially in the world's most populous and fast growing countries such as China and India. While the void that has been created in the absence of this specificity is filled by accreditations offered by various organisations, a detailed national code is much awaited. India is one of the fastest growing countries in terms of demand and growth for construction industry and infrastructural developments; with a mere 20,000 square feet in 2003 to more than 20 million square feet of green buildings in the recent times.

The construction sector, however, continues to face challenges from land acquisition issues, adverse political and structural changes, shortage of talent, design and constructability issues, and rising material and labour costs. Further, deficiencies in project planning, use of inappropriate procurement contracts and faulty contract management also contribute to delays in project implementation. The financial impact of delays on construction companies is worsened by the absence of an efficient arbitration mechanism. In addition, the flow of funds to the sector is constrained by sectoral caps/exposure norms, asset-liability mismatches, and the absence of an active corporate bond market.

During the last six to eight quarters, the slowdown in the economy, land acquisition and client specific issues, and a muted execution rate for projects reporting subdued growth in operating income. However, the recent increase in orders, along with an improvement in the execution rate and the better availability of funds, is expected to push up the operating income, going forward. The sector reported stable profitability margins during the last few years on the strength of a decline in raw material prices and a favourable order mix. The working capital requirement for construction companies had increased in the recent past because of the economic slowdown, slower payments from clients, and an increase in loans and advances/investments in subsidiaries (executing BOT/real estate projects). Consequently, the debt levels and financial charges had increased significantly during this period. However, although the debt level for the sector has been rising, the gearing remains stable because of dilution of equity through Qualified Institutional Placements (QIPs).

With infrastructure sector gaining momentum, many contractors are increasingly turning into project developers/concessionaires, in the process exposing themselves to the commercial risks inherent in such projects. The projects are generally executed which are typically characterised by long concession periods and back-loaded debt structures, and rely on project revenues to generate the expected returns. In addition to project execution risk, these projects are exposed to several other risks, including time and cost overrun risks, market risks, and funding risks. To assess the viability of any BOT project, developers forecast revenues over the concession period. For instance, The real estate development also brings in such risks as market risks, funding risks, and regulatory risks, in addition to those that characterise the regular contracting business. Significant capital investments for real estate projects are required to be committed upfront for land acquisition and asset creation, even as the returns on the same are realised over a longer time frame. Moreover, profitability and liquidity could be adversely impacted during cyclical downturns, which affect bookings and collection efficiencies, as has been witnessed in the recent past.

## **Segmental Analysis**

Segment wise revenue, profit and capital employed have been reported in the notes on accounts for the year ended 31st March, 2011. 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**

#### **Introduction**

Rajeswari Infrastructure Limited is complying with the mandatory requirements of the Code of Corporate Governance introduced by the SEBI and incorporated in Clause 49 of the Listing Agreement in all material respect effective from financial year 2002-2003.

#### **Company's Philosophy on code of Corporate Governance**

The Basic philosophy of the company towards Corporate Governance is to protect and enhance the long term value of all the stakeholders – shareholders, clients, creditors and employees. The Company is committed to achieve these objectives within regulatory frame work through transparency in dealings In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the compliance Report on Corporate Governance (in the prescribed format), along with the Certificate of Statutory Auditors (Annexure I) is given as under:

#### **Board of Directors**

The Board of Directors of the Company comprises of one Managing Director, one Whole time Director and three Non Executive & Independent Directors. The Board members possess requisite skills, experience and expertise required to take decisions, which are in the best interest of the Company.

Mr. G. Ramamurthy is the Managing Director of the Company. He works under the direction, control and supervision of the Board of Directors and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board.

The Composition of Board, attendance of each Director at the Board Meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship/ Committee memberships held by them are as follows:-

Name of Director	Designation and Category	No. of Board Meetings in the Year		Attendance of Last AGM	Number of directorships held in the Indian Companies	Number of Board Committee memberships held in other companies
		Held	At-tended			
Mr. G. Ramamurthy	Managing Director	05	05	Yes	Nil	Nil
Mrs. R Usha	Whole time Director	05	05	Yes	Nil	Nil



Mr. D Sekaran	Director Non -Executive & Independent	05	05	Yes	Nil	Nil
Mr.N P Jaganathan	Director Non- Executive & Independent	05	05	Yes	Nil	Nil
Mr. K V Sambavadass	Director Non-Executive & Independent	05	05	Yes	Nil	Nil

Further the Board of Directors would like to inform the members that none of the directors are disqualified to act as directors of this company or any other public company under Section 274(1)(g) and other applicable provisions of the Companies Act, 1956.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

The Board of Directors met Five (05) times on 13-05-2010, 06-08-2010, 30-09-2010, 15-11-2010 and 14-02-2011 and in respect of which proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2010 was held on 30-09-2010 by giving due notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.

#### Equity Shares held by the Directors.

Name of the Directors	No. of Equity Shares as on 31st March 2011
Mr. G. Ramamurthy	25,83,478
Mrs. R Usha	3,12,867
D. Sekaran	55,555

Information about the Directors proposed to be appointed/ re-appointed required to be furnished pursuant to Clause 49 of the listing agreement with the Stock Exchanges is forming part of the notice of the Eighteenth Annual General Meeting to the shareholders of the Company



## COMMITTEES OF THE BOARD

### Audit Committee

Section 292A of the Companies Act, 1956 is applicable to the company.

### Terms of reference

Your Company has an independent Audit Committee. The composition procedures, powers and role/functions of the audit committee constituted by the company comply with the requirements of Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee include the following:

1. Oversee the Company's financial reporting process and disclosures of financial information to ensure that the financial statement is sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
5. Discussion with internal auditors of any significant findings and follow up there on.
6. Reviewing the annual financial statements before submission to the Board, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 2AA of section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualification in Draft Audit Report.
7. Review Auditor's report, internal controls and recommendations relating thereto.
8. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.

9. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as postaudit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same exists.
14. To mandatorily review the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions submitted by the management;
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
15. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the Listing Agreement and Companies Act, 1956.

### Composition and Attendance

The Company has an Audit Committee of the Board consisting of three “Non-Executive and Independent Directors as members as detailed below and all members have adequate financial and accounting knowledge, who met Four (04) times during the year (i.e) 13-05-2010, 06-08-2010, 15-11-2010 and 14-02-2011 and the details of the number of meetings held and attendance record of the members are as follows:

Name of Directors	Status and Category	No. of Meetings	
		Held	Attended
D. Sekaran	Chairman – Independent Non-Executive	04	04
N P Jaganathan	Member - Independent Non-Executive	04	04
K V Sambavadass	Member- Independent Non-Executive	04	04



All the members including the Chairman have adequate financial knowledge. The Audit Committee reviews the unaudited/audited quarterly, half yearly financial results with the management before being submitted to the Board for its consideration and approval. The Chairman of the Audit Committee is always present at the Annual General meeting.

## 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.

The committee elects one of its members as chairman for each meeting. The committee met twice during the year ended 31st March 2011.

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

Sl.No	Name of Directors	Status	Position held
1	D. Sekaran	Independent and Non Executive	Chairman
2	N P Jaganathan	Independent and Non Executive	Member
3	K V Sambavadass	Independent and Non Executive	Member

### Executive Director

The Company has a Managing Director and a Whole Time Director. The remuneration committee recommended for the revision of salary of Managing Director/Whole time Director during 2010-2011. The remuneration paid to them during the period 01-04-2010 to 31-03-2011 was as under



Name and Designation	Period	Salary	Perquisites	Total
Mr. G Ramamurthy	01-04-2010 to 31-03-2011	12,00,000	8,30,000	20,30,000
Mrs. R Usha	01-04-2010 to 31-03-2011	6,00,000	50,000	6,50,000

### Non-Executive Director

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/Committees of the Board attended by them. There was no other payment to the Non-Executive Directors.

### 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 shareholder 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 look after the performance of the Registrar and Transfer Agents of the Company.

#### Composition

The Shareholders/Investors' Grievance Committee consist of the following Directors

Sl.No	Name of Directors	Status	Position held
1	D. Sekaran	Independent and Non Executive	Member
2	N P Jaganathan	Independent and Non Executive	Member
3	K V Sambavadass	Independent and Non Executive	Member

Mr. G. Ramamurthy, Managing Director is the Compliance officer. The Company use to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how many days/ weeks.



The Company has delegated to its Registrar and Share Transfer Agents all shares related works. No complaint of any material nature was received during the year under review.

**Details of the Queries/Complaints received and resolved during the year 2010-11**

Received	Resolved	Unresolved
4	3	1

**GENERAL MEETINGS:**

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

Year	Date	Time	Venue
2009-2010	30-09-2010	11.30 A.M	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018
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

**POSTAL BALLOT**

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

**DISCLOSURES**

**Disclosure made by the senior managerial personnel to the Board**

During the year no material transaction has been entered into by the Company with the Senior Managerial personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company

## Disclosures on materially significant related party transactions

The details of the transaction with related parties or others, if any, as prescribed in the listing agreement are being placed before the Audit committee from time to time. Materially significant related party transactions during the year 2010-2011 have been given in Schedule 19 of the Schedules to the Annual Accounts for the year 2010-2011. There were no other transactions of material nature has been entered into by the Company with related parties (i.e.) Directors or Management, or relatives that had potential conflict with the interest of the Company at large in the financial year ended March 31, 2011. The related party transactions with the subsidiary/ group companies have been disclosed in the Annual Accounts.

## Disclosure of Accounting Treatment

No treatment different from that prescribed in the Accounting Standard have been followed by the Company

## MEANS OF COMMUNICATIONS

- 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](http://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.



## General Shareholder's Information

### Financial Calendar (Tentative)

First Quarter ending Result on 30th June 2011	15th August 2011
Second Quarter ending Result on 30th September 2011	15th November 2011
Third Quarter ending Result on 31st December 2011	15th February 2012
Fourth Quarter ending Result on 31st March 2012	15th May 2012
Annual General Meeting	30h September 2012
Dates of book closure	16th August, 2011 to 18th August, 2011. (Both days Inclusive)
Venue and other details of the Annual General Meeting	Thursday , the 18th day of August,2011  Time :- 11:00 a.m.  Narada Gana Sabha (Mini Hall), at 314 T.T.K. Road, Chennai-600 018
Dividend Payment Date	On or after 18th August 2011
Listed At	Bombay Stock Exchange Limited  Madras Stock Exchange Limited
BSE Scrip code	RAJESWARI
Stock code and Demat ISIN	Stock Code -526823  ISIN- INE016C01014
Registered Office	18/23, 2nd Cross Street, East CIT Nagar Nandanam, Chennai-600035

For and on behalf of the Board  
For Rajeswari Infrastructure Limited

Place: Chennai  
Date: 20-07-2011

G. Ramamurthy  
CHAIRMAN AND MANAGING DIRECTOR

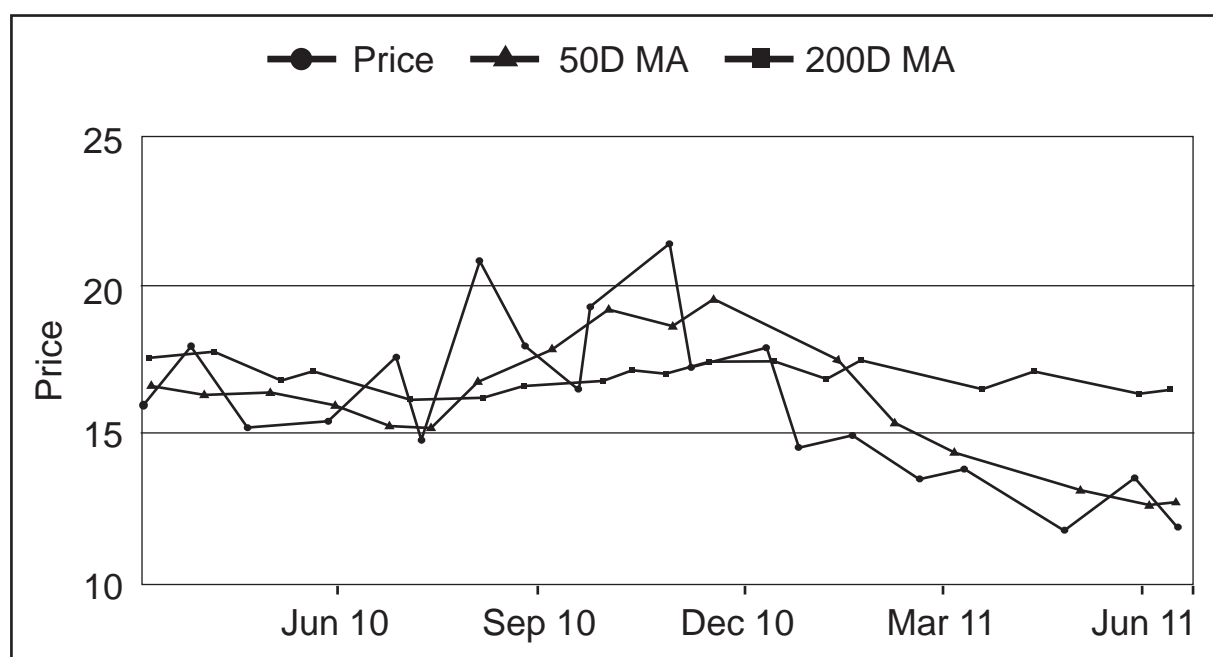


## Stock Market Data:

Stock Market data for the period April 1, 2010 to March 31, 2011 and Graphical representation of volume of Shares of during April 2010 - March 2011. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2010-11. are as under. [ Equity Shares of Rs.10/- each]

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turn-over (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr 10	17.50	18.60	15.50	17.00	86,586	601	14,86,085	3.10	-0.50
May 10	18.75	18.80	14.00	15.85	42,055	463	6,82,912	4.80	-2.90
Jun 10	15.05	16.30	14.15	15.55	34,398	240	5,15,938	2.15	0.50
Jul 10	15.50	19.50	14.05	15.60	1,92,076	904	33,17,992	5.45	0.10
Aug 10	15.70	24.00	15.05	18.75	4,88,193	1,993	1,01,43,635	8.95	3.05
Sep 10	18.75	21.75	17.25	19.40	1,16,960	581	22,17,519	4.50	0.65
Oct 10	19.45	22.80	18.30	20.90	1,14,669	466	23,81,248	4.50	1.45
Nov 10	19.90	22.00	18.00	18.65	52,500	275	10,76,635	4.00	-1.25
Dec 10	19.50	20.50	16.10	17.60	22,190	166	3,90,576	4.40	-1.90
Jan 11	17.70	17.70	13.70	15.00	13,526	102	2,22,137	4.00	-2.70
Feb 11	14.05	15.45	12.00	14.40	25,191	195	3,48,408	3.45	0.35
Mar 11	14.50	15.00	12.38	12.70	15,965	103	2,24,334	2.62	-1.80

## Price Movement in BSE



## Dematerialization of Shares and Liquidity

The Equity shares of the Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized upto March 31, 2011 are under.

Sl.No	Demat Form	No of Shares	% of Shares
1	Held in dematerialized Form in NSDL	3180073	57.49
2	Held in dematerialized Form in CDSL	941203	17.02
3	Physical	1409624	25.49
Total number of shares in Demat and Physical		55,30,900	100.00

## Registrar and Share Transfer Agents (RTA)

Pursuant to newly introduced regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed **M/s Cameo Corporate Services Limited**, a SEBI registered Agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

### Cameo Corporate Services Limited - Share Transfer Agent

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

## Share Transfer System

The shares of the Company are traded on the Stock Exchanges through the Depository System. The Demat ISIN in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is **(ISIN)-INE 016CO1014**

All requests received by the Company/ RTA for dematerialisation/ re-materialisation, transfers, transmissions, subdivision, consolidation of shares or any other share related matters and/ or change in address are disposed off expeditiously if the documents are complete in all respects.

Adequate care is taken to ensure that no transfer is pending for more than the period mentioned in the listing agreement. Shares requested for dematerialisation confirmed within 15 days.



## Distribution of shareholding as on 31.03.2011

RAJESWARI INFRASTRUCTURE LIMITED  
DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE : 31-Mar-2011

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4794	90.3675	705099	7050990	12.75
5001 - 10000	250	4.7125	210809	2108090	3.81
10001 - 20000	119	2.2431	183784	1837840	3.32
20001 - 30000	50	0.9425	127708	1277080	2.31
30001 - 40000	17	0.3204	60130	601300	1.09
40001 - 50000	20	0.377	93187	931870	1.68
50001 - 100000	26	0.4901	189971	1899710	3.43
100001 - and Above	29	0.5466	3960212	39602120	71.60
Total	5305	100	5530900	55309000	100.00

### Secretarial Audit:

As required under Circular No.D&CC/FITTC/CER-16/2004 dated 31st December,2004 issued by the Securities and Exchange Board of India and amended thereafter, the Company has appointed a Practicing Company Secretary to do the Secretarial Audit. His report was placed before the Board and sent forthwith to Stock Exchanges for their information and record.

### Shareholding Pattern as on 31st March, 2011

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		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
(1) Indian							
Individuals / Hindu Undivided Family	9	30,31,391	24,81,391	54.81	54.81	-	-
Sub Total	9	30,31,391	24,81,391	54.81	54.81	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	9	30,31,391	24,81,391	54.81	54.81	-	-



(B) Public Shareholding							
<b>(1) Institutions</b>							
Mutual Funds / UTI	2	1,500	-	0.03	0.03	-	-
Sub Total	2	1,500	-	0.03	0.03	-	-
<b>(2) Non-Institutions</b>							
Bodies Corporate	101	430,150	413,050	7.78	7.78	-	-
<b>Individuals</b>							
Individual shareholders holding nominal share capital up to Rs.1 lakh	5,115	1,438,197	870,973	26.00	26.00	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14	593,418	319,618	10.73	10.73	-	-
Any Others (Specify)	64	36,244	36,244	0.66	0.66	-	-
Clearing Members	3	420	420	0.01	0.01	-	-
Hindu Undivided Families	56	29,806	29,806	0.54	0.54	-	-
Non Resident Indians	5	6,018	6,018	0.11	0.11	-	-
Sub Total	5,294	2,498,009	1,639,885	45.16	45.16	-	-
Total Public shareholding (B)	5,296	2,499,509	1,639,885	45.19	45.19	-	-
Total (A)+(B)	5,305	5,530,900	4,121,276	100.00	100.00	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	5,305	5,530,900	4,121,276	-	100.00	-	-



## **Company Registration Details**

The Company is registered in the State of Tamil Nadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L72300TN1993PLC024868

## **Legal Proceedings:**

There is no legal proceeding pending against the Company.

## **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 31.03.2011, 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.

**R. Sundararajan**

**Chartered Accountant**

**M.No.25762**

**Dated :20/07/2011**

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

I, G. Ramamurthy, Chairman and Managing Director of Rajeswari Foundations 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: 20/07/2011

**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 Foundations 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 2011

Place: Chennai  
Date: 20/07/2011

**G. Ramamurthy**  
CHAIRMAN AND MANAGING DIRECTOR



## **AUDITORS' REPORT**

To  
The Members of **RAJESWARI INFRASTRUCTURE LIMITED**

I have audited the attached Balance Sheet of **RAJESWARI INFRASTRUCTURE LIMITED** as at 31st March 2011 and the Profit and Loss Account and also 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) In my opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
  - e) On the basis of the written representation received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors. I report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of Section 274(1)(g) 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 Companies Act 1956, in the manner so required and 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 2011 and
- ii) in the case of Profit and Loss Account, of the profit for the year ended on that date.
- iii) In the case of the Cash flow Statement, of the cash flows of the company for the year ended on that date.

Place: Chennai  
Date: 20.07.2011

**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) The fixed assets of the Company have been physically verified during the year by the management in accordance with a regular programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanation given to us, 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 and adequate in relation to the size of the company and nature of business.
  - (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) On the basis of my examination of records of inventory, in my opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stock and the book records were not material in relation to the operation of the company.
3. (a) According to the information 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 information 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.
  - (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 31,2011 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 2011 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 not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
19. The Company has not issued any debentures during the year under audit.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to me by the management, I report that no material fraud on or by the Company has been noticed or reported during the course of audit.

Place: Chennai

Date: 20.07.2011

**R.SUNDARARAJAN,F.C.A.**  
*CHARTERED ACCOUNTANT*  
(Membership No.25762)

**BALANCE SHEET AS AT 31ST MARCH , 2011**

	Sch. Ref	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>1) SHAREHOLDERS FUNDS</b>			
Share Capital	1	55309000.00	55309000.00
<b>2) RESERVES &amp; SURPLUS</b>	2	3516875.00	3340767.00
<b>3) LOAN FUNDS:</b>			
Secured Loan	3	53950176.93	18092825.00
Unsecured Loan	4	2646169.00	2094904.00
<b>TOTAL</b>	-	<b>115422221.00</b>	<b>78837496.00</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1) FIXED ASSETS:</b>	5		
Gross Block		71547565.00	58318887.78
Less :Depreciation		24717186.38	22798395.00
Net Block		46830378.62	35520492.78
Add : Capital Work in progress - Building		26125475.17	12648617.00
<b>TOTAL</b>		<b>72955854.00</b>	<b>48169110.00</b>
<b>2) INVESTMENTS</b>	6	705664.00	309000.00
<b>3) DEFERRED TAX ASSET</b>	7	485702.00	436366.00
<b>4) CURRENT ASSETS, LOANS AND ADVANCES</b>			
(a) Inventories	8	32328637.00	28882476.00
(b) Sundry debtors	9	41550.00	269550.00
(C) Cash and bank balances	10	5179231.00	5351859.00
(d) Loans & advances	11	33066402.00	29546126.00
		70615820.00	64050011.00
Less: Current Liabilities & Provisions	12	29340819.00	34126991.00
<b>Net Current Assets</b>		<b>41275001.00</b>	<b>29923020.00</b>
<b>TOTAL</b>		<b>115422221.00</b>	<b>78837496.00</b>

Notes on accounts &amp; Significant accounting policies 19

As per my report of even date

**R. SUNDARARAJAN**  
Chartered Accountant.  
(Membership No.25762)

For and on behalf of the Board

**G. RAMAMURTHY**  
Chairman and Managing Director



**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED**  
**31ST MARCH 2011**

	Sch. Ref	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>INCOME</b>			
Sale of Bungalow Units	13	5,74,24,293.00	7,55,93,339.50
Other Income	14	4,37,302.18	6,66,748.74
		<b>5,78,61,595.00</b>	<b>7,62,60,088.24</b>
<b>EXPENDITURE</b>			
Cost of Goods Sold	15	38,305,080.54	5,51,68,966.00
Staff Costs	16	47,66,107.70	43,45,633.40
Administrative & Selling Expenses	17	71,58,592.73	73,38,524.92
Finance Charges	18	26,16,931.10	21,20,168.10
		<b>5,28,46,712.00</b>	<b>6,89,73,292.42</b>
Profit/(Loss) before depreciation		50,14,883.00	72,86,795.82
Depreciation		19,18,791.00	16,96,369.00
Profit/(Loss) after depreciation and before tax		30,96,092.00	55,90,426.82
Provision for Taxation		10,34,466.00	20,35,279.60
Deferred Tax Cr/(Dr)		(49,336.00)	(2,93,694.04)
Profit /(Loss) for the Year		21,10,962.00	38,48,841.26
Balance brought forward from last year(profit)		6,41,917.00	17,833.00
Profit available for Appropriation		27,52,879.00	38,66,674.26
Less :Transferred to general reserve			
Profit available for distribution		27,52,879.00	38,66,674.26
Proposed dividend		16,59,270.00	27,65,450.00
Dividend tax		2,75,584.01	4,59,307.00
Balance carried to balance sheet		8,18,024.99	6,41,917.00
Basic Earning Per share (face value of Rs.10/-)		0.38	0.75
Weighted Average Number of Shares Outstanding		55,30,900.00	

Notes on accounts & Significant accounting policies 19

As per my report of even date

**R. SUNDARARAJAN**  
Chartered Accountant.  
(Membership No.25762)

For and on behalf of the Board

**G. RAMAMURTHY**  
Chairman and Managing Director



## **SCHEDULES FORMING PART OF THE BALANCE SHEET FOR THE YEAR END 31ST MARCH 2011**

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
150,00,000 Equity Shares of Rs.10/- each (Previous Year 100,00,000)	<b>150000000</b>	150000000
<b>Issued, subscribed &amp; paid-up:</b>		
55,30,900 equity shares of Rs.10/- each (previous year 55,30,900 equity shares of Rs.10 each )	<b>55309000</b>	55309000
	<b>55309000</b>	55309000
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	870350	870350
Add : Transferred from Profit and Loss Account	<u>Nil</u>	<b>870350</b>
Balance in Profit & Loss Account	<b>818025</b>	641917
<b>Capital Reserve</b>		
Opening Balance	1828500	
Add: Share application money transferred	-	1828500
	<b>1828500</b>	
	<b>3516875</b>	3340767
<b>SCHEDULE 3 : SECURED LOANS</b>		
Life Insurance Corporation-Housing Finance Loan (Secured by hypothecation of land and building at Pallikaranai )	<b>16500000</b>	10000000
Kotak Mahindra Bank Ltd(Secured by hypothecation of Honda Civic car)	<b>82,276.00</b>	313317
RELIGARE Finvest Limited - Loan I (secured by way of company owned property at CIT Nagar)	<b>7340165</b>	7779508
RELIGARE Finvest Limited - Loan II (Secured by hypothecation of land and building at Pallikaranai )	<b>29830638</b>	
HDFC Bank Ltd car loan Secured by way of hypothecation of car	<b>197098</b>	
	<b>53950177</b>	18092825
<b>SCHEDULE 4: UNSECURED LOANS</b>		
Citifinancial Consumer Finance India Ltd (Secured by personal guarantee given by Directors)	<b>1646169</b>	2094904
Loan from director Mrs.R Usha	<b>1000000</b>	
	<b>2646169</b>	2094904



## SCHEDULE 5 : FIXED ASSETS DEPRECIATION AS PER COMPANIES ACT 1956

Fixed Assets	Depre- ciation Rate (%)	Gross Block				Depreciation				Net Block	
		As at 01.04.2010	Additions Rs.	Deletions Rs.	As at 31.03.2011	Upto 31.03.2010	for 2010-2011	Deductions	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land CIT Nagar	—	3845500	—	—	3845500	—	—	—	—	3845500	3845500
Land - Pallikaranai	—	17067480	—	—	17067480	—	—	—	—	17067480	17067480
Building - Pallikaranai	1.63%	—	9010903	—	9010903	—	30244	—	30244	8980659	—
Building CIT Nagar	1.63%	5216944	—	—	5216944	28345	85036	—	113381	5103563	5188598
Electrical equipment	7.07%	—	532273	—	532273	—	23871	—	23871	508402	—
Plant & Machinery	4.75%	27575315	—	—	27575315	20202378	1309827	—	21512205	6063110	7372937
Computer	16.21%	365122	173060	—	538182	238739	71319	—	310058	228124	126383
Furniture & Fixtures	6.33%	2178379	3058256	—	5236635	1488668	187643	—	1676311	3560324	689711
Vehicles	9.50%	2070148	454185	—	2524333	840265	210850	—	1051115	1473218	1229883
Total	—	58318888	13228677	—	71547565	22798395	1918791	—	24717186	46830379	35520492
Previous year	—	35572192	22746696	—	58318888	21102026	1696369	—	22798395	35520492	14470166

## SCHEDULE 6: INVESTMENTS :

As at 31.03.2011  
Rs.

As at 31.03.2010  
Rs.

### A. LONG TERM INVESTMENTS

#### Non - Trade (Valued at cost)

In shares (Quoted and fully paid up)

	No.Of Shares	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Munoth Investments Limited	300	9000	9000
		<u>9000</u>	<u>9000</u>

### B.CURRENT INVESTMENTS

#### In Units-Quoted

DSPML Top 100 Equity Fund	120000	60000
HDFC top 200 fund	120000	60000
Kotak 30 Fund	120000	60000
IDFC Imperial Equity	120000	60000
Sundaram BNP Paribas Select Focus Fund	120000	60000
Investment in gold coins	96664	
	<b>696664</b>	309000

## SCHEDULE 7: DEFERRED TAX ASSET

Opening Balance	436366	142672
Add / Less : For the Current Year	49336	293694
	<u>485702</u>	<u>436366</u>

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
<b>SCHEDULE 8 : INVENTORIES</b>		
<b>(As per inventories taken, valued &amp; certified by Managing Director)</b>		
a) Materials (Valued at Cost) Construction	1774900	3033500
b) Semi Finished and Work in Progress (Valued at estimated cost)	30553737	25848976
c) Finished Inventories (Valued at lower of cost or market value)		0
	<b>32328637</b>	<b>28882476</b>
<b>SCHEDULE 9 : SUNDRY DEBTORS</b>		
<i>(Unsecured and considered good)</i>		
a) Over six months old	41550	269550
b) Others	-	
	<b>41550</b>	<b>269550</b>
<b>SCHEDULE 10 : CASH AND BANK BALANCES</b>		
a) Cash on hand (as certified by the management)	479099	6837
b) With Scheduled banks in current account	3537581	4319650
c) Unclaimed Dividend Accounts with Bank	1162551	1025372
	<b>5179231</b>	<b>5351859</b>
<b>SCHEDULE 11 : LOANS &amp; ADVANCES</b>		
<i>(Unsecured and considered good)</i>		
(a) Advance recoverable in cash or in kind or for value to be received	13310888	10306144
(b) Advance taxes paid & Tax deducted at source	17656554	17308817
(c) Deposits with Govt.Dept/Agencies	1166309	1007059
(d) Other deposits	256329	256329
(e) Mahindra Holiday Resorts	676322	667777
	<b>33066402</b>	<b>29546126</b>



	As at 31.03.2011 Rs.	As at 31.03.2011 Rs.
<b>SCHEDULE 12 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Creditors		
(i) for goods supplied	5152059	5025687
(ii) for others	553687	5268092
Provisions		
Provision for Income Tax	15320688	14286222
For Expenses	357970	392209
Other Liabilities		
a) Employees contribution to P.F	10931	6296
Provident fund payable	10931	6296
TNVAT Payable	-	39597
Booking advance received	4006295	3977000
Redsun advance recd	26000	
Unclaimed Interim Dividend Warrant (2005-06)	133222	133322
Unclaimed Final Dividend Warrant with Axis Bank	149315	149331
Unclaimed dividend account with HDFC Bank (2007-08)	245933	246133
Unclaimed Dividend Account with HDFC Bank (2006-07)	223024	223224
Unclaimed final Dividend Warrant (2008-09)	272771	273211
Unclaimed final Dividend Warrant (2009-10)	138287	-
Tds payable	138958	21174
Sbi credit card	15259	
Outstanding expenses		36085
Tds on perquisites	0	150000
perquisites	580000	580000
Proposed dividend	1659270	2765450
Dividend tax on proposed dividend	275584	459307
Commission payable to MD	21000	33205
Audit fees payable	49635	55150
	<u>29340819</u>	<u>34126991</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH ' 2011**

	Current Year 31.03.2011 Rs.	Previous Year 31.03.2010 Rs.
<b>SCHEDULE 13 : SALES &amp; LABOUR CHARGES</b>		
Sale of Bungalow Units	51663354	75593340
Sale of Project Land	5307777	
Income from Service Apartments	58962	
House Booking Cancellation Charges	46500	25000
Machinery Hire charges	347700	275000
	<u>57424293</u>	<u>75893340</u>

		As at 31.03.2011	As at 31.03.2011
<b>SCHEDULE 14 : OTHER INCOME</b>			
Purchase Discount received		-	41078
Rent Received		<b>50000</b>	
Interest on Term deposit with Bank		<b>274252</b>	58844
Profit on sale of mutual fund investment		<b>70648</b>	240170
Dividend on mutual fund investment		<b>42401</b>	26657
		<u><b>437302</b></u>	<u>366749</u>
<b>SCHEDULE 15: Cost of Goods Sold</b>			
<b>a) Consumption of raw materials (including consumables)</b>			
Opening Stock			
Construction	3033500	<b>3033500</b>	765050
Add: Purchases			
Construction	18491654		21761707
Land for Construction Ramamoorthy Avenue	11392407		6482775
		<u><b>29884061</b></u>	
		<b>32917561</b>	29009532
Less: Closing Stock			
Construction	1774900	<b>1774900</b>	3033500
	"A"	<u><b>31142661</b></u>	<u>25976032</u>
<b>b) Other Expenses</b>			
Power & Fuel	615566		359007
Labour Charges	10335079		11865268
Freight & Transportation	308086		306191
Landscaping Expenses	88350		76000
Anti Termite charges	38750		32800
CMDA Approval	0		346609
Sundry Expenses	168813		197677
Planning Permission Expenses	114467		402932
Registration Expenses	198070		1462626
	"B"	<u><b>11867181</b></u>	<u>15049110</u>
<b>c) (Increase)/Decrease in stocks of finished goods &amp; work-in-progress</b>			
Construction			
Opening Stock	25848976		39992801
Less : Closing stock	<u>30553737</u>		
		<u>(4704761)</u>	25848976
		<b>(4704761)</b>	14143825
Total Cost of Goods Sold (A+B+C)		<u><b>38305081</b></u>	<u>55168967</u>





Current Year	Previous Year
31.03.2011	31.03.2010

## SCHEDULE 16 : STAFF COSTS

Salaries & Wages	1575597.00	1210343.00
Staff Welfare	387564.70	374546.40
Contribution to Provident Fund	122946.00	80744.00
Director's Remuneration	2680000.00	2680000.00
	<u>4766107.70</u>	<u>4345633.40</u>

## SCHEDULE 17: ADMINISTRATIVE & SELLING EXPENSES

Advertisement	1000371.00	741849.50
Listing Fees	45426.00	128167.00
Professional, Legal & Consultancy Charges		
- For Architects Consultancy	203996.00	37000.00
- Others	446949.00	442303.00
Vehicle Maintenance	505241.44	517573.27
Sales Promotion	118621.23	171948.15
Rent	-	56000.00
Rates & Taxes	2608364.00	2878878.00
Insurance	887843.00	328150.00
Travelling & Conveyance	13325.56	15729.00
Travelling -Directors Foreign Travel	487392.00	647535.59
Postage & Telegrams	40631.13	59975.74
Telephone Charges	182969.00	177796.54
Printing & Stationery	113203.80	224374.42
House Keeping Expenses	12291.00	
Commission to Managing Director	21,000.00	33205.00
Office Maintenance	11324.00	33681.00
Other expenses	285891.57	451940.21
Legal Fees	27000.00	29500.00
Commission & Brokerage	-	122500.00
Repairs & Maintenance	89856.00	181510.50
Internet charges	1747.00	3758.00
Audit Fees	55150.00	55150.00
	<u>7158592.73</u>	<u>7338524.92</u>

## SCHEDULE 18 : FINANCE CHARGES

Bank Charges	19253.00	80632.26
Interest on Car Loan	26412.93	47380.00
Interest on Term Loan	1956096.00	829226.00
Interest on Loan	-	24837.00
Others	615169.17	1138092.84
	<u>2616931.10</u>	<u>2120168.10</u>

## SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICES 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 are predominantly related to Construction division. Other Business segments reported are Service apartment division and 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/- (Pre. Year- Rs. 39,91,181/-)
- (ii) Towards disputed sales tax liability – Rs.3,59,025/- (Pre. 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.

- 2) Sundry debtors, Sundry creditors and Loans and advances are subject to confirmation.
- 3) Remuneration to Auditors:

Particulars	Current year 2010 – 11 (Rs.)	Previous year 2009 – 10 (Rs.)
For Statutory Audit	35,000	35,000
For Tax Audit	15,000	15,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>

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

Imports	-	Nil(Previous year Nil)
Foreign Travel Expenses	-	Rs: 4,97,392/- (Previous year Rs. 6,47,535/-)

### 5) Director's Remuneration :

Particulars	Current year 2010 – 11 (Rs.)	Previous year 2009 – 10 (Rs.)
Salaries	19,50,000/-	19,50,000/-
Perquisites	7,30,000/-	7,30,000/-
Commission	21,000/-	33,205/-

- 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) 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.
- 8) 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.
- 9) 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 /-).
- 10) The amount of borrowing cost capitalized during the period
  - a) Building-Rs.15,03,903/-
  - b) Capital Work in Progress-Building-Rs.26,79,256/-



11) Segmental Reporting – Schedule Attached.

12) The Deferred Tax Asset comprise of the following:

Particulars	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
Deferred Tax Asset related to depreciation of Fixed Assets	4,85,702/-	4,36,366/-

13) 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 2010 – 11	Previous year 2009 – 10
Profit after Taxation & Before exceptional items	Rs.21,10,962.00	Rs. . 38,48,841.00
Profit after Taxation	Rs. 21,10,962.00	Rs. .38,48,841.00
Weighted Average no.of shares	55,30,900 Nos	51,51,733 Nos
Earnings per share before exceptional items (Basic and diluted)	0.38	0.75
Earnings per share (Basic and diluted)	0.38	0.75
Face value per share	Rs.10.00	Rs.10.00

14) Related party information:

**A. Relationship:**

Where control exists:

- (i) G.Ramamurthy
- (b) Key Management personnel
  - (i) G.Ramamurthy
  - (ii) Usha Ramamurthy
- (c) Other Related Parties
  - (i) Rajeswari Prints-Tirupur
  - (ii) R U Constructions Private Limited

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



## 2. Transactions with related parties.

### Related parties Particulars :

Expenses	Referred in I (a) above	Referred in I (b) above	Referred in I (c) above
Commission to Directors	21,000/-	-	-
Remuneration to Directors	20,30,000/-	6,50,000/-	
Income			
Machinery Hire Charges			3,47,700/-
Loans and Advances Advance for Purchase of Flat			69,00,000/-

15) 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, 2011.

16) Previous year's figures have been regrouped wherever necessary.

17) 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: 20.07.2011.

D SEKARAN  
Director

AMRITLAL BISANI  
Company Secretary

For and on behalf of the Board

G RAMAMURTHY  
Managing Director

R USHA  
Whole Time Director

**RAJESWARI INFRASTRUCTURE LIMITED**

Segment Reporting for the year ending 31st March 2011 (AS-17)

Particulars	House Construction		Off Set Printing		Serviced Apartments		Unallocable		Total	
	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year	Previous Year	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.
<b>Segment Revenue:</b>										
External Turnover	57017631	75618340	347700	275000	58962	0	437302	366749	57424293	76260089
<b>Total Revenue</b>	<b>57017631</b>	<b>75618340</b>	<b>347700</b>	<b>275000</b>	<b>58962</b>		<b>437302</b>	<b>366749</b>	<b>57424293</b>	<b>76260089</b>
<b>Segment Results</b>										
<b>Operating Profit</b>	<b>18642113</b>	<b>20407988</b>	<b>(949087)</b>	<b>(1021787)</b>	<b>(144629)</b>	<b>0</b>	<b>1735</b>	<b>8552</b>	<b>17550133</b>	<b>19394753</b>
<b>Unallocated corporate Expenses</b>	<b>18642113</b>	<b>20407988</b>	<b>(949087)</b>	<b>(1021787)</b>	<b>(144629)</b>	<b>0</b>	<b>1735</b>	<b>8552</b>	<b>17550133</b>	<b>19394753</b>
Less: Interest Paid							<b>11837109</b>	<b>11684158</b>	<b>11837109</b>	<b>11684158</b>
Less: Income Tax Expenses (including Deferred Tax)									<b>2616931</b>	<b>2120168</b>
Net Profit/ (Loss)									<b>985130</b>	<b>1741586</b>
Segment Assets	<b>47407644</b>	<b>77862964</b>	<b>5712454</b>	<b>7123545</b>	<b>60167627</b>	<b>0</b>	<b>35609137</b>	<b>8508533</b>	<b>148896862</b>	<b>112964487</b>
Segment Liabilities	<b>9153569</b>	<b>31950286</b>	<b>1529</b>	<b>1529</b>	<b>451710</b>	<b>0</b>	<b>74325167</b>	<b>22257571</b>	<b>83931975</b>	<b>54209386</b>
Segment Depreciation	<b>70437</b>	<b>40782</b>	<b>1296787</b>	<b>1296787</b>	<b>116000</b>	<b>0</b>	<b>435567</b>	<b>358197</b>	<b>1918791</b>	<b>1696369</b>
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, 2011  
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2010-11</b>	<b>2009-10</b>
Net Profit/(Loss) before tax and Extraordinary Item	<b>30.96</b>	55.90
Adjustments for:		
Depreciation and Amortisation	<b>19.19</b>	16.96
Provision for Income Tax	<b>-10.34</b>	-20.35
Provision for Deferred Tax	<b>0.49</b>	2.94
Interest and Miscellaneous Income	<b>-4.37</b>	-6.67
Interest on Borrowings	<b>26.17</b>	21.20
Operating Profit Before Working Capital Changes	<b>62.09</b>	83.32
Adjustments for:		
Loans and Advances	<b>-35.20</b>	-89.28
Trade and Other Receivables	<b>2.28</b>	0.41
Inventories	<b>-34.46</b>	335.56
Trade payables and Other Liabilities	<b>-47.86</b>	-25.40
Cash Generated from Operations	<b>-53.15</b>	304.61
Interest paid	<b>-26.17</b>	-21.20
Net Cash from Operating Activities	<b>-79.32</b>	283.41
 <b>B.CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>-132.29</b>	-176.32
Interest and Miscellaneous income	<b>4.37</b>	6.67
Purchase(-) / Sale of Investment	<b>-3.97</b>	2.00
Capital Work in prog	<b>-134.77</b>	-126.49
Net Cash Used In Investing Activities	<b>-266.65</b>	-294.14
 <b>C.CASH FLOW FROM FINANCING ACTIVITIES</b>		
Application of Long term Borrowings	<b>364.09</b>	38.83
Share Application Money Received		80.00
Dividend and dividend tax paid	<b>-32.25</b>	-60.88
Interest on Long Term Borrowings	<b>-26.17</b>	-21.20
Net Cash used in Financing Activities	<b>305.67</b>	36.75
 <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>-40.30</b>	26.02
 Cash and Cash Equivalents as at 01-04-2010 (Opening Balance)	<b>53.52</b>	27.5
Cash and Cash Equivalents as at 31-03-2011 (Closing Balance)	<b>51.79</b>	53.52

For and on behalf of the Board

Place : Chennai  
Date : 20.07.2011

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 2011. The statement has been prepared by the company in accordance 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 : 20.07.2011

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	1
---	---	---	---

Date                      Month                      Year

### **II. Capital Raised during the year (Amount in Rs.Thousands)**

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Right Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

### **III. Position of Mobilisation and Deployment of Funs (Amount in Rs.Thousands)**

Total Liabilities

1	1	5	4	2	2	2	2	1
---	---	---	---	---	---	---	---	---

Total Assets

1	1	5	4	2	2	2	2	1
---	---	---	---	---	---	---	---	---

#### **Source of Funds**

Paid-up Capital

	5	5	3	0	9	0	0	0
--	---	---	---	---	---	---	---	---

Reserve and Surplus

		3	5	1	6	8	7	5
--	--	---	---	---	---	---	---	---

Secured Loans

	5	3	9	5	0	1	7	7
--	---	---	---	---	---	---	---	---

Unsecured Loans

		2	6	4	6	1	6	9
--	--	---	---	---	---	---	---	---

#### **Application of Funds**

Net Fixed Assets

	7	2	9	5	5	8	5	4
--	---	---	---	---	---	---	---	---

Investments

		7	0	5	6	6	4
--	--	---	---	---	---	---	---

Net Current Assets

	4	1	2	7	5	0	0	1
--	---	---	---	---	---	---	---	---

Misc. Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

### **IV. Performance of Company (Amount in Rs.Thousands)**

Turnover

	5	7	8	6	1	5	9	5
--	---	---	---	---	---	---	---	---

Total Expenditure

	5	2	8	4	6	7	1	2
--	---	---	---	---	---	---	---	---

+ -

Profit/Loss Before Tax

+		3	0	9	6	0	9	2
---	--	---	---	---	---	---	---	---

+ -

Profit/Loss After Tax

+		2	1	1	0	9	6	2
---	--	---	---	---	---	---	---	---

Earnings Per Share Rs.

				0	.	3	8
--	--	--	--	---	---	---	---

Divided Rate %

	0	3
--	---	---

### **V. Generic Names of Three Principal Products/Service of Company (as per monetary terms)**

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 18th Annual General Meeting of the Company being held at 11.00 AM. on Thursday, 18th August, 2011 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 18th Annual General Meeting of the Company to be held at 11.00 AM. on Thursday, 18th August, 2011 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 ..... 2011.

Signature .....

Affix 15 paise Revenue Stamp	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.

Strictly no Gifts & sweets will be distributed



### Rajeswari's Foray into boutique Apartments

The board of directors this year have decided to enter into the mass market segment of Residential Apartments in booming areas like Pallikaranai and Vandalur which has huge potential. The company has plans to promote and sell fully furnished Apartments , which as a segment is still in its nascent stage, in the coming years.

#### Egret County, Pallikaranai

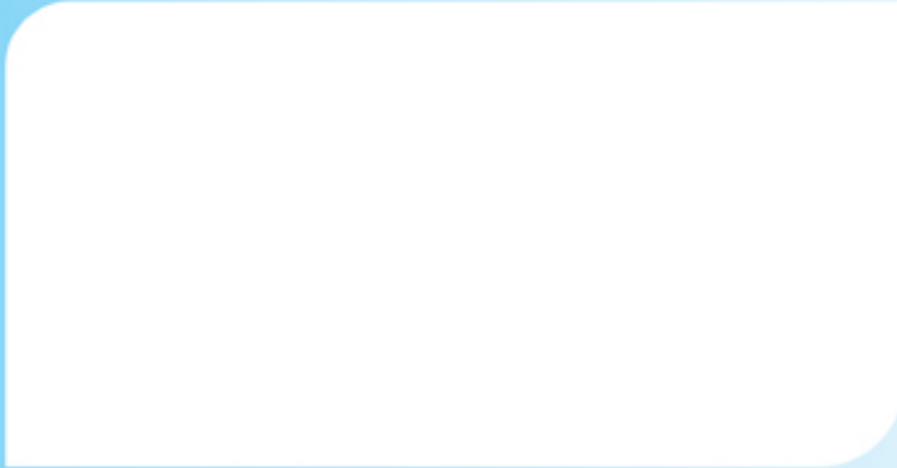


#### IBIS Fields, Vandalur



**BOOK POST**  
*Printed Matter*

To



If undelivered, please return to:

**Rajeswari Infrastructure Limited**

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