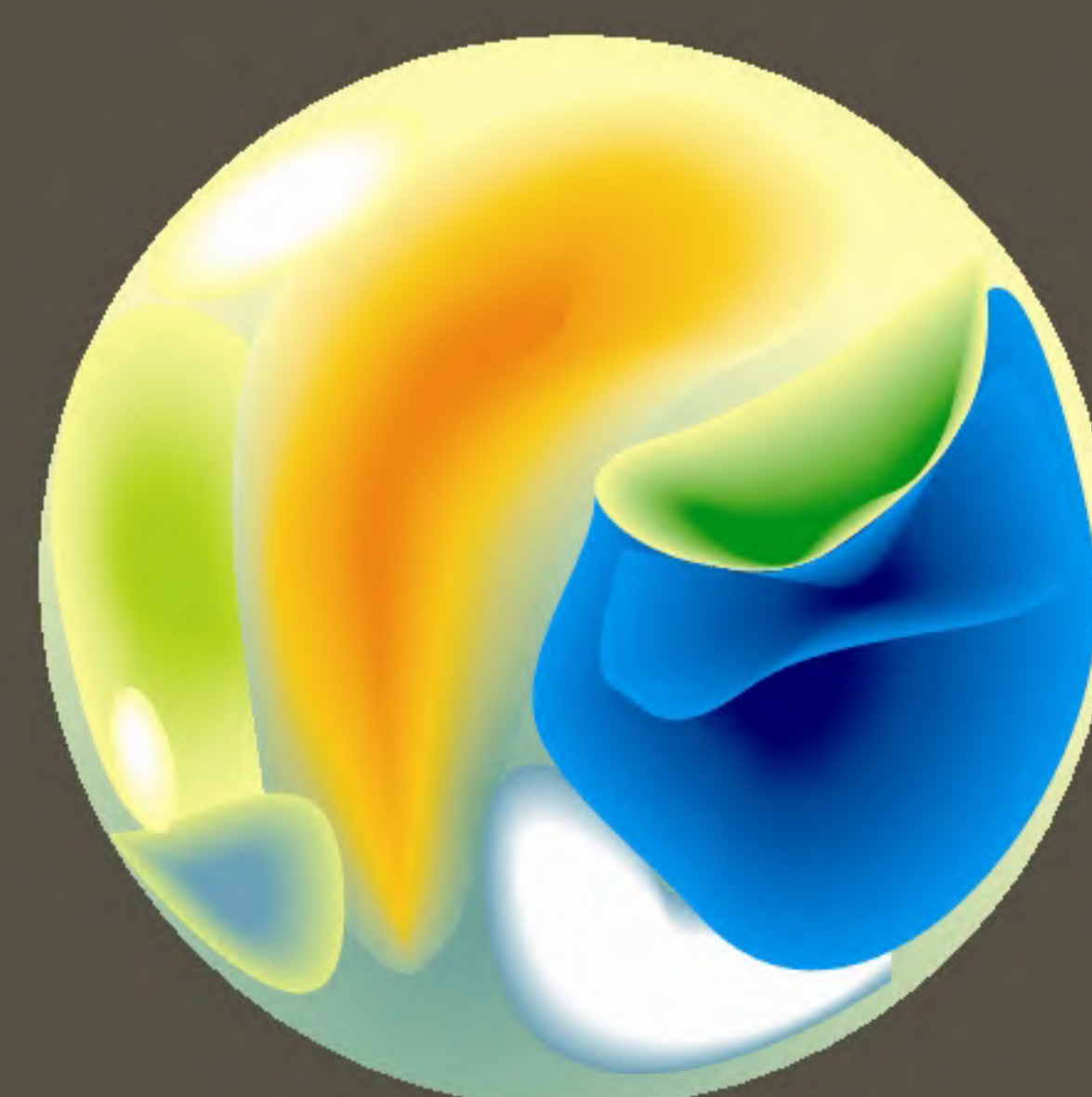




Rajeswari
Infrastructure Limited



19th Annual Report
2011-2012



Rajeswari's Flagship product: RGL Dream Bungalow

Most Successful Design of Rajeswari, Implemented in Seven Projects totaling 115 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.



ROW HOUSES @ MUGALIVAKKAM



TRIMURTI- Opulent Town Houses

A new concept developed to combine all the luxuries of an independent house along with all the ease and security provided in an apartments. A pilot project with three opulent town houses are completed in mugalivakkam.

CORPORATE INFORMATION

Board of Directors

Shri G.RAMAMURTHY	Chairman & Managing Director
Shri R.USHA	Whole-time Director
Shri D.SEKARAN	Director
Shri M.S.ELANGOVAN	Director
Shri K.V.SAMBAVADASS	Director
Shri AMRITLAL BISANI	Company Secretary

Bankers

Indian Overseas Bank
Standard Chartered Bank
Corporation Bank
Andhra Bank
HDFC Bank

Shri R.SUNDARARAJAN

Auditor
Chartered Accountant

Registered Office

18/23, 2nd Cross Street
East CIT Nagar, Nandanam,
Chennai – 600 035.
Email: rajeswariltd@gmail.com
Website: www.rflindia.org

Registrar Share Transfer Agent

Cameo Corporate Services Limited
Fifth Floor, Subramaniam Building,
No. I, 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 statement – 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 statement by using Words such as ‘anticipate’, ‘estimate’ ‘expects’, ‘projects’, ‘intents’, ‘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 Statement, whether as result of new information, future events or otherwise.

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NOTICE TO THE MEMBERS

Notice is hereby given that the Nineteenth Annual General Meeting of the Shareholders of the Company will be held on Friday the 28th September 2012 at 11.00 A.M. RedSun Hotel Apartments, (A unit of Rajeswari Infrastructure Limited) No.287, Ma.Po.Si First Street, Sri Kamakotti Nagar, Pallikaranai, Chennai-600100 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 2012, the Balance Sheet as at the date and the Auditors' Report there on.
2. To declare a dividend of 5% on equity shares
3. To elect a director in place of Mr. K.V.Sambavadass 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 himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and for this to consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

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

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

Resolved that Mr. M.S.Elangovan, who was appointed as an Additional Director of the Company, at the meeting of the Board of Directors of the Company held on 22nd August 2011 and whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 (1) of the Companies Act 1956 in writing proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of the Articles of Association.

7. 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 Mrs. R. Usha, as the Whole-Time Director of the company for a further period of 5 (Five) years with effect from 1st November 2011, on the following terms and conditions.

Salary: Rs.50,000/- (Rupees Fifty Thousand Only) per month with authority to the Board of Directors to grant suitable increments from time to time

For the above purpose.

- (i) “**Remuneration**” includes salary and personal Allowance.
- (ii) “**Perquisites**” No other perquisites except the above salary
- (iii) Overall Remuneration

Notwithstanding anything contained above, the remuneration payable to Mrs. R. Usha shall be subject to the overall limits specified under Sections 198, 309, and 310 and Schedule XII of the Companies Act, 1956 as amended from time to time.

(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 Mrs. R. Usha 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 whole - Time Director Mrs. R. Usha, shall not be liable to retire by rotation under section 255 of the Companies Act, 1956,

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.

Chennai
Dated 13.08.2012

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 Wednesday the 26th day of September, 2012 to Friday the 28th day of September, 2012 (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 2011-12, 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 28.09.2012. 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
2010-2011	18.08.2011	18.08.2011	18.08.2018

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 49VI of the Listing Agreement)

01	Name	K.V. Sambavadass
A	Date of Birth	15.08.1944
B	Date of Appointment	30.12.2005
C	Qualifications	DM
D	Expertise	More than 25 years experience in various industries
E	Other Directorships	NIL

02	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 more than 25 years
E	Other Directorships	NIL

03	Name	Mrs. R. Usha
A	Date of Birth	08.09.1966
B	Date of Appointment	15.03.2004
C	Qualifications	Matriculation
D	Expertise	Experience more than 15 years
E	Other Directorships	NIL

04	Name	M.S. Elangovan
A	Date of Birth	07.06.1955
B	Date of Appointment	22.08.2012
C	Qualifications	Graduate
D	Expertise	Industrial experience more than 25 years
E	Other Directorships	NIL

Chennai
Dated 13.08.2012

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

The Board of Directors, at its meeting held on 22nd August 2011 appointed Mr. M.S. Elangovan as an Additional Director pursuant to Section 260 of the Companies Act, 1956 ('the Act'), read with Article of Association of the Company. Mr. M.S. Elangovan will hold office of a Director up to the date of forthcoming Annual General Meeting of the company. In terms of Section 257 of the Act, the Company has received notice in writing from a Member signifying his intention to propose the candidature of Mr. M.S. Elangovan for the office of a Director.

None of the other Directors except Mr. M.S. Elangovan is interested or concerned in the above resolution. Your

Directors recommend the appointment of Mr. M.S. Elangovan.

Item No.7

Mrs. R. Usha is the Whole-Time Director of the Company. His tenure expires on 31st October 2011. The Board of Directors (based on the recommendation of the Remuneration Committees) at its meeting held on 12.09.2011 have approved the re-appointment and remuneration including perquisites of Mrs. R. Usha Whole-Time Director for a period of five (05) years with effect from 1st November 2011 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. Mrs. R. Usha .Whole-Time Director; Further, Mrs. R. Usha is having over decades of rich experience particularly in 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 Mrs. R. Usha 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.

Chennai
Dated 13.08.2012

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

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

DIRECTORS' REPORT

To the members

Rajeswari Infrastructure Limited

Your Directors are pleased to present the Nineteenth Annual Report together with the Audited statement of Accounts for the year ended 31st March 2012

FINANCIAL RESULTS

The financial results of Company for the year ended March 31, 2012 are presented below:-

(Amount in Rs.)

Particulars	2011-2012	2010 - 2011
Income from Operations	115322598	57,424,293.00
Other Income	134395	437,302.18
Total Expenditure	91520408	57,861,595.00
Interest	9442024	2,616,931.10
Gross Profit (after Interest but before depreciation and taxation)	17080933	5,014,883.00
Depreciation	2586372	1,918,791.00
Profit before tax	14494561	3,096,092.00
Provision for Current Taxes	4506173	1,034,466.00
Provision for Deferred Taxes	175494	(49,336.00)
Profit after Tax	9812893	2,110,962.00

DIVIDEND

Your Directors take pleasure on recommending equity dividend of 5% (Re.0.50 per share of Rs. 10/- face value) on the paid-up equity share capital for the approval of members. The dividend, if approved, at the 19th Annual General meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 28.09.2012 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 increased from Rs.574.24 lakhs to Rs.1153.22 during the 2011-2012 and the company earned a gross profit of Rs.170 lakhs before depreciation as against Rs.50.14 in the previous year. After deducting depreciation of Rs.25.86 lakhs and income tax provision Rs.45.06 lakhs the operations resulted in a net profit of Rs.98.12 Lakhs as against Rs.21.10 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

At the constant prices (2004-05) the construction sector showed a growth of 5.3 percent in 2011-12 compared to 8.0 percent growth in 2010-11. It contributed 7.8 percent to the GDP at constant prices as compared to 7.9 percent in 2010-11. Opportunities for the constructions sector arise from investments in the infrastructure sector comprising transportation (development of roads, airports, ports and railways), energy (thermal and hydroelectric power), irrigation telecom, urban infrastructure and industrial capex (from sectors such as autos/auto-ancillaries, textiles, steel, cement and hydrocarbon).

Based on current announcements infrastructure spending in the XIIth five year plan (April 2012-17) is expected to be to the tune of USD 1 trillion assuming a construction intensity of 50-55% this theoretically translates into an opportunity of USD 500 billion for the construction industry over 2012-17.

The large planned investment in infrastructure would require significant capital mobilization and banks the dominant source of debt funding for infrastructure projects, would not be able to meet the sectors increasing requirements given their limitations related to sector/group exposure norms and asset –liability mismatches. Recent policy initiatives such as creation of infrastructure Dept Funds (IDFs) and the role of India Infrastructure Finance company Limited (IIFCL) are steps in the right direction to channelise long-term debt funds to the infrastructure sector.

Companies have suffered increased working capital cycles due to delays in realizing payments from clients, piling work-in-progress due to delayed certification by clients. Labour shortages and government welfare schemes such as the National Rural Employment Guarantee Scheme have resulted in higher labour costs. Slower pace of execution and higher input and labour costs affected the operating profits of construction companies while high interest costs clubbed with higher debt eroded their net profits.

Due to the intense competition and pressure on margins in the core construction business coupled with focus towards executing infrastructure development projects such as toll roads, power projects on a PPP mode, most construction companies have undertaken forward integration into the infrastructure asset ownership space by bidding for projects such as toll roads, power projects etc. on a build –operate-transfer (BOT) basis. Many Construction companies have actively

sought to dilute stakes in SPVs to private equity commitments in their under construction projects. However given the current macroeconomic environment companies may find it challenging to attract external investments into their projects at mutually agreeable terms.

Buildings and housing & Real Estate

The real estate sector in India is being recognized as an infrastructure service that is driving the economic growth of the country.

Foreign direct investment (FDI) in the sector is expected to increase to US\$ 25 billion in the next 10 years, from present US\$ 4 billion, according to a latest industry body report.

As per a report released by the McKinsey Global Institute (MGI)- on April 2010, the country's urban population will soar to 590 million by 2030, from 340 million in 2008. India's cities could generate 70 percent of the net new jobs created by 2030, produce more than 70 per cent of the country's gross domestic product (GDP), and stimulate a near four-fold increase in per capita income it also says that India needs to invest US\$ 1.2 trillion over next 20 years to modernize urban infrastructure and keep pace with the growing urbanization.

FDI flows into housing and real estate in April-March 2011-12 stood at US\$ 731 million according to the Department of industrial policy and promotion (DIPP)

Housing and real estate sector including Cineplex, multiplex, integrated townships and commercial complexes etc, attached a cumulative foreign direct investment (FDI) worth US\$ 11,168 million from April 2000 to April 2012.

DIRECTORS

In compliance with the provisions of the Companies Act, 1956 in accordance with the Company's Articles of Association, Mr. K.V. Sambavadass and Mr. D. Sekaran are retiring at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Your Directors also appointed Mr. M.S. Elangovan as Additional Director of the Company with effect from 22-08-2011. He will hold office up to the date of the ensuing Annual General meeting. Appropriate resolution seeking your approval for the appointment of Mr. M. Elangovan as Director of the company liable to retire by rotation has already been included in the notice of the Annual General Meeting

The term of office of Mrs. R. Usha, Whole-Time Director expired on 31.10.2011 and subject to the approval of the shareholders, the Board of Directors, at its meeting held on 12.09.2011 re-appointed Mrs. R. Usha as Whole-Time Director of the Company for a further period of 5 (five) years with effect from 01.11.2011 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(I)(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 an, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

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.

AUDITORS REPORT

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, 2012 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, 2012 dividends amounting to Rs.12.76 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 2011-2012.

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 2012, 89.10.% 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 2011-12 is annexed hereto.

DISCLOSURES

INFORMATION AS PER SECTION 217 (I) (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 31.03.2012		Year ended 31.03.2011	
	INR	In foreign Currency	INR	In foreign Currency
Foreign Exchange outgo				
Imports	-NIL-	-NIL-	-NIL-	-NIL-
Foreign Travel	1,07,199.00	-	4,97,392	-

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 2011-2012.

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.

Chennai
Dated 13.08.2012

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

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management of Rajeswari Infrastructure Limited presents the Industry Overview, Opportunities and Threats, Initiatives by the Company and overall strategy of Rajeswari Infrastructure Limited for the year 2011-12 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.

Economy

India's gross national product (GDP) grew at a slower pace of 6.5 per cent in 2011-12, against the earlier projected 6.9 per cent, pulled down by lower growth in the manufacturing service and communication sectors.

The downward revision in the GDP growth rate has been mainly on account of lax performance by sectors like manufacturing and trade, hotels, transport and communication.

This slowdown has been due mainly to the tight money policy that pushed up interest costs for business and the weak global sentiment that affected growth in domestic private investment. The domestic investment sentiments have also in turn been affected by the environmental policy bottlenecks in the mining sector.

The decline in overall growth was despite an upward revision in agricultural production which has shown a growth rate of 2.8 per cent, against the advances estimates of 2.5 per cent.

Gross national income

Gross national income (GNI) of the country (at factor cost at 2004-05 prices) is now estimated at Rs. 51,50,686 crore up from Rs. 48,33,178 crore in 2010-11. In terms of growth rates, gross national income of the country is estimated to have risen by 6.6 per cent during 2011-12 compared to the growth rate of 7.9 per cent in 2010-11. Gross national income at factor cost at current prices is now estimated at Rs. 81,48,952 crore for 2011-12, against Rs. 70,78,512 crore during 2010-11, showing a rise of 15.1 per cent.

Per capita net national income

The per capita net national in real terms (at 2004-05 prices) during 2011-12 is estimated to have reached Rs.37,851 against Rs.35,993 crore in 2010-11.

The growth rate in per capita income is estimated at 5.2 per cent during 2011-12 against 6.4 per cent during 2010-11

The per capita net national income at current prices 2011-12 is estimated to have reached Rs.60,603 up 13.6 per cent from the quick estimates of Rs.53,331 for the year 2010-11.

Construction & Infrastructure

At the constant prices (2004-05) the construction sector showed a growth of 5.3 percent in 2011-12 compared to 8.0 percent growth in 2010-11. It contributed 7.8 percent to the GDP at constant prices as compared to 7.9 percent in 2010-11. Opportunities for the constructions sector arise from investments in the infrastructure sector comprising transportation (development of roads, airports, ports and railways), energy (thermal and hydroelectric power), irrigation telecom, urban infrastructure and industrial capex (from sectors such as autos/auto-ancillaries, textiles, steel, cement and hydrocarbon).

Based on current announcements infrastructure spending in the XIIth five year plan (April 2012-17) is expected to be to the tune of USD 1 trillion assuming a construction intensity of 50-55% this theoretically translates into an opportunity of USD 500 billion for the construction industry over 2012-17.

The large planned investment in infrastructure would require significant capital mobilization and banks the dominant source of debt funding for infrastructure projects, would not be able to meet the sectors increasing requirements given their limitations related to sector/group exposure norms and asset –liability mismatches. Recent policy initiatives such as creation of infrastructure Dept Funds (IDFs) and the role of India Infrastructure Finance company Limited (IIFCL) are steps in the right direction to channelise long-term debt funds to the infrastructure sector.

Companies have suffered increased working capital cycles due to delays in realizing payments from clients, piling work-in-progress due to delayed certification by clients. Labour shortages and government welfare schemes such as the National Rural Employment Guarantee Scheme have resulted in higher labour costs. Slower pace of execution and higher input and labour costs affected the operating profits of construction companies while high interest costs clubbed with higher debt eroded their net profits.

Due to the intense competition and pressure on margins in the core construction business coupled with focus towards executing infrastructure development projects such as toll roads, power projects on a PPP mode, most construction companies have undertaken forward integration into the infrastructure asset ownership space by bidding for projects such as toll roads, power projects etc. on a build –operate-transfer (BOT) basis. Many Construction companies have actively sought to dilute stakes in SPVs to private equity commitments in their under construction projects. However given the current macroeconomic environment companies may find it challenging to attract external investments into their projects at mutually agreeable terms.

INDUSTRY OVERVIEW

Building and Housing & Real Estate

The real estate sector in India is being recognized as an infrastructure service that is driving the economic growth of the country.

Foreign direct investment (FDI) in the sector is expected to increase to US\$ 25 billion in the next 10 years, from present US\$ 4 billion, according to a latest industry body report.

As per a report released by the McKinsey Global Institute (MGI)- on April 2010, the country's urban population will soar to 590 million by 2030, from 340 million in 2008. India's cities could generate 70 percent of the net new jobs created by 2030, produce more than 70 per cent of the country's gross domestic product (GDP), and stimulate a near four-fold increase in per capita income it also says that India needs to invest US\$ 1.2 trillion over next 20 years to modernize urban infrastructure and keep pace with the growing urbanization.

FDI flows into housing and real estate in April-March 2011-12 stood at US\$ 731 million according to the Department of industrial policy and promotion (DIPP)

Housing and real estate sector including Cineplex, multiplex, integrated townships and commercial complexes etc, attached a cumulative foreign direct investment (FDI) worth US\$ 11,168 million from April 2000 to April 2012.

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 increase.

Opportunities and Threats

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, 2012. 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	Attended			
Mr. G. Ramamurthy	Managing Director	8	8	Yes	Nil	Nil
Mrs. R Usha	Whole time Director	8	8	Yes	Nil	Nil
Mr. D Sekaran	Director Non -Executive & Independent	8	7	Yes	Nil	Nil
Mr. N P Jaganathan*	Director Non- Executive & Independent	8	3	No	Nil	Nil
Mr. K V Sambavadass	Director Non-Executive & Independent	8	7	Yes	Nil	Nil
M.S. Elangovan**	Additional Director Non-Executive & Independent	8	5	No	Nil	Nil

* Mr. N.P.Jaganathan, Director has been resigned from the Board on 22.08.2011

** Mr. M.S. Elangovan, has been appointed as Additional Director on 22.08.2011

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 Eight (8) times on 13/05/2011, 10/06/2011, 20/07/2011, 22/08/2011, 12/09/2011, 09/11/2011, 30/12/2011 and 14/02/2012 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 31-03-2011 was held on 18.08.2011 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 31 st March 2012
Mr. G. Ramamurthy	2308810
Mrs. R Usha	312867
D. Sekaran	55555

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) 13.05.2011, 20.07.2011, 09/11/2011 and 14/02/2012 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	02
K V Sambavadass	Member- Independent Non-Executive	04	04
M.S. Elangovan**	Member- Independent Non Executive	02	02

* Mr.N.P.Jaganathan, Director has been resigned from the committee on 22.08.2011

** Mr. M.S. Elangovan, has been inducted to the Audit Committee on 22.08.2011 and accordingly committee has been re constituted.

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 2012.

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

Sr.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
4	M.S. Elangovan **	Independent and Non Executive	Member

- Mr. N.P.Jaganathan, Director has been resigned from the committee on 22.08.2011
- Mr. M.S. Elangovan, has been inducted to the Remuneration Committee on 22.08.2011 and accordingly committee has been re constituted.

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 2011-2012. The remuneration paid to them during the period 01-04-2011 to 31-03-2012 was as under

Remuneration to Directors - Rs.21,29,438/-

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

Sr.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	Chairman
4	M.S. Elangovan **	Independent and Non Executive	Member

* Mr. N.P.Jaganathan, Director has been resigned from the committee on 22.08.2011

** Mr. M.S. Elangovan, has been inducted to the Remuneration Committee on 22.08.2011 and accordingly committee has been re constituted.

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 2011-12

Received	Resolved	Unresolved
1	1	-

GENERAL MEETINGS:

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

Year	Date	Time	Venue
2010-2011	18.08.2011	11.00.A.M	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road,Chennai-600 018
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

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 2011-2012 have been given in Schedule of the Schedules to the AnnualAccounts for the year 2011-2012. 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, 2012. The related party transactions with the subsidiary/ group companies have been disclosed in the AnnualAccounts.

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, 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 Tamil Nadu 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 30 th June 2012	On or before 15.08.2012
Second Quarter ending Result on 30 th September 2012	On or before 15.11.2012
Third Quarter ending Result on 31 st December 2012	On or before 15.02.2013
Fourth Quarter ending Result on 31 st March 2013	On or before 15.05.2013
Annual General Meeting	On or before 30 th September 2013
Dates of book closure	Wednesday the 26 th day of September , 2012 to Friday the 28 th day of September, 2012
Venue and other details of the Annual General Meeting	RedSun Hotel Apartments, (A unit of Rajeswari Infrastructure Limited) No.287, Ma.Po.Si First Street, Sri Kamakotti Nagar, Pallikaranai, Chennai-600100
Dividend Payment Date	On or before 27.10.2012
Listed At	Bombay Stock Exchange Limited Madras Stock Exchange Limited
BSE Scrip code Stock code and Demat ISIN	<u>RAJESWARI</u> 526823 ISIN- INE016C01014
Registered Office	18/23, 2 nd Cross Street, East CIT Nagar Nandanam, Chennai - 600 035.

Stock Market Data:

Stock Market data for the period April 1, 2011 to March 31, 2012 and Graphical representation of volume of Shares of during April 2011 - March 2012. Monthly high and low prices as well as the volumes of shares traded at BSE for the year 2011-12. are as under. [Equity Shares of Rs.10/- each]

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades
Apr 11	12.50	13.90	12.00	12.50	11,542	50
May 11	13.00	13.50	11.00	11.60	1,362	34
Jun 11	11.75	13.45	11.75	13.39	1,755	19
Jul 11	12.73	13.55	11.65	12.26	22,129	125
Aug 11	11.97	12.34	9.65	10.00	21,958	94
Sep 11	10.00	12.18	9.70	12.10	6,444	35
Oct 11	12.65	15.17	12.00	14.09	13,108	89
Nov 11	14.78	19.45	14.26	18.40	31,466	256
Dec 11	19.30	32.90	17.00	32.00	7,71,669	4,619
Jan 12	33.25	38.50	27.90	35.95	9,17,780	3,334
Feb 12	37.00	37.60	31.25	35.40	5,54,541	1,028
Mar 12	33.65	36.75	17.65	20.75	4,25,908	404

Price Movement

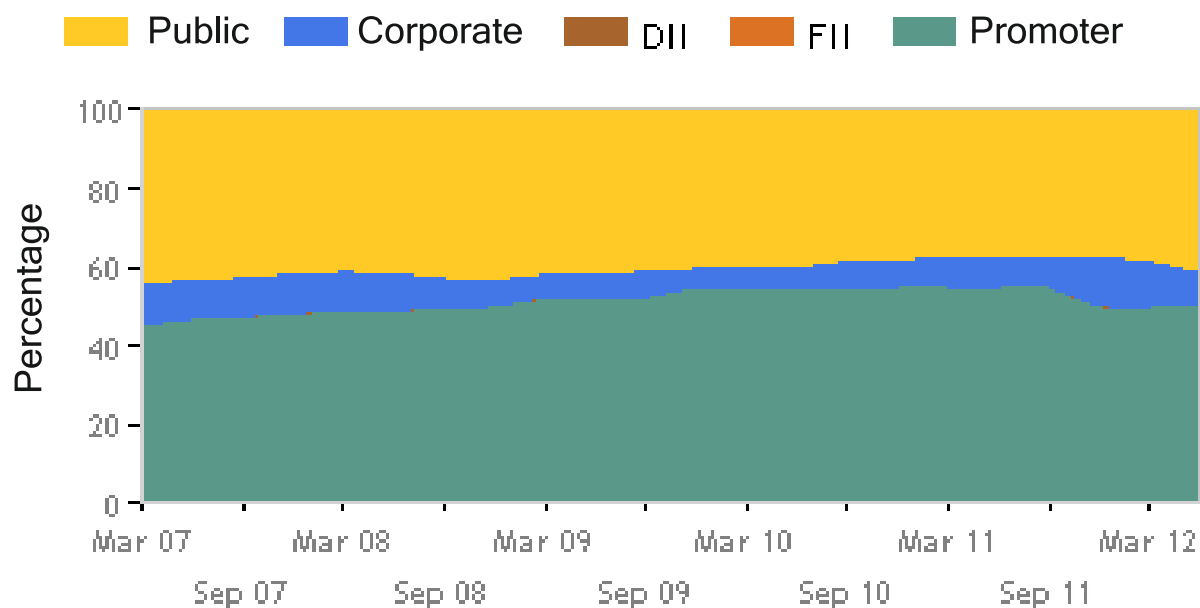


Dematerialization of Shares and Liquidity

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, 2012 are under:

	Demat Form	No of Shares	% of Shares
01	Held in dematerialized Form in NSDL	3827999	69.21
02	Held in dematerialized Form in CDSL	1100181	19.89
03	Physical	602720	10.90
	Total number of shares in Demat and Physical	5530900	100

Ownership Pattern



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)-INE016C01014

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 31.03.2012

RAJESWARI INFRASTRUCTURE LIMITED

DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE : 31-Mar-2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	4622	91.3619	660946	6609460	11.95
5001 - 10000	206	4.0719	172644	1726440	3.1214
10001 - 20000	103	2.0359	159902	1599020	2.891
20001 - 30000	37	0.7313	94620	946200	1.7107
30001 - 40000	13	0.2569	45677	456770	0.8258
40001 - 50000	24	0.4744	111387	1113870	2.0139
50001 - 100000	22	0.4348	158901	1589010	2.8729
100001 - And Above	32	0.6325	4126823	41238230	74.6139
Total :	5059	100	5530900	55309000	100

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 31.03.2012

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
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	7	2,756,723	2,756,723	49.84	49.84	-	-
Sub Total	7	2,756,723	2,756,723	49.84	49.84	-	-
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	7	2,756,723	2,756,723	49.84	49.84	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	2	1,500	-	0.03	0.03	-	-
Sub Total	2	1,500	-	0.03	0.03	-	-
(2) Non-Institutions							
Bodies Corporate	94	667,380	650,280	12.07	12.07	-	-
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	4,881	1,280,780	720,460	23.16	23.16	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	16	795,323	771,523	14.38	14.38	-	-
Any Others (Specify)	59	29,194	29,194	0.53	0.53	-	-
Hindu Undivided Families	51	22,844	22,844	0.41	0.41	-	-
Non Resident Indians	4	801	801	0.01	0.01	-	-
Clearing Members	4	5,549	5,549	0.10	0.10	-	-
Sub Total	5,050	2,772,677	2,171,457	50.13	50.13	-	-
Total Public shareholding (B)	5,052	2,774,177	2,171,457	50.16	50.16	-	-
Total (A)+(B)	5,059	5,530,900	4,928,180	100.00	100.00	-	-
(C) Shares held by Custodians and against which Depository Receipts	-	-	-	-	-	-	-

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

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 Foundations Limited for the year-ended 31.03.2012, 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

Place : Chennai
Dated : 13.08.2012

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

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

(a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit Committee:

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Chennai

Date: 13.08.2012

G. Ramamurthy
CHAIRMAN AND MANAGING DIRECTOR

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

I G. Ramamurthy, Chairman and Managing Director of Rajeswari Infrastructure Limited, to the best of my Knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct of the Company for the year ended 31st March 2012

Chennai

Date: 13.08.2012

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 2012 and the Profit and Loss Account and the cash flow statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

I report as follows:

- 1) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India and on the basis of such checks as I considered appropriate and according to the information and explanations given to me, I give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to my comments in the Annexure referred to in paragraph 1 above:-
 - a) I have obtained all the information and explanations, which to the best of my knowledge and belief, were necessary for the purpose of my audit;
 - b) In my opinion, proper books of account as required by law have been kept by the Company, so far as appears from my examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) On the basis of the written representation received from the Directors, as on 31st March 2012 and taken on record by the Board of Directors. I report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Act;
 - e) In my opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
 - f) In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Act, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012 and
 - ii) in the case of Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In so far as it relates to the Cash flow Statement, of the cash flows for the year ended on that date.

Place: Chennai
Date: 13.08.2012

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

ANNEXURE

Referred to in paragraph I of my report of even date

1. (a) The Company has maintained proper records to show full particulars including Quantitative details and situation of its fixed assets.

(b) As explained to us all the fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(c) In my opinion, and according to the information and explanations given to me, no substantial part of fixed assets has been disposed off by the Company during the year.
2. (a) The inventory of the Company has been physically verified by the Management during the year. In my opinion the frequency of verification is reasonable.

(b) In my opinion and according to the information and explanations given to me the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In view of the complexities in nature of the process involved which consumes multi various inputs of heterogeneous sizes giving rise to varied outputs of different sizes according to customer tolerances the company is unable to maintain proper records of inventory.
3. (a) According to the 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 (I) (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 31,2012 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 2012 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 parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures and hence this clause is not applicable.
20. The Company has not raised any money by public issue during the year.
21. 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: 13.08.2012

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

BALANCE SHEET AS AT 31st MARCH 2012

PARTICULARS	NOTE NO.	As at 31st March 2012		As at 31st March 2011	
		Rs.	Rs.	Rs.	Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	4	55,309,000		55,309,000	
Reserves and Surplus	5	10,115,694	65,424,694	3,516,875	58,825,875
Non-Current Liabilities					
Long Term Borrowings	6	71,315,401		35,585,176	
Other Long Term Liabilities	7	-	71,315,401	-	35,585,176
Current Liabilities					
Trade Payables	8	3,850,000		-	
Other Current Liabilities	9	17,647,842		29,937,934	
Short Term Provisions	10	25,280,559	46,778,401	19,392,436	49,330,370
Total			183,518,496		143,741,421
ASSETS					
Non-Current Assets					
Fixed Assets					
Tangible Assets					
Tangible Assets	11	52,105,374		46,715,834	
Intangible Assets		94,316		114,546	
Capital Work-in-Progress		26,125,475		26,125,475	
		78,325,165		72,955,855	
Non Current Investments	12	105,664		105,664	
Deferred Tax Assets (Net)	13	310,208		485,702	
Long Term Loans and Advances	14	32,750	78,773,787	28,250	73,575,471
Current Assets					
Inventories	15	35,055,698		32,328,637	
Trade Receivables	16	368,965		2,128,957	
Cash and Cash Equivalents	17	3,322,974		5,179,231	
Short Term Loans and Advances	18	65,997,072		29,929,125	
Other Current Assets	19	-	104,744,709	600,000	70,165,950
Total			183,518,496		143,741,421
Significant Accounting Policies	3				
The notes referred to above form an integral part of the financial statements.					

As per my report of even date

for and on behalf of the board

R. Sundararajan
Chartered Accountant
(Membership No.25762)

D. Sekaran
Director

G. Ramamurthy
Chairman & Managing Director

Place : Chennai
Date : 13.08.2012

Amritlal Bisani
Company Secretary

R. Usha
Whole - Time Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

PARTICULARS	NOTE NO.	For the year ended 31st March 2012	For the year ended 31st March 2011
CONTINUING OPERATIONS		Rs.	Rs.
Income			
Revenue from Operations	20	115,322,598	57,424,293
Other Income	21	134,395	437,301
Total Revenue		115,456,993	57,861,594
Expenses			
Employee Benefit Expenses	22	5,531,940	4,823,677
Finance Costs	23	9,442,024	2,616,931
Depreciation and Amortization	24	2,586,372	1,918,791
Cost of Goods Sold	25	72,380,684	38,305,081
Administrative Expenses	26	11,021,412	7,101,022
Total Expenses		100,962,432	54,765,502
Profit / (Loss) before exceptional and extraordinary items and tax		14,494,561	3,096,092
Add / (Less) : Exceptional Items		-	-
Profit / (Loss) before extraordinary items and tax		14,494,561	3,096,092
Add / (Less) : Extraordinary Items			-
Profit Before Tax		14,494,561	3,096,092
Add / (Less) : Tax Expense			
(a) Current Tax		4,506,173	1,034,466
(b) Deferred Tax		175,494	(49,336)
(d) Tax - Earlier Years		-	-
Profit / (Loss) for the year from continuing operations		9,812,894	2,110,962
EARNINGS PER EQUITY SHARE			
Nominal value of share Rs. 10 (PY : Rs. 10 per share)			
Basic			
Computed on the basis of profit from continuing operations	27	1.77	0.38
Computed on the basis of total profit for the year	27	1.77	0.38
Diluted			
Computed on the basis of profit from continuing operations	27	1.77	0.38
Computed on the basis of total profit for the year	27	1.77	0.38
Significant Accounting Policies	3		
The notes referred to above form an integral part of the financial statements.			

As per my report of even date

for and on behalf of the board

R. Sundararajan
Chartered Accountant
(Membership No.25762)

D. Sekaran
Director

G. Ramamurthy
Chairman & Managing Director

Place : Chennai
Date : 13.08.2012

Amritlal Bisani
Company Secretary

R. Usha
Whole - Time Director

Notes forming part of the Financial Statements for the year ended 31st March 2012

1. CORPORATE INFORMATION

Rajeshwari Infrastructure Limited is a public Company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is engaged in the Construction Industry for the past years, in addition entered into Service Apartments industry for the past two years and also continuing the printing business for the past 19 years.

2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on mercantile basis and under the historical cost convention.

PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation and disclosures made in the financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

3. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

a. GENERAL :

The financial statements are prepared on historical cost convention and on mercantile system of accounting in accordance with generally accepted accounting principles.

b. 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 recognised in the period in which the results are known / materialized.

c. 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.

d. FIXED ASSETS :

(i) TANGIBLE ASSETS :

Fixed assets are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use, less accumulated depreciation. Expenses capitalised also include applicable borrowing costs. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. All upgradation/enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

(ii) INTANGIBLE ASSETS :

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Amortisation is provided on Straight Line Method (SLM), which reflect the management's estimate of the useful life of the intangible assets.

e. DEPRECIATION :

Depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956. Assets costing individually Rs.5000/- and below are fully depreciated in the year of addition.

f. 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 recognised in previous periods. Impairment loss is recognised 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 from its disposal at the end of its useful life.)

g. INVESTMENTS :

Long Term Investments are stated at cost except where there is a diminution in value other than temporary, in which case the carrying value is reduced to recognize the decline. Current investments are stated at lower of cost or fair market value.

h. ACCOUNTING FOR TAXES ON INCOME :

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 recognised 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 realised. In situations where the Company has no unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised 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 realised. 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.

i. RETIREMENT BENEFITS :

Provisions for gratuity, pension and leave salary have been made as per the service conditions and on the basis of actuarial valuation and for those employees who are on deputation from other organizations as per the advice received from the respective organizations.

j. FOREIGN CURRENCY TRANSACTIONS :

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:

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 recognised as income or as expenses in the year in which they arise.

k. 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 capitalised as part of the cost of such fixed asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

l. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

A provision is recognised 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 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 recognised but disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in financial statements.

m. 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 shares outstanding for the period are adjusted for the effects of all delusive potential equity shares.

n. 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 organisation 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 separately.

Details of Business Segment Information is presented.

4. SHARE CAPITAL	31st March 2012	31st March 2011
	Rs.	Rs.
Authorised Shares		
15,000,000 Equity Shares of Rs. 10 each (Previous year : 500,000,000 equity shares of Rs. 10 each)	150,000,000	150,000,000
Issued, subscribed and fully paid up shares		
equity shares of Rs.10/- each fully paid up. (Previous year: 55,30,900 equity shares of Rs. 10 each fully paid up)	55,309,000	55,309,000
Total	55,309,000	55,309,000

a. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Equity shares

	31st March 2012		31st March 2011	
	Nos.	Rs.	Nos.	Rs.
Outstanding at the beginning of the year	5,530,900	55,309,000	5,530,900	55,309,000
Add : Shares Issued during the year	-	-	-	-
Less : Shares bought Back during the year	-	-	-	-
Outstanding at the end of the year	5,530,900	55,309,000	5,530,900	55,309,000

b. Details of shareholders holding more than 5% of shares in the company:

	31st March 2012		31st March 2011	
	Nos.	Rs.	Nos.	Rs.
Equity Shares of Rs. 10 each				
MR.G RAMAMURTHY	2,308,810	23,088,100	2,583,478	25,834,780
MRS.USHA	312,867	3,128,670	312,867	3,128,670
	2,621,677	26,216,770	2,896,345	28,963,450

RESERVES AND SURPLUS

	31st March 2012	31st March 2011
	Rs.	Rs.
Capital Reserve	1,828,500	1,828,500
General Reserve	870,350	870,350
Surplus / (deficit) in the statement of profit and loss		
Balance at the beginning of the year	818,025	641,917
Profit for the year	9,812,894	2,110,962
	10,630,919	2,752,879
Less :Appropriations		
Proposed equity dividend	2,765,450	1,659,270
Dividend distribution tax on equity shares	448,625	275,584
Total appropriations	3,214,075	1,934,854
Balance at the end of the year	7,416,844	818,025
Total reserves and surplus	10,115,694	3,516,875

NON - CURRENT LIABILITIES

6. LONG TERM BORROWINGS	31st March 2012	31st March 2011
	Rs.	Rs.
6.1 Term loans (Secured)		
Rupee Loan		
From Banks	3,470,267	129,544
6.2 Term loans from other parties (Secured)		
Rupee Loan		
Others	58,320,134	34,955,632
	61,790,401	35,085,176
The above amount includes:		
Secured borrowings	61,790,401	35,085,176
Unsecured borrowings	9,525,000	500,000
Net amount	71,315,401	35,585,176

6.1 From Banks

Facility I

- a. Term Loan (car) from Facility I was taken during the Financial Year 2010-11 . The Loan is repayable in 36 monthly installments along with interest starting from 07.01.2011. The loan is secured by hypothecation of movable fixed asset (Hyundai i10).
- b. Term Loan (car) from Facility I was taken during the Financial Year 2011-12. The Loan is repayable in 60 monthly installments along with interest starting from 07.09.2011. The loan is secured by hypothecation of movable fixed asset (Sumo Grande).
- c. Term Loan from Facility I was taken in the month of October 2011. The Loan is repayable in 60 monthly installments along with interest starting from 07.10.2011. The loan is secured by hypothecation of movable fixed asset (BMW Car).

6.2 From Others

- a. Term Loan from Facility 2 was taken in the Financial Year 2009-2010. The loan is repayable in 108 monthly instalments along with interest starting from April 2010. The loan is secured by charge against property situated at Plot No.248, Door No.18/23, 2nd Cross street, East CIT Nagar, Nandanam, Chennai - 35.
- b. Term Loan from Facility 2 was taken in the Financial Year 2010-2011. The loan is repayable in 108 monthly instalments along with interest starting from September 2010. The loan is secured by charge against property situated at Plot No.287 & 288, O.S No.637, Present S.No.637/19, Kamakotti Nagar, Pallikaranai, Chennai - 100.
- c. Term Loan from Facility 2 was taken in the month of August 2011. The loan is repayable in 120 monthly instalments along with interest starting from September 2011. The loan is secured by charge against property situated at Plot No.284, 285 & 286, Kamakotti Nagar, Pallikaranai, Chennai - 100.
- d. Term loan from Facility 3 was taken in the month of January 2012. The loan is repayable in 60 monthly instalments along with interest starting from Apr 2012. The loan is colaterally secured by Property situated at No.11, Jaganathan Street, Lakshmana Nagar, Kottivakkam, Chennai-41, belonging to Director.
- e. Term Loan from Facility 4 was taken in March 2012. The Loan is repayable in 36 monthly instalments along with interest starting from April 2012. The loan is secured by hypothecation of movable fixed asset (Innova Car).
- f. Term Loan from Facility 4 was taken in March 2012. The Loan is repayable in 36 monthly instalments along with interest starting from April 2012. The loan is secured by hypothecation of movable fixed asset (Honda Civic Car).

7. OTHER LONG TERM LIABILITIES	3 1st March 2012	3 1st March 2011
	Rs.	Rs.
Others	-	-
CURRENT LIABILITIES		
8. TRADE PAYABLES	3 1st March 2012	3 1st March 2011
	Rs.	Rs.
Advance from Customers	3,850,000	-
	3,850,000	-
9. OTHER CURRENT LIABILITIES	3 1st March 2012	3 1st March 2011
	Rs.	Rs.
9.1 Current maturities of long term debt		
From Banks	833,389	67,554
Others	4,798,958	20,943,616
9.2 Creditors for Expenses	9,617,576	4,946,399
9.3 Creditors for Contract Liabilities	696,075	(169,340)
9.4 Statutory dues payable	506,026	145,766
9.5 Other Payables	1,195,818	4,003,939
	17,647,842	29,937,934
10. SHORT TERM PROVISIONS	3 1st March 2012	3 1st March 2011
	Rs.	Rs.
Provisions		
10.1 - Employee Benefits	962,869	974,342
10.2 - Income Tax	19,826,861	15,320,688
10.3 - Proposed Dividend	2,765,450	1,659,270
10.4 - Tax on Dividend	448,625	275,584
10.5 - Taxes Unclaimed Dividend	1,276,754	1,162,552
	25,280,559	19,392,436

10.1 Employee Benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charges 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 subscribed 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.

RAJESWARI INFRASTRUCTURE LIMITED

18/23, 2ND CROSS STREET, EAST CIT NAGAR, NANDANAM, CHENNAI 600035

Note II

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block			
	Balance as at 1 April 2011	Additions/ (Disposals)	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	Balance as at 31 March 2012
Tangible Assets											
Land	20912980			20912980					0	20912980	20912980
Building	14227847	1253000		15480847	143625	244740			388365	14084222	15092482
Plant And Machinery	27575315			27575315	21512205	1309827			22822032	6063110	4753283
Electrical Equipment	532273	727820		1260093	23871	65534			89405	508402	1170688
Furniture and Fixtures	5236635	66557		5303192	1676311	334882			2011193	3560324	3291999
Vehicles	2524333	5855805		8380138	1051115	540038			1591153	1473218	6788985
Computer	413382	52500		465882	298804	71121			370825	113578	94957
Total Tangible Assets A	71422765	7955682		79378447	24706931	2566142			27273073	46715834	52105374
Intangible Assets											
Software	124800			124800	10254	20230			30484	114546	94316
Total Intangible Assets B	124800			124800	10254	20230			30484	114546	94316
Capital Work in Progress	71547565	7955682		79503247	24717185	2586372			27303557	46830380	52199690
	26125475			26125475						26125475	26125475

12. NON CURRENT INVESTMENTS

	31st March 2012	31st March 2011
	Rs.	Rs.
Long Term - Other investments (valued at cost unless stated otherwise)		
Investments in Mutual Funds	9,000	9,000
Investments in Gold	96,664	96,664
	105,664	105,664
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	105,664	105,664
Aggregate provision for diminution in value of investments	-	-

13. DEFERRED TAX ASSET :

The Deferred Tax Asset comprise of the following:

Particulars	31st March 2012	31st March 2011
Deferred Tax Asset related to depreciation of Fixed Assets	310,208	485,702

14. LONG TERM LOANS AND ADVANCES

	31st March 2012	31st March 2011
	Rs.	Rs.
Capital Advances:		
13 Secured, considered good	-	-
13 Unsecured, considered good		
13 Doubtful	-	-
	-	-
Provision for bad and doubtful advances	-	-
	-	-
Other loans and advances (specify nature)		
Secured, considered good		
Unsecured, considered good	-	-
Staff Loan	32,750	28,250
Doubtful	-	-
	32,750	-
Provision for bad and doubtful advances	-	-
	32,750	28,250
	32,750	28,250

CURRENT ASSETS

15. INVENTORIES

	31st March 2012	31st March 2011
	Rs.	Rs.
Raw Materials	1,000,000	1,774,900
WIP & FG	34,055,698	30,553,737
	35,055,698	32,328,637

15.1 WIP consists of Projects under Construction, includes land purchased for construction purpose for which the Company has Ownership / Power Of Attorney in its name. No agreement for sale for Bungalow Units relating to this land entered during this year.

16. TRADE RECEIVABLES	31st March 2012 Rs.	31st March 2011 Rs.
(i) Receivables outstanding for a period exceeding six months from the due date for payment		
16 Secured, considered good		
16 Unsecured, considered good	41,550	41,550
16 Doubtful		
	41,550	41,550
Provision for doubtful receivables	-	-
	41,550	41,550
(ii) Other receivables		
16 Secured, considered good	-	
17 Unsecured, considered good	327,415	2,087,407
17 Doubtful	-	-
	327,415	2,087,407
Provision for doubtful receivables	-	-
	327,415	2,087,407
	368,965	2,128,957
17. CASH AND CASH EQUIVALENTS	31st March 2012 Rs.	31st March 2011 Rs.
17.1 Balances with banks	2,284,932	4,700,132
17.2 Cash on hand	1,038,041	479,099
	3,322,974	5,179,231
18. SHORT TERM LOANS AND ADVANCES	31st March 2012 Rs.	31st March 2011 Rs.
Secured considered good		
Current maturities of Staff Advance	39,500	41,500
Unsecured considered good		
Advance against purchase of project land	43,146,181	9,705,000
Other Advances	684,867	676,323
Sales Tax Credit	1,006,832	1,147,529
Income Tax Paid	20,415,013	17,656,554
Deposits	704,679	702,219
	65,997,072	29,929,125
19. OTHER CURRENT ASSETS	31st March 2012 Rs.	31st March 2011 Rs.
Trade Investment		600,000
	-	600,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012

	For the year ended 31st March 2012	For the year ended 31st March 2011
	Rs.	Rs.
20. REVENUE FROM OPERATIONS (Net of Service Tax)		
Sale of Bungalow units	111,144,652	51,663,354
Sale of Land	1,400,000	5,307,777
Revenue from serviced apartments	2,537,946	58,962
House Booking Cancellation Charges	-	46,500
Machinery Hire Charges	240,000	347,700
Revenue from operations (Net)	115,322,598	57,424,293
21. OTHER INCOME	31st March 2012	31st March 2011
	Rs.	Rs.
Discount Recd	7,422	-
Fuel Refund	7,453	-
Interest Recd	14,270	274,252
Rent Received	105,250	50,000
Dividend Received	-	42,401
Profit on sale of Investment	-	70,648
	134,395	437,301
22. EMPLOYEE BENEFITS EXPENSE	31st March 2012	31st March 2011
	Rs.	Rs.
Salary, wages and bonus	3,070,317	1,633,167
Staff welfare expenses	133,440	387,564
Directors Remuneration	2,129,438	2,680,000
Provident fund	198,745	122,946
	5,531,940	4,823,677
23. FINANCE COSTS	31st March 2012	31st March 2011
	Rs.	Rs.
Interest Expense :		
- From Banks	287,270	26,413
- Others	9,154,754	2,590,518
	9,442,024	2,616,931

24. DEPRECIATION AND AMORTIZATION EXPENSE	31st March 2012	31st March 2011
	Rs.	Rs.
Depreciation on tangible assets	2,566,142	1,908,537
Amortisation on software	20,230	10,254
	2,586,372	1,918,791

25. OTHER EXPENSES	31st March 2012	31st March 2011
	Rs.	Rs.
Cost of Goods Sold		
a) Consumption of raw materials		
Opening Stock	1,774,900	3,033,500
Printing		
Construction	31,243,051	18,491,654
Add:Vandalur Land Purchase	22,567,200	11,392,407
Sub Total	53,810,251	29,884,061
Total	55,585,151	32,917,561
Less: Closing Stock	1,000,000	1,774,900
	A	31,142,661
b) Other Expenses		
Power and Fuel (Petrol expenses)	833,116	615,566
Labour Charges	17,576,460	10,335,079
Freight & Transportation	212,684	308,086
Landscaping Expenses	56,000	88,350
Anti termite charges	34,300	38,750
Open Space Charges to CMDA	671,000	-
Development Charges	819,125	-
Desinging charges	430,576	-
CMDA Expenses	75,000	-
Intitation Fees	112,500	-
Sundry Expenses	-	168,813
Planning Permission Expenses	99,269	114,467
Registration Expenses	377,464	198,070
	B	198,070
	21,297,494	11,867,181
c) (Increase)/Decrease in FG and WIP		
Printing		
Opening Stock	30,553,737	25,848,976
Less : Closing Stock	34,055,698	30,553,737
	C	(4,704,761)
	(3,501,961)	(4,704,761)
TOTAL COST OF GOODS SOLD (A+B+C)	72,380,684	38,305,081

26. Administration Expenses

Advertisement	3,032,974	1,000,371
Listing Fees	34,293	45,426
Professional, Legal & Consultancy Charges	-	650,945
- For Architects Consultancy	21,500	-
- Others	272,744	-
Vehicle Maintenance	178,381	505,241
Sales Promotion	82,621	118,621
Rates & Taxes	3,154,713	2,608,364
Travelling & Conveyance	529,432	13,326
Travelling -Directors Foreign Travel	107,199	487,392
Postage & Telegrams	99,625	40,631
Telephone Charges	254,293	182,969
Subscription	43,542	31,844
Repairs & Maintenance	93,938	89,856
Printing & Stationery	130,713	113,204
Insurance premium	383,431	887,843
Office Maintenance	-	11,324
Legal Fees	189,516	27,000
Commission & Brokerage	640,000	-
Loss on sale of mutual fund investment	216,566	13,874
Internet charges	12,302	1,747
Audit Fees	78,652	55,150
Document Work and others	58,460	-
Commission to Managing Director	98,128	21,000
Other Expenses	39,292	
AGM Expenditure	27,203	61,118
Redsun apartment expenses	549,959	12,301
Annual Fees (CDSL)	-	6,618
General Expenses	201,931	56,990
Donation	20,201	14,070
Pooja expenses	2,296	12,606
Medical Expenses	69,118	-
Security services & food expenses at Red Sun	398,388	31,202
Rounding Off	-	(10)
	11,021,412	7,101,022

27. Basic & Diluted Earnings Per Share :

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Nominal value of Equity Shares	10/-	10/-
Profit After Tax	9812894	2110962
Profit attributable to Equity Shareholders	9812894	2110962
Weighted average number of Equity Shares outstanding during the year	5530900	5530900
Basic Earnings Per Share	1.77	0.38
Diluted Earnings Per Share	1.77	0.38

28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

CONTINGENT LIABILITIES	31st March 2012	31st March 2011
	Rs.	Rs.
Claims against the company not acknowledged as debt		
28.1 Disputed Income Tax Liability	5,146,537	5,146,537
28.2 Disputed Sales Tax Liability	359,025	359,025
28.3 Guarantees	-	-
	5,505,562	5,505,562

28.1. Appeal by the Company is pending with the Income Tax Authorities against which Rs.3028207 is already deposited

CAPITAL COMMITMENTS

28.4 Estimated amount of contracts remaining to be executed on Capital Expenditure (net of advances) and not provided for	7500000	0
	7500000	0

29. Expenditure in Foreign Currency (in Accrual basis)

Travelling Expenses	107,199	497,392
	107,199	497,392

Earnings in Foreign Currency (On receipt basis) Nil Nil

30. As per the requirement of Section 22 of the The Micro, Small and Medium Enterprises Development Act, 2006, the following information are disclosed

The principal amount remaining unpaid to supplier as at the end of the year	-	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Sections 16, along with the amount of payment made to the supplier beyond the appointment day during the year.	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

31. **EMPLOYEE BENEFITS**

Disclosures required under Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006, are given below :

I. Defined Contribution

Contributions to Defined Contribution Schemes charged off for the year are as under :

	Rs.
Employer's Contribution to Provident Fund	2,841,998.00
Employer's Contribution to Family Pension Fund	510,704.00

32. **SEGMENT REPORTING**

Schedule Attached

33. **RELATED PARTY DISCLOSURE**

As per Accounting Standard - 18 on 'Related Party Disclosure' related parties of the Company are disclosed below:

A. List of related parties :

Key Management Personnel (KMP)

Mr.G.Ramamurthy
Usha Ramamurthy

Other Related Parties

Rajeswari Prints - Tirupur
R U Constructions Private Limited

B. Transaction with related parties :

	Remueration	
	2011-12	2010-11
Remuneration to Directors		
Salaries	2,129,438	1,950,000
Perquisites	-	730,000
Commission	98,128	21,000
Machinery Hire Charges	240,000	347,700
Advances for Purchase of Flat	-	6,900,000

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 XII of the Act has been paid to the managing and whole time director of the Company.

34. Impairment of Assets

During the year the company has reviewed its assets as per As-28 on 'Impairment of Assets', no provision for impairment is required to be recognised during the year.

35. Confirmation of balances :

Sundry Debtors, Loans & Advances and Deposits are subject to confirmation. The management, however, does not expect any material change.

36. Particulars of installed capacities, quantities and value of each class of goods dealt with by the Company, opening and 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.

for and on behalf of the board

As per my report of even date
R. Sundararajan
Chartered Accountant
(Membership No.25762)

D. Sekaran
Director

G. Ramamurthy
Chairman & Managing Director

Amritlal Bisani
Company Secretary

R. Usha
Whole - Time Director

Place : Chennai
Date : 13.08.2012

RAJESWARI INFRASTRUCTURE LIMITED
Segment Reporting for the year ending 31st March 2012 (AS17)

Particulars	House Construction		Off set Printing		Serviced Apartments		Unallocable		Total	
	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.
Segment Revenue										
External Turnover	112544652.00	57017631	240000.00	347700.00	2537946.12	58962.00	134395.23	437302	115456993.35	57861595.00
Total Revenue	112544652.00	57017631.00	240000.00	347700.00	2537946.12	58962.00	134395.23	437302.00	115456993.35	57861595.00
Segment Results										
Operating Profit	40093531.11	18642113.00	(999390.00)	(949087.00)	2087809.489	(144629.00)	(692012.77)	1735	40489937.83	17550132.00
Unallocated Corporate Expenses	40093531.11	18642113	(999390.00)	(949087.00)	2087809.489	(144629.00)	(692012.77)	1735	40489937.83	17550132
Less: Interest Paid							16553352.06	11837109	9442024	2616931.00
Less: Income Tax expenses (including deferred tax)									4681667	985130.00
Net Profit / (Loss)									9812894	2110962.00
Segment Assets	79585449	47407644	3651263	5712454	31314723	60167627	68967061	35609137	183518496	148896862
Segment Liabilities	14819395	9153569	1529	1529	540075	451710	102732803	74325167	118093802	83931975
Segment Depreciation	70437	70437	1239390	1296787	450137	116000	826408	435567	2586372	1918791
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.

RAJESWARI INFRASTRUCTURE LIMITED
18/23, 2ND CROSS STREET, EAST CIT NAGAR, NANDANAM, CHENNAI 600035

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	For the year ended 31st March 2012	For the year ended 31st March 2011
CASH FLOW FROM OPERATING ACTIVITIES	Rs.	Rs.
Net profit / (loss) before tax and extraordinary items	14,494,561	3,096,092
Non operating / Non-cash adjustments:		
Depreciation / Amortisation / Depletion	2,586,372	1,918,791
Provision for income tax	(4,681,667)	(985,130)
Cash flow from / (used in) operating activities before changes in working capital and adjustment for extraordinary items	12,399,266	4,029,753
Changes in working capital:		
Increase / (decrease) in trade payables	3,850,000	(929,172)
Increase / (decrease) in short-term provisions	5,888,124	
Increase / (decrease) in other current liabilities	(12,290,092)	
(Increase) / decrease in trade receivables	1,760,001	228,498
(Increase) / decrease in inventories	(2,727,061)	(3,446,161)
(increase) / decrease in long-term loans and advances	4,500	
(increase) / decrease in short-term loans and advances	(36,067,947)	(3,520,276)
(increase) / decrease in other current assets	600,000	
Net cash flow from / (used in) operating activities (A)	(26,583,209)	(3,637,358)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(7,955,682)	(13,228,677)
Payments towards development of fixed assets		(13,476,858)
Purchase of equity securities		(396,664)
Net cash flow from / (used in) investing activities (B)	(7,955,682)	(27,102,199)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	45,338,734	36,408,617
Interest paid on long term borrowings	(9,442,024)	(2,616,931)
Dividend paid on equity shares	(2,765,450)	(2,765,450)
Dividend distribution tax paid on equity shares	(448,625)	(459,307)
Net cash flow from / (used in) financing activities (C)	32,682,635	30,566,929
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(1,856,257)	(172,628)
Cash and cash equivalents at the beginning of the year	5,179,231	5,351,859
Cash and cash equivalents at the end of the year	3,322,974	5,179,231
Components of cash and cash equivalents		
Cash on hand	1,038,041	479,099
Cheques / drafts on hand		
With banks - on current account	2,284,932	4,700,132
- on deposit account		
Total cash and cash equivalents	3,322,974	5,179,231

for and on behalf of the board

D. Sekaran

Director

Amritlal Bisani

Company Secretary

G. Ramamurthy

Chairman & Managing Director

R. Usha

Whole - Time Director

Date : 13.08.2012

Place : Chennai

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 2012. The statement has been prepared by the company in accordance with the corresponding Profit & Loss Accounts and Balance Sheet of the company covered by my report to the members of the company

Place : Chennai
Date : 13-08-2012

R.SUNDARARAJAN
Chartered Accountant
(Membership No.25762)



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 19th Annual General Meeting of the Company being held on Friday the 28th September 2012 at 11.00 A.M. RedSun Hotel Apartments, (A unit of Rajeswari Infrastructure Limited) No.287, Ma.Po.Si First Street, Sri Kamakotti Nagar, Pallikaranai, Chennai-600100

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 19th Annual General Meeting of the Company to be held on Friday the 28th September 2012 at 11.00 A.M. RedSun Hotel Apartments, (A unit of Rajeswari Infrastructure Limited) No.287, Ma.Po.Si First Street, Sri Kamakotti Nagar, Pallikaranai, Chennai-600100 and at any adjournment thereof.

Signed this..... day of 2012.

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 and sweets will be distributed

Redsun Hotel Apartments



Bedrooms With Private Balcony



Spacious Living Hall



24x7 Frontdesk Assistance



Modular Woodwork



Private Staircase



Fully Equipped Kitchen



Cozy Corridors



Elegant Dining Space



Airport Transfer

The company's first step into hospitality sector has got a thunderous response from the travelers and corporate.

The occupancy rates have increased considerably and has led to the increase of inventory.

"Launching Two new blocks consisting of party halls and Multi cuisine Restaurant to add value to the concept"

BOOK POST

To



If undelivered, please return to:
Rajeswari Infrastructure Limited
Regd. Office: 18/23, 2nd Cross Street,
East CIT Nagar, Nandanam,
Chennai - 600 035.