

# ANNUAL REPORT 2012-13



SWAGRUHA INFRASTRUCTURE LIMITED

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# NOTICE

NOTICE is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of the Company will be held on 28<sup>th</sup> day of September 2013 at 9.00 A.M at the Registered Office of the Company, to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Statement for the year ended 31st March, 2013 and Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To consider and if that fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act, **M/s. M. M. REDDY & Co.**, Chartered Accountants, Hyderabad be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be determined by the Board Directors of the Company.

## SPECIAL BUSINESS:

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

**“RESOLVED THAT** Mr. Jayasimha Reddy, who was appointed as an Additional Director on the Board of the Company, by the Board in its meeting held on 23rd March, 2013 who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing has been received to propose him as a candidate for the office of Director of the Company under the provisions of the Companies Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Director(s) of the Company be and is (are) authorized to do all such acts, deeds, matters or things as may be deemed expedient or necessary to give effect to the aforesaid resolution.”

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

**RESOLVED THAT** Mr. Srinivasulu Konduru, who was appointed as an Additional Director on the Board of the Company, by the Board in its meeting held on 23<sup>rd</sup> March, 2013 who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing has been received to propose him as a candidate for the office of Director of the Company under the provisions of the Companies Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Director(s) of the Company be and is (are) authorized to do all such acts, deeds, matters or things as may be deemed expedient or necessary to give effect to the aforesaid resolution.”

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

**RESOLVED THAT** Mr. Gopal Gillela, who was appointed as an Additional Director on the Board of the Company, by the Board in its meeting held on 23<sup>rd</sup> March, 2013 who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing has been received to propose him as a candidate for the office of Director of the Company under the provisions of the Companies Act, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** any of the Director(s) of the Company be and is (are) authorized to do all such acts, deeds, matters or things as may be deemed expedient or necessary to give effect to the aforesaid resolution.”

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

**RESOLVED THAT** Mrs. N.L. Kalyani, who was appointed as an Additional Director on the Board of the Company, by the Board in its meeting held on 23<sup>rd</sup> March, 2013 who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing has been received to propose her as a candidate for the office of Director of the Company under the provisions of the Companies Act, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** any of the Director(s) of the Company be and is (are) authorized to do all such acts, deeds, matters or things as may be deemed expedient or necessary to give effect to the aforesaid resolution.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions if any, of the Companies Act, (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to such approvals as may be necessary, the Company hereby approves the appointment of Mrs. N.L Kalyani as a Managing Director of the company for a period of 5 years with effect from 23.03.2013, (who was appointed as an Additional Managing Director of the Company on 23.03.2013 and whose term expires at this Annual General meeting), upon the terms and conditions of the said appointment with respect to the remuneration, as may be agreed to between the Directors and Mrs. N.L. Kalyani.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to increase, alter, and/or vary the remuneration consisting salary, perquisites, allowances, etc. including the monetary value thereof as may be permitted or authorized in accordance with the provisions of the Companies Act, for the time being in force, provided however, that the remuneration payable to Mrs. N.L Kalyani shall be within the limits as prescribed in the Companies Act.

**RESOLVED FURTHER THAT** notwithstanding anything contained to the contrary in the Companies Act, where in any financial year Company has no profit or inadequate profit; Mrs. N.L Kalyani will be paid minimum remuneration within the ceiling limits prescribed under the Companies Act, or any modification or re-enactment thereof.

**RESOLVED FURTHER THAT** in the event of any statutory amendment(s) or modification(s) or relaxation(s) by the Central Government to the Companies Act, the Board of Directors or Committee thereof be and is hereby authorized to vary or increase the remuneration including salary, perquisites, allowances, etc. within such prescribed limits in order to give effect to such modification(s), relaxation(s) or variation(s) without any further reference to the Company in General Meeting.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board in the best interest of the Company, as it may deem fit.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act, and subject to the provisions of the Articles of Association of the Company, guidelines issued by competent authorities in this behalf and the provisions if any and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the consent of the Members be and is hereby accorded to sub-divide each of the Equity Share of the nominal value of Rs. 10/- (Rupees Ten Only) each fully paid in the capital of the Company into Rs. 5/- (Rupees Five Only) each fully paid.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to issue new Share Certificates representing the sub-divided shares with new distinctive numbers subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960 as amended, and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection.

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them to give effect to the above.”

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

**“RESOLVED THAT** pursuant to the applicable provisions, if any, of the Companies Act, the Memorandum of Association of the Company be altered by substituting the following as new Clause V in place of existing Clause V thereof::

“V. The Authorised Share Capital of the Company is Rs. 7,50,00,000 /- (Rupees Seven Crores and Fifty Lakhs only) divided into 1,50,00,000 (Rupees One Hundred and Fifty Crore) Equity Shares of Rs. 5/- (Rupees Five only) each.”

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them to give effect to the above.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions if any, of the Companies Act, the Articles of Association of the Company be altered by substituting the following as new Article 5 in place of existing Article 5 thereof:

“The Authorized Share Capital of the Company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the Company and to divide the share in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.”

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, the Articles of Association of the Company be and is hereby altered by inserting Article 158 after existing Article 157, thereby modifying the sequence of the succeeding Articles accordingly.

158:

(1) Subject to the provisions of the Act and regulations made thereunder or any other applicable law/ guidelines, any Board Meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve or Reserve Fund or any other Reserve or Fund of the Company or in the hands of the Company and available for dividend, **be capitalized:-**

a. By issue and distribution as fully paid up shares, of the Company as Bonus Shares;

Or

b. By crediting shares of the Company which may have been issued to and are not fully Paid-up with the whole or any part of the sum remaining unpaid thereon.

**Provided that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as therein provided) as fully paid Bonus Shares**

- (2) Such issue and distribution under sub-clause (1)(a) above and such payment to credit of unpaid capital under sub-clause (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under subclause (1)(a) or payment under subclause (b) above, shall be made on the footing that such members shall be entitled thereto as capital.
- (3) Such issue under sub-clause (1) (a) above shall also be made to, among and in favour of the holders of Convertible Equity Warrant and/or Other Instruments Convertible into Equity Shares (hereinafter referred to as Convertible Securities), provided that the holders of such Convertible Securities opt to Convert the said Securities into Equity Shares of the Company within the prescribed time limit and the terms of their issue entitles such Convertible Securities to Bonus Shares.
- (4) The Board shall give effect to any such business and apply such portion of the profits, General Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debentures stock, bonds or other obligations of the Company so distributed under sub-clause (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under sub-clause (1)(b) above; provided that no such distribution or payment shall be made unless recommended by the Directors and, if so recommended, such distribution and payment shall be accepted by such members, as aforesaid in full satisfaction of their interest in the said capitalized sum.
- (5) For the purpose of giving effect to any such business, the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid, as they think expedient, in particular, they may issue fractional certificates and they may fix the value for distribution of any specific assets and may determine that cash payment be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the directors and generally may make such arrangements for the acceptance, allotment and sale of shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.



(6) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the company are fully paid and others are partly paid, only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but, so that, as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid or partly paid shares respectively.

**By Order of the Board of Directors  
For Swagruha Infrastructure Limited**

Sd/-

**Date : 02.09.2013**

**Director**

**Place: Hyderabad**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory statement pursuant to the Companies Act is annexed.
3. Corporate members intending to depute their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of the board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
4. A blank Attendance Slip is annexed to the Proxy Form. Members/proxies are requested to fill in their particulars on the attendance slip, affix their signature in the appropriate place and hand it to Company's officials/Registrars at the entrance of the meeting venue.

5. The Register of Members and Share Transfer Books will be closed from 24<sup>th</sup> September, 2013 to 26<sup>th</sup> September, 2013 (both days inclusive), for the purpose of Annual General Meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their updated e-mail IDs, bank details, Electronic Clearing Services (ECS), mandates, nominations, power of attorney, change of address, change of name, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records that will help the Company and their RTA's to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to their RTA, at 12-10-167, Bharatnagar, Hyderabad, Andhra Pradesh - 500018.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with the physical shares and for ease in portfolio management. Members can contact its RTA Venture Capital & Corporate Investments in this regard.
8. Members intending to seek explanation/clarification/copy of any document at the meeting about the information contained in the Annual Report are requested to inform the Company at least a week in advance of their intention to do so, so that relevant information may be made available, if the Chairman permits such information to be furnished.
9. As per the Circular No. MRD/Dop/Cir-5/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer of shares in physical form. Therefore, the transferee(s) are required to furnish a copy of their PAN to the Company.
10. Shareholders desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

**By Order of the Board of Directors  
For Swagruha Infrastructure Limited**

Sd/-

**Date : 02.09.2013  
Place: Hyderabad**

**Director**

## **EXPLANATORY STATEMENT**

### **Item No 3:**

Mr. Jayasimha Reddy was appointed as an Additional Director of the Company on 23<sup>rd</sup> day of March, 2013. However, Mr. Jayasimha Reddy would hold office as a Director only up to the date of this Annual General Meeting.

A notice in writing has been received from along with the deposit of Rs. 500/- to propose the said director as a candidate for the office of Directors.

The Board considers that the Company would be benefited by his rich experience and guidance. Hence, recommend the resolution for approval of the members.

No director except Mr. Jayasimha Reddy is concerned or interested in the aforesaid resolution.

### **Item No 4:**

Mr. Srinivasulu Konduru was appointed as an Additional director of the Company by the Board of Directors on 23<sup>rd</sup> March, 2013. However, Mr. Srinivasulu Konduru, would hold office as a Director only up to the date of this Annual General Meeting.

A notice in writing has been received from along with the deposit of Rs. 500/- to propose the said director as a candidate for the office of Directors.

The Board considers it beneficial and in the interest of the Company to have the guidance and assistance of Mr. Srinivasulu Konduru and accordingly recommend his appointment as a director of the company.

Therefore, it recommends the resolution for approval of the members.

No director except Mr. Srinivasulu Konduru is concerned or interested in the aforesaid resolution.

**Item No 5:**

Mr. Gopal Gillela was appointed as an Additional Director of the Company on 23<sup>rd</sup> day of March, 2013. Mr. Gopal Gillela will hold office as a Director only up to the date of this Annual General Meeting.

A notice in writing has been received from along with the deposit of Rs. 500/- to propose the said director as a candidate for the office of Directors.

The Board considers that the Company would be benefited by his immense knowledge. Therefore, it recommends the resolution for approval of the members.

No director except Mr. Gopal Gillela is concerned or interested in the aforesaid resolution.

**Item No 6:**

Mrs. N. L. Kalyani, was appointed as an Additional director of the Company by the Board of Directors on 23<sup>rd</sup> March, 2013. Mrs. N.L. Kalyani will hold office as a Director only up to the date of this Annual General Meeting.

The Company has received a notice, proposing the candidature of Mrs. N. L. Kalyani for the office of Director along with the deposit of Rs. 500/- , as prescribed under this section.

The Board considers it beneficial and in the interest of the Company to have the guidance and assistance of Mrs. N. L. Kalyani and accordingly recommend her appointment as a director of the company.

No director except Mrs. N.L. Kalyani is concerned or interested in the aforesaid resolution.

**Item No 7:**

Mrs. N.L.Kalyani, was also appointed by the Board in its meeting held on 23.03.2013 as a Managing Director of the Company for a period of 5 years with effect from 23.03.2013.

However, as per the applicable provisions of the Companies Act, if a person while he was the additional director of a company had been appointed as the managing or whole-time director, the later appointment also ceases simultaneously with the cessation of his directorship at the commencement of the annual general meeting. However, if such a person is re-elected as full-fledged director at the annual general meeting and thereby he continues as a director of the company, he shall continue as a managing or whole-time director also for the period for which he is so elected by the annual general meeting.

Thus, in consonance to the same the Board recommends the members to ratify the resolution passed by the Board in its meeting held on 23.03.2013, and consider Mrs. Kalyani's appointment w.e.f. 23.03.2013 on the remuneration as applicable pursuant to the Companies Act.

Thus, the resolution as stated in item no. 7, is recommended for the approval of members.

**Item No. 8:**

With a view to increase the number of floating shares and increase the liquidity in Stock Market, Board has recommended sub-division of the face value of the Equity Shares from Rs 10/- (Rupees Ten Only) to Rs 5/- (Rupees Five Only) each.

The proposed resolution placed at Item No 8 of this Notice, is intended to give effect to the above proposal and is placed before the Members for according approval by passing a Special Resolution.

The Directors of the Company may be deemed to be concerned or interested in the resolution only to the extent of their respective shareholding, if any, in the Company to the same extent as that of every other member of the Company.

The Members holding Equity Shares in physical form, are recommended to dematerialize their shares at the earliest so that the effect of subdivision of their shares could be given in their Demat account, quickly and economically.

**Item No. 9:**

The Company's proposal to subdivide the Shares would necessitate an alteration in the Capital Clause of the Memorandum and Articles of Association of the Company.

Subject to the provisions of the Companies Act, the Company may, alter its Memorandum of Association by passing an Ordinary Resolution, at the General Meeting. Accordingly, the Ordinary Resolution for item no. 9 is placed before the meeting to approve the corresponding amendments in Clause V of the Memorandum of Association in the manner set out in the text of the respective resolutions, so as to reflect the alteration in the Authorized Share Capital of the Company.

The Board of Directors of the Company accordingly, recommends the resolution for approval by the members.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

**Item No.10:**

The Board recommends the alteration of Article 5 of the Articles of Association of the Company, in order to make it conversant with the Capital Clause of the Memorandum of Association of the Company.

The Board of Directors of the Company accordingly, recommends the resolution for approval by the members.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

The draft altered copy of the Memorandum and Articles of Association of the Company is available for inspection at the Registered Office of the Company on any working day during business hours.

**Item No 11:**

Pursuant to Clause 92(a) of Chapter IX of the SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009, the Articles of Association of the Company shall contain a provision for Capitalization of Reserves in case of Bonus Issue.

Thus, to give effect to the same, proposed Article needs to be inserted as Article 158 of Articles of Association.

None of the Directors of your Company is interested or concerned in this resolution.

The Board of Directors commends the Resolution for approval of Shareholders.

**By Order of the Board of Directors  
For Swagruha Infrastructure Limited**

**Sd/-**

**Date : 02.09.2013**

**Place: Hyderabad**

**Director**

# DIRECTORS' REPORT

To,

## THE MEMBERS

Your Directors have great pleasure in presenting this **19th Annual Report** together with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2013.

<b>FINANCIAL RESULTS:</b> <b>Particulars</b>	<b>2012-2013</b>	<b>(Rs. In Lakhs)</b> <b>2011-2012</b>
Income	17.60	30.24
Expenditure	10.56	558.47
Profit before tax	7.04	(528.23)
Tax	3.00	-
Profit after tax	4.04	(528.23)
Add: Loss brought forward	(631.49)	(103.26)
<b>Profit / (Loss) carried to Balance Sheet</b>	<b>(627.45)</b>	<b>(631.49)</b>

## OPERATIONAL PERFORMANCE:

Being the first closing of financial year post takeover by the new management, the Company has been continuously working on quality up gradation and cost reduction plans for achieving efficient running of the organization.

Amidst market sentiments, it could manage to achieve a turnover of Rs. 1,748,640 and arrive at a net profit of Rs. 4,03,942 thereby reducing its carried forward loss from the previous years.



**CHANGE IN MANAGEMENT:**

During the year under review, an open offer was made by Mrs. Somaraju Lakshmi Kalyani (Alias Mrs. Nirogi Lakshmi Kalyani), (now the Managing Director of the Company) pursuant to Regulations 3(1) & 4 of the SEBI (SAST) Regulations, 2011, to the public shareholders of Swagruha Infrastructure Limited to acquire up to 17,82,248 (Seventeen Lakhs Eighty Two Thousand Two Hundred & Forty Eight Only) Equity Shares of the face value of Rs. 10 (Rupee Ten Only) each fully paid up representing 26.00% (Twenty Six Percent only) of the paid-up equity & voting share capital of the Company.

The Acquirer also entered into a Share Purchase Agreement dated May 10, 2012 (“SPA”) with the promoters of the Company namely M/s. Kautilya Mutual Benefit Fund Limited, M/s. Kautilya Laboratories Private Limited, Mr. Boga Surender and Mr. Boga Prabhakar for the acquisition of 31,26,400 (Thirty One Lakh Twenty Six Thousand Four Hundred Only) fully paid-up Equity Shares (“Sale Shares”) of face value of Rs.10 (Rupees Ten) each representing 45.61% of the total paid-up equity & voting share capital of the Target Company.

The prime object of the Offer was to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Company.

Pursuant to this takeover, the Acquirer intended to expand the activity base of the Company in order to enter into the new area of business.

Subject to the satisfaction of the provisions under the Companies Act, and / or any other Regulations, the acquirer also intended to reconstitute the Board of Directors of the Target Company in accordance with the provisions of these Regulations.

Thus, in compliant with the aforesaid takeover through change of control, Mrs. N. L. Kalyani, Mr. M. Jayasimha Reddy, Mr. G. Gopal and Mr. K. Srinivasulu were appointed as the Directors of the Company on 23<sup>rd</sup> March, 2013.

**DIVIDEND:**

After taking into consideration the financial Results of the Company for the Financial Year 2012-13, and with an intention to build up the net worth for future expansion and growth plans, your Directors are of the opinion, that no dividend be recommended for the year under review.

**PUBLIC DEPOSITS:**

The Company has not accepted any fixed deposits from the public during the year under the provisions of the sections 58A and 58AA of the Act and the rules framed there under, where applicable.

**AUDITORS:**

**M/s. M. M. REDDY & Co.**, Chartered Accountants, Statutory Auditors of the Company had been appointed to hold office until the conclusion of the ensuing Annual General Meeting; however they are also eligible for re- appointment and their willingness for re- appointment have been intimated to the Company well in advance. Further they have also confirmed that they are not disqualified for re- appointment within the meaning of the Companies Act, and their appointment, if made would be within the limits specified in Section 224(1B) of the said Act.

**AUDITORS REPORT:**

The observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self- explanatory and hence do not call for any further comments under the Companies Act.

**ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:**

The information required under Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of Energy and Technology Absorption is not given as the Company does not fall under the category as mentioned above.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to provisions of the Companies Act, the Directors, is hereby confirming that:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That the Directors had prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE:**

Your Company has strived for exemplary governance standards since inception and continues to lay a strong emphasis on transparency, accountability and integrity.

Further the Company also conforms to the norms of Corporate Governance as envisaged in the Companies Act, and the Listing Agreement entered with the Bombay Stock Exchange (BSE) Limited.

Pursuant to Clause 49 of the Listing Agreement, a report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In accordance with the Listing Agreement, the Management Discussion and Analysis Report is presented in the separate section forming part of the Annual Report.

**PERSONNEL:**

There are no employees whose particulars are required to be furnished pursuant to the provisions of the Companies Act, read with Companies (Particulars of Employees) Rules, 1975 as amended.

**ACKNOWLEDGEMENT:**

The Directors wish to place on record their appreciation of the continued co-operation and assistance of the APIIC, State Government of Andhra Pradesh, the Bankers, Customers and the valuable advice and support received from the shareholders.

The Directors thank the shareholders for their continued confidence and trust placed by them with the Company. The Board also records its deep appreciation for the committed services of its employees during the year.

**By Order of the Board of Directors  
For Swagruha Infrastructure Limited**

Sd/-

**Date : 02.09.2013**

**Place: Hyderabad**

**Director**

# REPORT ON CORPORATE GOVERNANCE

## (Forming part of Directors' Report)

The Board of Directors of your Company have a pleasure in presenting this valued Corporate Governance Report for the year ended 2012-2013.

**Please note:** This Report is based on the disclosure requirements as stipulated under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange (BSE) Limited by the Company.

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Swagruha Infrastructure Limited ("the Company") is committed to achieve transparency and accountability, the basic parameters of the Corporate Governance norms, across the operations of the Company and in its interaction with all the stakeholders to establish an enduring relationship and maximize the wealth of stakeholders. The Company believes that these practices will not only result in sustainable growth of the Company but will also result in meeting every stakeholder expectations.

### II. BOARD OF DIRECTORS

The Board of Directors consists of 4 Members of whom 3 are Non-Executive Independent Directors.

a. Category of Directors as on March 31, 2013:

Category	Number of Directors
Promoter Executive Director	01
Non Executive Independent Director	03
<b>Total</b>	<b>04</b>

The Composition of the Board is in conformity with the Listing Agreement entered with Stock Exchange.

b. Attendance of each director at the Board Meetings held during the year 2012-2013 and at the Last Annual General Meeting.

Sr. No.	Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee memberships/chairmanships		
			No. of Board meetings held during the tenure of the director		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	#Mr. Boga Prabhakar	Promoter, Executive	7	7	Yes	1	NIL	NIL
2.	#Mr. Boga Surender	Promoter, Non-Executive	7	7	Yes	1	NIL	NIL
3.	#Mr. G. Veeraswamy	Promoter Non-Executive	7	7	Yes	NIL	NIL	NIL
4.	#Mrs. P. Krishna Kumari	Non-executive, Independent	7	7	Yes	3	3	3
5.	#Mr. J. Vidya Sagar	Non-executive, Independent	7	7	Yes	3	3	3
6.	#Mr. U. Satish Kumar	Non-executive, Independent	7	7	Yes	3	3	3
7	##Mrs. N.L.Kalyani	Promoter Executive Additional Director	7	0	No	1	NIL	NIL
8	##Mr. Gopal Gillela	Additional Non-Executive Independent Director	7	0	No	NIL	NIL	NIL
9	##Mr. Srinivasulu Konduru	Additional Non-Executive Independent Director	7	0	No	NIL	NIL	NIL
10	##Mr. Jayasimha Reddy	Additional Non-Executive Independent Director	7	0	No	NIL	NIL	NIL

- # Resigned as a Director from the Board in the Board Meeting held on 23<sup>rd</sup> March, 2013 as the New Management came in place consequent to Take Over by the New Management.
- ## Appointed as an Additional Director on the Board in the Board Meeting held on 23<sup>rd</sup> March, 2013, as the New Management, consequent to Take Over.
- c. Number of Board Meetings held and dates on which they were held during the year 2012-2013.

Quarter	No of Meetings	Dates on which held
April- June, 2012	1	09.05.2012
July- September, 2012	1	14.08.2012 03.09.2012
October- December, 2012	2	14.11.2012 08.12.2012
January- March, 2013	2	14.02.2013 23.03.2013
Total	7	

### III. COMMITTEES OF THE BOARD

As enumerated in our earlier correspondences with you, the Board of Directors of your Company has constituted various committees with specific terms of reference/ scope in order to focus effectively on the issues and ensure expedient resolution of diverse matters. As of 31<sup>st</sup> March, 2013, your Company has three committees. They are:

- A) Audit Committee
- B) Shareholders/ Investors Grievance Committee
- C) Remuneration Committee

#### A. AUDIT COMMITTEE:

- a) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Companies Act.
- b) Brief Description of Terms of Reference
- ✓ Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed

- ✓ Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- ✓ Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ✓ Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- ✓ Reviewing with management the annual financial statements before submission to the Board, focusing on:
  1. Any changes in accounting policies and practices;
  2. Qualification in draft audit report;
  3. Significant adjustments arising out of audit;
  4. The going concern concept;
  5. Compliance with accounting standards;
  6. Compliance with stock exchange and legal requirements concerning financial statements;
  7. Any related party transactions
- ✓ Reviewing the company's financial and risk management's policies.
- ✓ Disclosure of contingent liabilities.
- ✓ Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- ✓ Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- ✓ Discussion with internal auditors of any significant findings and follow-up thereon.
- ✓ Reviewing the findings of any internal investigations by the internal auditors into the 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.
- ✓ Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- ✓ Reviewing compliances as regards the Company's Whistle Blower Policy.

c) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2012-2013, (5) five meetings of the Audit Committee were held on 2<sup>nd</sup> May, 2012, 7<sup>th</sup> August, 2012, 20<sup>th</sup> August, 2012, 14<sup>th</sup> November, 2012 and 14<sup>th</sup> February, 2013.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of meetings attended
Mr. J. Vidyasagar	Chairman	NED (I)	5
Mrs. Krishna Kumari	Member	NED (I)	5
Mr. U. Satish Kumar	Member	NED (I)	5
#Mrs. Jayasimha Reddy	Chairman	NED(I)	0
##Mrs. N.L.Kalyani	Member	ED	0
##Mr. Srinivas Kondaru	Member	NED(I)	0

**NED (I):** *Non Executive Independent Director*

**ED:** *Executive Director Promoter*

# Appointed as the Chairman of the Audit Committee as the previous Chairman of the Audit Committee resigned on 23.03.2013, due to change in Management of the Company.

## Appointed as Member of the Audit Committee in place of earlier Members as they resigned on 23.03.2013 due to the change in Management of the Company.

## **B. REMUNERATION COMMITTEE**

The details of composition of the Committee are given below:

Name	Designation	Category
Mr. J. Vidyasagar	Chairman	NED (I)
Mrs. Krishna Kumari	Member	NED (I)
Mr. U.Satish Kumar	Member	NED (I)
# Mrs. JayasimhaReddy	Chairman	NED(I)
## Mrs. N.L.Kalyani	Member	ED
## Mr. Srinivas Kondaru	Member	NED(I)

**NED (I):** *Non Executive Independent Director*

**ED:** *Executive Director Promoter*

# Appointed as the Chairman of the Committee as the previous Chairman of the Audit Committee resigned on 23.03.2013, due to change in Management of the Company.

## Appointed as Member of the Committee in place of earlier Members as they resigned on 23.03.2013 due to the change in Management of the Company.



## Terms of reference:

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director or other key employees of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

One Meeting of the Committee was held during the year 2012- 13 i.e. on 20<sup>th</sup> August, 2012.

## Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

## C. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

### Composition, meetings and the attendance during the year:

The Details of composition of the Committee and attendance of the members at the meetings are given below:

During the year 2012-13, the Committee met four times (i.e. on 2<sup>th</sup> May, 2012; 7<sup>th</sup> August, 2012, 14<sup>th</sup> November, 2012 & 14<sup>th</sup> February 2013). The attendance of each Committee members is as under:

Name	Designation	Category	No. of meetings attended
Mr. J. Vidyasagar	Chairman	NED (I)	4
Mrs. Krishna Kumari	Member	NED (I)	4
Mr. U. Satish Kumar	Member	NED (I)	4
#Mrs. Jayasimha Reddy	Chairman	NED(I)	0
##Mrs. N.L.Kalyani	Member	ED	0
##Mr. Srinivas Kondaru	Member	NED(I)	0

**NED (I):** *Non Executive Independent Director*

**ED:** *Executive Director Promoter*

# Appointed as the Chairman of the Committee as the previous Chairman of the Audit Committee resigned on 23.03.2013, due to change in Management of the Company.

## Appointed as Member of the Committee in place of earlier Members as they resigned on 23.03.2013 due to the change in Management of the Company.

**Powers:**

**The committee has been delegated with the following powers:**

- To redress shareholders and investor complaints relating to transfer of shares, dematerialization of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- To approve, transfer, transmission, and issue of duplicate/ fresh share certificate(s).
- Consolidate and sub-division of share certificate etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc. received from any shareholder of the company and investor in general.

The Board has designated Mrs. N.L. Kalyani as the Compliance officer in place of Mr. Boga Prabhakar as the Management of the Company has changed with effect from 23<sup>rd</sup> March, 2013.

Complaints received and redressed by the Company during the financial year:

Sr. No.	Particulars	Remarks
1.	At the beginning of the year	NIL
2.	Received during the year	NIL
3.	At the end of the year	NIL

**IV. GENERAL BODY MEETINGS:**

Financial Year	Date	Time	Venue	Special Resolution
2011-2012	29.09.2012	11.00 A.M	At # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004	No special resolution was passed
2010-2011	30.09.2011	11.00 AM	At # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004	No special resolution was passed
2009-10	30.09.2010	11.00 AM	At # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004	No special resolution was passed

## **V. DISCLOSURES**

### **1. Disclosure of Accounting Treatment**

The Company follows the Accounting Standards as notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and in the preparation of the financial statements, the Company has not adopted treatment different from that prescribed in any of the Accounting Standards.

### **2. Details of Non- Compliance relating to the Capital Markets**

There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Exchange or any Statutory Authority on any matter relating to Capital Markets during the last three years.

### **3. Risk Management**

The Company has laid down procedures to inform the Board Members about the Risk Assessment and Minimization Procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation processes being taken up by them.

### **4. Subsidiary Company**

The Company does not have any material listed Indian Subsidiary.

### **5. Compliance with the Governance Framework**

The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of Listing Agreement i.e. constitution of the Remuneration Committee and establishing of Whistle Blower mechanism.

### **6. Disclosures by the Management.**

The Management of the Company has made disclosures to the Board relating to all the material, financial and commercial transactions stating that they did not have personal interest that could result in a conflict of interest of the Company at large.

### **7. Code of Conduct.**

The Company has adopted the code of conduct and ethics for Directors and Senior Management. The code has been circulated to all the members of the Board and senior Management. The Board members and senior management have affirmed their compliance with the code.

## VI. MEANS OF COMMUNICATION

In compliance with the requirements of the Listing Agreement, the Company regularly intimates financial results to Bombay Stock Exchange (BSE) Limited immediately after they are approved by the Board of Directors. The financial results of the Company are also available on the website viz., **www.bseindia.com**

The quarterly, half yearly and yearly financial results are also been published in one English newspaper and in one vernacular newspaper.

## VII. GENERAL SHAREHOLDERS INFORMATION

a) 19<sup>th</sup> Annual General Meeting:

Date and Time	Saturday, 28 <sup>th</sup> September 2013 at 9.00 AM
Venue	H. No. 6 -3-1216/47/B, Plot No 47 -B, Road No. 3, Methodist Colony, Begumpet, Hyderabad- 500016

b) Book Closure Date: 24.09.2013 to 26.09.2013 (Both days inclusive)

c) Financial Year and Calendar (Tentative) 2013-14:

The Company follows April to March as its Financial Year. The results of every quarter beginning from April are declared in the first month following each quarter as follows:

### Financial Calendar:

Financial Reporting for 2013-2014 (tentative)	On or before
The First Quarter results	14.08.2013
The Second quarter results	14.11.2013
The Third quarter results	14.02.2014
The Fourth quarter results	Within 60 days from the quarter.

#### **d) Listing on Stock Exchanges:**

Bombay Stock Exchange Limited

- Listing Fees** : Listing fee for the year 2013-14 has been paid
- Stock Code** : For equity shares: - BSE: 531909
- ISIN No** : For equity shares: - **INE587J01019**
- Stock Price Data** : The monthly high / low prices of shares of the Company from April, 2012 to March, 2013 at Bombay Stock Exchange.

Month	High (Rs.)	Low (Rs.)
April, 2012	37.25	34.70
May, 2012	65.75	36.75
June, 2012	72.00	53.75
July, 2012	78.45	64.70
August, 2012	77.50	54.50
September, 2012	100.70	63.00
October, 2012	124.20	93.10
November, 2012	138.60	123.60
December, 2012	144.95	129.05
January, 2013	138.95	138.95
February, 2013	136.80	132.05
March, 2013	143.00	107.20

#### **e) Registrar & Share Transfer Agents**

##### **Venture Capital and Corporate Investments Private Limited**

12-10-167, Bharat Nagar, Hyderabad-500018

Ph: 040-23818475, 23818476

Fax: 040-23868024

Email: info@vccipl.com

Website: www.vccipl.com

#### **f) Share Transfer System:**

The Physical shares transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All the requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

**g) Shareholding Pattern as on 31<sup>st</sup> March, 2013:**

Particulars	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	3126400	45.61
	<b>Sub - Total A</b>	<b>3126400</b>	<b>45.61</b>
B	Public Shareholding		
1.	Institutions	NIL	NIL
2.	Non- Institutions		
a)	Bodies Corporate	165296	2.41
b)	Indian public and others	3534014	51.56
c)	Any others	29090	0.42
	<b>Sub Total B</b>	<b>3728400</b>	<b>54.39</b>
	<b>Grand Total (A+B)</b>	<b>6854800</b>	<b>100.00</b>

**h) Distribution of shareholding of the Company by number of shares held as on 31st March, 2013 is as follows:**

Particulars	Shareholders		Shareholding	
	Number	%	Number	%
UPTO - 500	123	55.91	23410	0.34
501-1000	8	3.64	7587	0.11
1001-2000	13	5.91	20491	0.30
2001-3000	0	0.00	0	0.00
3001-4000	2	0.91	7298	0.11
4001-5000	1	0.45	5000	0.07
5001-10000	3	1.36	17578	0.26
10001 & ABOVE	67	30.45	6776236	98.85
<b>Total</b>	<b>890</b>	<b>100</b>	<b>6854800</b>	<b>100</b>

**i) Dematerialization of Shares:**

The Company's shares are dematerialized on National Securities Depositories limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is **INE587J01019**. As on 31<sup>st</sup> March, 2013, 54,85,000 Equity shares are dematerialized which is 80.02% of the paid up capital of the company and out of which 1436903 shares are in CDSL and 4048097 shares are in NDSL and the balance are in physical form.

**j) Address for Investors Correspondence:**

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

**SWAGRUHA INFRASTRUCTURE LIMITED**

H.No 6-3-1216/47/B,  
Plot No 47-B,  
Road No 3,  
Methodist Colony,  
Begumpet,  
Hyderabad- 500016  
Email: slkalyani@hotmail.com

**k) CEO/MD Certification:**

As required by the Clause 49 (V) of the Listing Agreement, the certificate from CEO is attached elsewhere in the annual report.

**l) Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

**By Order of the Board of Directors  
For Swagruha Infrastructure Limited**

Sd/-

**Date : 02.09.2013  
Place: Hyderabad**

**Director**

**DECLARATION**

To  
The Members of Swagruha Infrastructure Limited

This is to declare that the Code of Conduct envisaged by the Company for members of the Board and the Senior Management Personnel have been complied with by all the members of the Board and the Senior Management Personnel of the Company respectively.

**For and on behalf of the Board  
Swagruha Infrastructure Limited**

**Sd/-**

**Date : 02.09.2013  
Place: Hyderabad**

**N.L.Kalyani  
Managing Director**



# MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

## Forward-looking statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

## Industry Overview

Infrastructure remains a vital sector for India's growth story. But, lack of adequate infrastructure is a major constraint in India's growth. Infrastructure, which was the golden sector a few years ago, is battling regulatory bottlenecks, land acquisition delays and credit crunch. Without any dichotomy - the future growth prospects of the Indian economy lingers primarily on the infrastructure investment and timely execution of the projects. The infrastructure sector was one of the thrust areas in Union Budget 2012-13 as a string of measures were announced in the budget.

Given the fact that strong infrastructure facilities form the backbone of a nation's economy, the Indian government began to shift its focus to infrastructure development, as was evident from the 10th and 11th Five Year plans. During this period, the Planning Commission identified inadequate infrastructure as a significant barrier to economic growth. It persuaded the government to undertake initiatives such as public private partnerships (PPPs), to draw private sector investments into the infrastructure sector. This move has benefited several infrastructure companies, and has consequently renewed their interest in undertaking large scale infrastructure projects within the country.

Taking into account the rapid urbanization expected in the next two decades, it becomes imperative to analyze bottlenecks to growth in the infrastructure sector, and forming strategies and policies to mitigate them.

## **Operational Review**

The Company's brand image has increased manifold owing to aggressive marketing campaigns through various media, major sponsorships and participation in several property shows and events both in the city and abroad. These have been generating good response fuelled by the strategic location of its projects. Your Company has created an enviable brand in all the segments and regions of its operations and the brand is synonymous with high quality product and transparency in dealing with its customers. We hence, continue to register impressive levels of growth despite the challenging business environment.

## **Financial Performance**

Being the first closing of financial year post takeover by the new management, the Company has been continuously working on quality up gradation and cost reduction plans for achieving efficient running of the organization.

Amidst market sentiments, it could manage achieved a turnover of Rs. 1,748,640 and arrive at a net profit of Rs. 4,03,942 thereby reducing its carried forward loss from the previous years.

## **Outlook**

The activities of the Company are based in the city of Hyderabad and the Group has managed to create several landmark projects in residential, commercial, retail and hospitality sectors. The foresight of the promoters in acquiring considering land bank economically in the initial years has been the basic contributing factor for the Company's profitability. The projects developed by the Company mostly address the middle and high income groups. Having made its mark in the city of its birth, the group is now in the process of expanding into other metros and is weighing its options for foraying into infrastructural activities by undertaking minor projects.

## **Strengths and Opportunities**

- Wide range of expertise spanning over 25 years in the construction sector and professional and able senior management team.
- Strategically located projects with high selling potential.
- Identifying customer requirements and developing quality products with active post completion follow up and assistance.

## **Weaknesses and Threats**

- Low entry barriers in the industry causing several unorganized regional players.
- High attrition rates in the industry in general.
- Political unrest and agitations demanding for a separate State.

## **Internal Control Systems**

The Company has put in place, adequate systems of internal control to check various aspects of business. Internal audit is conducted on a regular basis and the reports are reviewed by the Audit Committee of the Board. The shortcomings, if any are communicated to the respective departments and measures are taken accordingly.

## **Human Resources and Industrial Relations**

The Company has always considered its human resources as an asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued during the year. Relations with the Employees remained cordial throughout the year. Strong marketing and customer relations resources aid revenue generation while all other personnel contribute towards achieving the overall goals of the Company by aligning them with individual goals. The Company constantly strives to enhance the skill-sets of the employees and motivates them to realize their full potential with vivacity, thereby achieving significant growth. The Company has provided performance driven increments during the year under review.

## **Corporate Social Responsibility (CSR)**

Your Company endeavours to make a positive contribution towards social cause by supporting a wide range of socio-economic and educational initiatives. To further the CSR objective, your Company in association with the Rotary Club and the Round Table regularly organize Health & Blood Donation Camps.

## **A Word of Appreciation**

We could not have weathered the challenging economic environment and survived the competitive business environment to move forward with a new vigor without the contribution, commitment and support of our management team and staff, business associates and shareholders and Government organizations.

We appreciate your continued support, and steadfast belief in our mission and vision.

# MANAGING DIRECTORS CERTIFICATION

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

## MANAGING DIRECTOR CERTIFICATE

I, N.L.Kalyani, Managing Director of M/s Swagruha Infrastructure Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
  - (a) Significant changes in internal controls over financial reporting during the year;
  - (b) Significant changes in the accounting policies during the year;

(c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

**By Order of the Board of Directors  
For Swagruha Infrastructure Limited**

**Sd/-**

**Date : 02.09.2013  
Place: Hyderabad**

**N.L. Kalyani  
Managing Director**

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Swagruha Infrastructure Limited

We have examined the compliance of conditions of Corporate Governance by Swagruha Infrastructure Limited ('the Company'), for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievance is pending, for a period exceeding one month against the Company as per the records maintained by the investor grievance 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.

**For M M Reddy & Co.**  
**Chartered Accountants**  
**Firm Registration No. 010371S**

**Sd/-**  
**M Madhusudhana Reddy**  
Partner  
Membership No. 213077

**Place:** Hyderabad  
**Date :** 02.09.2013

# AUDITORS' REPORT

To the Members,

We have audited the attached Balance Sheet of, as at March 31, 2013, and also the related Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
  - (v) On the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

AND

(b) In the case of the Profit and Loss Account, the Profit for the year ended on that date;

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Reg. No. 010371S  
Sd/-  
(M. Madhusudhana Reddy)  
Partner  
Membership No. 213077

**Place: Hyderabad**

**Date: 29.05.2013**

**Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of for the year ended March 31, 2013)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. There is no discrepancies were noticed on such verification.  
  
(c) No substantial part of fixed assets has been disposed off during the year.
2. In our opinion and according to the information and explanations given to us, the Company having any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.



3. As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (b) to (d) of the Order are not applicable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
  
b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 29 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the of the Companies Act, 1956 in respect of the Company's nature of business.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Wealth Tax, Customs Duty, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no income tax, wealth tax, sales tax, customs duty and excise duty, which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

10. The company has the accumulated losses as at the end of the financial year Rs. 62745357 covered by our audit.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, Banks or Debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not taken term loans from banks.
17. Based on our examination of the balance sheet of the company as at 31.03.2013, since there is no loans availed by the company, the utilization of funds does not arise.
18. 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. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.

20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
22. There were no employees in respect of remuneration of Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- or more per month, if employed for part of the year.
23. Additional information pursuant paragraphs 3, 4C and 4D of part II of schedule of VI of the companies Act, 1956 is not applicable to the Company.
24. Figures for the previous year are regrouped and rearranged, wherever necessary.

**For M M REDDY & CO.,**

Chartered Accountants

Firm Reg. No. 010371S

Sd/-

(M. Madhusudhana Reddy)

Partner

Membership No.213077

**Place: Hyderabad**

**Date : 29.05.2013**

# SWAGRUHA INFRASTRUCTURE LIMITED

## Balance Sheet

(All amounts in Indian Rupees except for share data or otherwise stated)

		2012-13	2011-12
	Note No's	As at Mar' 31, 2013	As at Mar' 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	68,548,000	68,548,000
Reserves and Surplus	2	(62,745,357)	(63,149,299)
Preference Share Warrant		-	-
	<b>A</b>	<b>5,802,643</b>	<b>5,398,701</b>
<b>Non - current liabilities</b>			
Long - term borrowings	3	-	1,890,894
Deferred tax liabilities (Net)	4	-	-
Long term provisions		-	-
	<b>B</b>	<b>-</b>	<b>1,890,894</b>
<b>Current liabilities</b>			
Short - term borrowings			-
Trade Payables	5	108,500	37,778
Other Current Liabilities	6	17,486,400	
Short - term provisions	7	300,000	-
	<b>C</b>	<b>17,894,900</b>	<b>37,778</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>23,697,543</b>	<b>7,327,373</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Gross Block	8	393,693	393,693
Less : Accumulated depreciation / amortization		364,144	361,927
<b>Net block</b>		<b>29,549</b>	<b>31,766</b>
Capital work- in- progress			-
	<b>A</b>	<b>29,549</b>	<b>31,766</b>
Deferred tax assets (Net)			
Long - term loans and advances			
Non-current investments		-	-
Other Non- Current Assets		-	-
	<b>B</b>	<b>-</b>	<b>-</b>

<b>Current assets</b>			
Inventories		-	-
Trade receivables	9	-	2,290,477
Cash and cash equivalents	10	219,333	118,251
Short - term loans and advances	11	-	4,886,879
Other current assets	12	23,448,661	-
	<b>C</b>	<b>23,667,994</b>	<b>7,295,607</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>23,697,543</b>	<b>7,327,373</b>

The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date.

**For M M REDDY & CO.,**  
**Firm Registration Number : 010371S**  
**Chartered Accountants**

Sd/-  
M Madhusudhana Reddy  
Partner  
Membership No. 213077

Place : Hyderabad  
Date : 29-05-2013

For and on behalf of the Board of Directors of  
**SWAGRUHA INFRASTRUCTURE LIMITED**

Sd/-  
**N L Kalyani**  
Managing Director

Sd/-  
**M Jayasimha Reddy**  
Director

# SWAGRUHA INFRASTRUCTURE LIMITED

## Profit and Loss Account for the year ended

(All amounts in Indian Rupees except for share data or otherwise stated)

		2012-13	2011-12
	Note No's	As at Mar' 31, 2013	As at Mar' 31, 2012
<b>INCOME</b>			
<b>Turnover (Gross)</b>			
Estimated Income on Contract works in progress		1,748,640	-
Income from operations		-	2,979,833
Other Income		11,215	43,855
<b>Total Revenue</b>		<b>1,759,855</b>	<b>3,023,688</b>
<b>EXPENDITURE</b>			
Director Remuneration		-	100000
Personal Cost	13	303,000	580,478
Administration expenses	14	750,696	2,395,248
Depreciation/amortization		2,217	5,362
Bad debts Written Off		-	9,874,630
Loans & Advances Written Off		-	42,891,602
<b>Total</b>		<b>1,055,913</b>	<b>55,847,320</b>
<b>Exceptional items (Refer note no.18 of Schedule 20)</b>			
<b>Profit before tax</b>		<b>703,942</b>	<b>(52,823,632)</b>
Provision for taxation			
- Current Year Tax		300,000	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>300,000</b>	<b>-</b>
Profit/(Loss) from continuing operations		<b>403,942</b>	<b>(52,823,632)</b>
Balance brought forward from previous year		<b>(63,149,299)</b>	<b>(10,325,667)</b>
<b>Balance carried to Balance Sheet</b>		<b>(62,745,357)</b>	<b>(63,149,299)</b>
<b>Earnings per share</b>			
Basic		<b>0.01</b>	<b>(0.77)</b>
Weighted Number of Shares		<b>68,548,000</b>	<b>68,548,000</b>
Nominal value		<b>10</b>	<b>10</b>
<b>Notes to accounts</b>	15		

The Notes referred to above and the notes to accounts form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date.

**For M M REDDY & CO.,**  
**Firm Registration Number : 010371S**  
**Chartered Accountants**

For and on behalf of the Board of Directors of  
**SWAGRUHA INFRASTRUCTURE LIMITED**

Sd/-  
M Madhusudhana Reddy  
Partner  
Membership No. 213077

Sd/-  
**N L Kalyani**  
Managing Director

Place : Hyderabad  
Date : 29-05-2013

Sd/-  
**M Jayasimha Reddy**  
Director

# SWAGRUHA INFRASTRUCTURE LIMITED

## Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	2012-13	2011-12
	Year Ended Mar' 31, 2013	As at Mar' 31, 2012
<b>Note 1 : Share Capital</b>		
<b>Authorised:</b> 75,00,000 Equity shares of Rs.10/- each	<b>75,000,000</b>	<b>75,000,000</b>
<b>Issued, Subscribed and Paid up</b> 68,54,800 Equity shares of Rs. 10/- each Less: Calls-in-arrears	<b>68,548,000</b>	<b>68,548,000</b>
	<b>68,548,000</b>	<b>68,548,000</b>
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>		
Equity Shares outstanding at the beginning of the year	<b>6,854,800</b>	<b>6,854,800</b>
Add: Additional shares issued during the year - Equity Shares outstanding at the closing of the year	<b>6,854,800</b>	<b>6,854,800</b>
<b>Terms/rights attached to equity shares</b> The company has only one class of equity shares having a par value of ` 10/- per share. Each holder of equity shares is entitled to one vote per share.  In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held		
<b>Names of shareholders holding more than 5 % shares Equity Shares</b>	<b>No of Shares</b>	<b>No of Shares</b>
No Shareholder holds more than 5% Shares of the company		
Ganji Veera Swami	456,000	456,000
Koutilya Mutual Benefit Fund Limited	1,500,000	1,500,000
Koutilya Laboratories Pvt Ltd	750,000	750,000
Boga Prabhakar	670,400	670,400



<b>Note 2 : Reserves and Surplus</b>		
<b>General Reserve</b>		
Balance as per last account	-	
<b>Capital Reserve</b>		
Forfeiture of shares on Capital Reduction	-	
<b>Profit &amp; Loss A/c Surplus</b>		
Balance in the statement of profit & loss	(63,149,299)	(10,325,667)
Additions during the year	403,942	(52,823,632)
	<b>(62,745,357)</b>	<b>(63,149,299)</b>
<b>Note 3 : Long - term borrowings</b>		
<b>Loans and advances from banks</b>		
<b>Term loans</b>		
From banks		
From others- Directors (Unsecured)	-	1,890,894
	-	<b>1,890,894</b>
<b>Note 4 : Deferred tax liabilities (Net)</b>		
Opening Balance	-	
Add/Less: Current year Provision	-	-
	-	-
<b>Note 5 : Trade Payables</b>		
Creditors for suppliers	-	-
Creditors for Expenses	108,500	37,778
	<b>108,500</b>	<b>37,778</b>
<b>Note 6 : Other Current Liabilities</b>		
Other Liabilites (mobilisation advance)	17,486,400	
	<b>17,486,400</b>	-
<b>Note 7 : Short - term provisions</b>		
Provision for Income tax	300,000	-
Others Provisions	-	-
	<b>300,000</b>	-

<b>Note 9 : Trade receivables (Unsecured, considered good, unless otherwise stated)</b> Debts outstanding for a period exceeding six months		
Considered good		-
Considered doubtful	-	9,874,630
Other debts		
Considered good	-	2,290,477
	-	<b>12,165,107</b>
Less: Bad Debts writeoff	-	9,874,630
	-	<b>2,290,477</b>
<b>Note 10 : Cash and cash equivalents</b>		
Cash on hand	203,570	106,992
Balances with Noted banks	-	-
On current accounts	15,763	11,259
On deposit accounts	-	-
	<b>219,333</b>	<b>118,251</b>
<b>Note 11 : Short - term loans and advances Advances recoverable in cash or in kind or for value to be received</b>	-	25,101,550
<b>Less: Advances Written Off</b>	-	(25,101,550)
<b>Capital advances</b>	-	17,600,400
<b>Less: Capital Advances Written off</b>	-	(17,600,400)
Amount receivable on joint Venture	-	4,536,879
Amount receivable from Associate Concern	-	350,000
Other advances and deposits	-	189,652
Less: Other Advances and Deposits Written Off	-	(189,652)
	-	<b>4,886,879</b>
<b>Note 12 : Other current assets</b>		
Contract works in progress	21,700,021	-
Estimated Income on Contract works in progress	<b>1,748,640</b>	-
	<b>23,448,661</b>	-

## SWAGRUHA INFRASTRUCTURE LIMITED

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

### Fixed Assets Note No. 8

Particulars	Gross Block		Depreciation /amortization				Net Block	
	As at April 1, 2012	As at Additions March 31, 2013	As at April 1, 2012	For the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012	As at March 31, 2012
Furniture and Fixtures	105,294	-	101,434	244	101,678	3,616	3,860	3,860
Office equipment	288,399	-	260,493	1,973	262,466	25,933	27,906	27,906
<b>Total</b>	<b>393,693</b>	<b>-</b>	<b>361,927</b>	<b>2,217</b>	<b>364,144</b>	<b>29,549</b>	<b>31,766</b>	<b>31,766</b>
<b>Previous year</b>	<b>393,693</b>	<b>-</b>	<b>356,564</b>	<b>5,362</b>	<b>361,926</b>	<b>31,766</b>	<b>37,129</b>	<b>37,129</b>
<hr/>								
Particulars	Gross Block		Depreciation /amortization				Net Block	
	As at April 1, 2011	As at Additions March 31, 2012	As at April 1, 2011	For the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Furniture and Fixtures	105,294	-	100,581	853	101,434	3,860	4,713	4,713
Office equipment	288,399	-	255,984	4,509	260,493	27,906	32,415	32,415
<b>Total</b>	<b>393,693</b>	<b>-</b>	<b>356,565</b>	<b>5,362</b>	<b>361,927</b>	<b>31,766</b>	<b>37,128</b>	<b>37,128</b>
<b>Previous year</b>	<b>393,693</b>	<b>-</b>	<b>350,285</b>	<b>6,279</b>	<b>356,564</b>	<b>37,129</b>	<b>43,408</b>	<b>43,408</b>

**SWAGRUHA INFRASTRUCTURE LIMITED****Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	<b>2012-13</b>	<b>2011-12</b>
	<b>Year Ended Mar' 31, 2013</b>	<b>Year Ended Mar' 31, 2012</b>
<b>Note 13 : Personal Cost</b>		
Salaries and incentives	303000	507,442
Staff welfare expenses	-	73,036
	<b>303,000</b>	<b>580,478</b>
<b>Note 14 : Administration expenses</b>		
Rates & Taxes	83,708	1,333,750
Office Maintenance	75,478	70,355
Travelling & Conveyance	75,478	105,741
Office Rent	194,628	145,624
Printing & Stationery	58,574	42,226
Site visit expenses	35,874	78,451
Brouchers and posters	25,340	65,871
Collection incentives	-	94,872
Computer Maintenance	2,120	3,150
Discounts and Coupons	-	46,857
Communication expenses	56,920	70,256
Postage and couriers	9,385	38,974
Auditors remuneration	30,000	30,000
Electricity Charges	8,260	11,988
Professional Fee	25,000	122,778
RTA Charges	-	25,256
Vehicle Maintenance	12,739	10,333
Other Expenses	57,192	98,766
	<b>750,696</b>	<b>2,395,248</b>

**Note 15 : NOTES ON ACCOUNTS:**

1. Contingent Liabilities: There are no Contingent liabilities as on date.
2. The Company has no Subsidiaries.
3. Auditors Remuneration: 30000/-
4. No outstanding amounts payable to micro, small and medium enterprises.
5. Segment information:

Revenue of the Company comes from a single segment of operating activities, as also economic environment in the whole of country is one, Segment Reporting as required under Accounting Standard – 17 has not been given.

6. CIF value of import in respect of capital goods: Nil.  
Expenditure and Earnings in Foreign Currency: Nil (Previous Year: Nil)
7. Retirement benefits / Gratuity will be considered in accounts on payment basis.  
However no employee qualifies for the same.
8. Related party transactions:

As per AS-18 issued by The Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are NIL.

As per our report of even date attached

For and on behalf of the Board of Directors

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Reg. No. 010371S

**SWAGRUHA INFRASTRUCTURE LIMITED**

Sd/-  
(M. Madhusudhana Reddy)  
Partner  
Membership No.213077

Sd/-  
N L Kalyani  
Managing Director

Sd/-  
M Jayasimha Reddy  
Director

**Place: Hyderabad**  
**Date : 29.05.2013**

## **Notes: SIGNIFICANT ACCOUNTING POLICIES**

### **1. Basis of preparation of financial statements**

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956. Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.

### **2. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

### **3. Revenue Recognition**

During the year the company has generated Revenue from portfolio services, all the incomes, receipts are accounted for after realization of bills.

### **4. Fixed Assets, intangible assets and capital work-in-progress**

Fixed Assets are stated at cost, less accumulated depreciation. All direct costs are capitalized until fixed assets are ready for use including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Capital work-in progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

## 5. Depreciation and amortization

Depreciation on fixed assets is applied on straight-line method, pro-rata for the period of usage, in accordance with the rates prescribed under schedule XIV of the Companies Act, 1956.

## 6. Expenditure

Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities.

The cost of operations of solar power generator systems and development charges to the solar energy renewable products are charged to cost of revenues in the year of acquisition. Charges relating to non-cancelable, long-term operating leases are computed primarily on the basis of the lease rentals, payable as per the relevant lease agreements. Post-sales customer support costs are estimated by management, determined on the basis of past experience. The cost provided for are carried forward until expiry of the related lease warranty period. Provisions are made for known losses and liabilities.

## 7. Income tax

Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact if current year timing differences between taxable income and accounting income for the year and the relevant of timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

As per our report of even date attached

**For M M REDDY & CO.,**

Chartered Accountants

Firm Reg. No. 010371S

Sd/-

(M. Madhusudhana Reddy)

Partner

Membership No.213077

**Place: Hyderabad**

**Date : 29.05.2013**

For and on behalf of the Board of Directors  
**SWAGRUHA INFRASTRUCTURE LIMITED**

Sd/-

N L Kalyani

Managing Director

Sd/-

M Jayasimha Reddy

Director



**SWAGRUHA INFRASTRUCTURE LIMITED**

H. No. 6-3-1216/47/B, Plot No. 47-B, Road No. 3, Methodist Colony, Begumpet, Hyderabad - 500 016.

**PROXY FORM**

I/We, \_\_\_\_\_ of \_\_\_\_\_ being a Member(s) of above named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ 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 Saturday, 28<sup>th</sup> September, 2013 at 9.00 A. M. at **H. No. 6-3-1216/47/B, Plot No. 47-B, Road No. 3, Methodist Colony, Begumpet, Hyderabad - 500 016** and at any adjournment thereof.

As witnessed Signed this \_\_\_\_\_ day of September 2013

Signed by the said \_\_\_\_\_

Folio No./Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Affix  
Re.1/-  
Revenue  
Stamp

**Note:**

The proxy in order to be effective should be duly stamped, completed, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

**SWAGRUHA INFRASTRUCTURE LIMITED**

H. No. 6-3-1216/47/B, Plot No. 47-B, Road No. 3, Methodist Colony, Begumpet, Hyderabad - 500 016.

**ATTENDANCE SLIP**

I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the members of the company to be held on Saturday, 28<sup>th</sup> September, 2013 at 9.00 A. M. H. No. 6-3-1216/47/B, Plot No. 47-B, Road No. 3, Methodist Colony, Begumpet, Hyderabad - 500 016.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No./ Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

**Note:**

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.


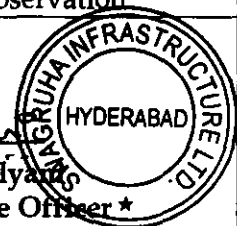

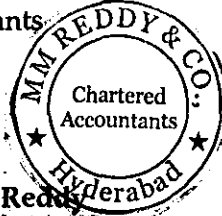
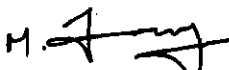
**SWAGRUHA INFRASTRUCTURE LIMITED**

H. No. 6-3-1216/47/B, Plot No. 47-B

Road No. 3, Methodist Colony

Begumpet, Hyderabad - 500 016.

**Form A as per Clause 31(a) of the Listing Agreement for the Financial Year ended March, 2013:**

1.	Name of the Company	Swagruha Infrastructure Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	There has been no observation
5.	Signed by:	
	• Managing Director	 <b>Nerogi Lakshmi Kalyans</b> <b>CMD &amp; Compliance Officer *</b> <b>DIN: 01669808.</b> 
	• Auditor of the Company	<b>For M M Reddy &amp; Co.,</b> <b>Chartered Accountants</b>  <b>M Madhusudhana Reddy</b> <b>Partner</b> <b>Membership No.: 213077</b> 
• Audit Committee Chairman	 <b>Jayasimha Reddy</b> <b>Director</b> <b>DIN: 06490738.</b> 