

# SWAGRUHA INFRASTRUCTURE LIMITED

(Formerly known as Memory Polymers Limited)

## NOTICE TO THE SHAREHOLDERS

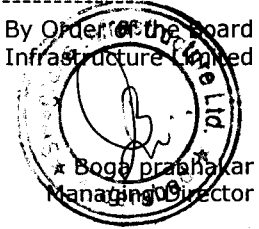
Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the members of M/s. **SWAGRUHA INFRASTRUCTURE LIMITED** will be held on Thursday the 30<sup>th</sup> day of September, 2010 at 11.00 A.M at #203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004, to transact the following business: -

### **Ordinary Business:**

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2010 together with the reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Sri. VIDYA SAGAR JALDA, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Sri. N.V.SATYANARAYANA, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in the place of Sri. MITTAPALLY SUDHARSHAN, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. M/s.S.Phani Kumar, Chartered Accountant, Hyderabad as Auditors.

"Resolved that M/s. S.Phani Kumar, Chartered Accountant, the retiring Auditor, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General meeting to the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

By Order of the Board  
For Swagruha Infrastructure Limited



Place: Hyderabad  
Date: 31.07.2010.

### **Notes:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxy forms to be valid shall be lodged at the registered office of the company not less than 48 hours before the meeting.
2. Members are requested to notify immediately changes if any, in their addresses to the company quoting their folio number
3. Members should bring the Attendance slip duly filled in for attending the meeting.
4. Shareholders seeking any information with regard to accounts are requested to write to the company at the earliest to keep the information ready.
5. Shareholders are requested to bring their copy of Annual Report to the Meeting.
6. The Register of members and share transfer books will remain closed from Friday 25<sup>th</sup> day of September 2010 to 30<sup>th</sup> day, of September 2010 (both days inclusive).

## DIRECTORS REPORT

TO  
THE MEMBERS OF  
SWAGRUHA INFRASTRUCTURE LIMITED  
HYDERABAD.

Your Directors have pleasure in presenting the 16<sup>th</sup> ANNUAL REPORT together with Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

(Rs.in Thousands)

Sl.No	Particulars	31.03.2010	31.03.2009
1	Income	1124.60	2496.91
2	Expenditure	1121.59	2971.39
3	Net Profit/ (Loss) before Tax	3.01	(474.48)
4	Provision for Tax	Nil	N
5	Net Profit/ (Loss) after Tax	3.01	(474.48)
6	Profit/(Loss) brought from last year	(10353.75)	(9879.26)
7	Profit/(Loss) carried to Balance Sheet	(10350.74)	(10353.75)

### OPERATIONS:

During the year under review your Company's turnover has come down due sluggish real estate market in the Hyderabad where your Company main business is focused. We hope the market will pick up in the current financial year.

### OUT LOOK & FUTURE PLANS

The outlook and future plans of the company are presented in Management Discussion and Analysis, forming part of this report.

### DIVIDEND

Your directors have not recommended any dividend in view of the accumulated losses and need to build up long term and working capital resources.

### FIXED DEPOSITS:

Your Company has not invited any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the company Sri. Vidya Sagar Jalda, Sri.N.V.Satyanarayana and Sri.Mittapally Sudarshan, Directors of the Company would retire by rotation at the ensuing Annual General Meeting, and is eligible for re-appointment and expressed their willingness for their re-appointment.

**LISTING OF SHARES:**

The securities of the company are listed at BSE Limited, Mumbai. Presently the trading of the shares under suspension.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards had been followed.
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE:**

Your Company believes in creating wealth for its Shareholders. In pursuit of this objective, the policies of the Company are designed to strengthen the ability of the Board of the Directors to supervise the management and to enhance long term shareholder value.

Pursuant to Clause 49 of the said Listing Agreement (a) Management Discussion and Analysis, (b) the Report of the Directors on the practices prevalent on Corporate Governance in the Company and (c) the Auditors' Certificate on compliance of mandatory requirements of Corporate Governance are given as an annexure to this report.

**AUDITORS:**

M/s. S.Phani Kumar, Chartered Accountant, Auditor of the company who retires at the conclusion of the Annual General Meeting has given his consent to be reappointed for the current year.

## DIRECTORS REPLY TO THE QULIFICATION OF AUDITORS

Reference	Auditors Qualification	Directors reply
2 (g)(i) of the Auditors Report	No information with respect to party-wise break-up, nature and origin of transaction, legal enforceability of claims and the realizable values are available for Sundry Debtors amounting to Rs. 98,74,630 (Previous Year Rs. 98,55,124).	Long outstandings in Sundry Debtors are on account of erstwhile business of Pharmaceuticals. Owing to changes in the management and administrative hierarchy over the years and discontinuance of the line of activity, etc have resulted in stagnation of Sundry Debtors. Your Directors are working on a time-bound programme to realize the same at an early date.
2 (g)(ii) of the Auditors Report	No information with respect to party-wise break-up, nature and origin of transaction, legal enforceability of claims and the realizable values are available for Loans & Advances amounting to Rs.4,74,28,481 (Previous Year Rs.4,74,28,481)	Long outstandings in Loans & Advances are on account of various factors - most of them are advances made for purchase of capital equipment during 1995-96 and owing to financial crunch and continuous losses, the company could not fulfill the commitments to capital goods suppliers. Your Directors are working on a time-bound programme to realize the same at an early date.
2 (g)(iii) of the Auditors Report	In the absence of necessary records, the figures as per the previous years' Audited Financial Statements have been relied upon.	Repeated changes in registered office of the company, changes in management and unexpected seepage of water, etc, have resulted in several statutory and financial records being lost/destroyed. Your Directors are working on a time-bound programme to create all the necessary statutory records.

**INFORMATION PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

No employees are drawing salary as specified in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 hence no details are required to be given.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

**A: Conservation Of Energy:**

The management is striving to achieve cost reduction by economical usage of energy and to bring a general awareness about the energy conservation among employees.

**B. Technology Absorption:**

- |   |   |     |
|---|---|-----|
| 1. Research and Development (R&D)                 | : | NIL |
| 2. Technology absorption, adoption and innovation | : | NIL |


**C. Foreign Exchange Earnings and Out Go:**

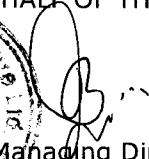
- |                           |   |     |
|---------------------------|---|-----|
| Foreign Exchange Earnings | : | NIL |
| Foreign Exchange Outgo    | : | NIL |

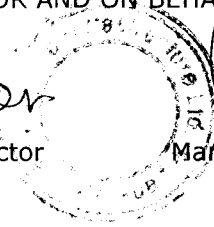
**ACKNOWLEDGEMENTS:**

The Directors take this opportunity to thank the share holders, Financial institutions, Banks, Customers and regulatory and Government authorities for their continuous support to the Company. Further the Directors wish to place on record their appreciation of employees at all levels for their hard work, dedication and commitment.

FOR AND ON BEHALF OF THE BOARD

  
Director

  
Managing Director



Place: Hyderabad  
Date:31.07.2010.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Industry structure and Developments:**

Infrastructure Industry in India have been experiencing a rapid growth in its different sectors with the development of urbanization and increasing involvement of foreign investments in this field. The Indian government has taken initiatives to develop the

infrastructure sector, with major emphasis on construction, engineering, IT, entertainment, textiles, food, and utility to name some.

### **Opportunities and threats**

Long recession, worldwide economy slow down, technical correction in infrastructure industry, Political Uncertainty in this region was the contributors for slow down which may continue till December of 2010. However as Financial Markets are picking up new opportunities are emerging and with the government initiatives and institutions helping hand to the industry, there will be good prospects to the industry as well as to your company

### **Outlook**

Your Company outlook for coming years seems to be very optimistic and good.

### **Risks and Concerns**

As many players are entering into infrastructure sector, inflation is as usual going up day to day, the prices of materials and labor costs and other overheads are increasing. All these concerns may affect your company performance.

### **Internal control systems and their adequacy**

Your Company remains committed to ensure an effective internal control environment that provides assurance on the efficiency of the operations and security of its assets. The Internal Audit process effectively and adequately covers the internal control environment across the company. Planning and conduct of the internal audit is oriented towards a review of controls in identifying, evaluating and managing risks, along with the maintenance of proper accounting records and reliability of financial information used within the business.

### **Discussion on financial performance with respect to operational performance**

The company's operational performance and the financial performance continued to suffer till now due to the due to sluggish infrastructure ,construction and real estate market in Hyderabad.

### **Material developments in Human Resources / Industrial Relations front including number of people employed**

The company continues to improve the quality of its human resources as on when required..

## **REPORT ON CORPORATE GOVERNANCE REPORT**

### **1. COMPANY'S PHILOSOPHY:**

The Board of Directors of the company believes in and fully supports the principles of Corporate Governance. While striving to achieve the financial targets, the company seeks to follow the business principles and ethics and in all its dealings. The company has been regularly implementing the best practices of corporate governance in order to attain total transparency, accountability and integrity.

## 2. BOARD OF DIRECTORS

### Composition of Board:

As on 31<sup>st</sup> March 2010, Swagruha Infrastructure Limited consist of 7 Directors The Chairman of the Board is a Non-executive chairman

### Board Meetings

During the year 2009-10, the Board met 5 times on the following dates, viz., 30/04/2009, 28/07/2009, 30/07/2009, 31/10/2009 and 30/01/2010 The maximum gap between any two successive meetings was less than 4 months.

### Director's attendance Record and Directorships

The following table gives details of Directors, their attendance at the Board Meetings during the year 2009-2010 and the last Annual General Meeting, their number of other directorships in the Board/Committees of various other companies:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	Directorships in other public companies	Committee Memberships in other public companies	Committee Chairmanships in other public companies
Boga Prabhakar	Promoter	5	Yes	1	NIL	NIL
Boga Surender	Non Executive -Promoter	5	Yes	Nil	NIL	NIL
Mittapally Sudarshan	Independent	4	No	Nil	NIL	NIL
G.Veerawamy	Independent	3	No	Nil	NIL	NIL
N.V.Satyanarayana	Non Executive -Promoter	5	Yes	Nil	NIL	NIL
J.Vidyasagar	Independent	5	Yes	Nil	NIL	NIL
Krishna Kumari	Independent	2	No	Nil	NIL	NIL

### Board Committees:

The Company is committed to transparency in all its dealings and to provide efficient and effective service to the members/shareholders. The Board has constituted Committees of Directors to deal with matters that need quick and timely decisions and overall supervision and guidance.

## 3. AUDIT COMMITTEE

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

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 3) Approval of Payment to statutory auditor for any other services rendered by the statutory auditors

- 4) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - a. Any changes in accounting policies and practices and reasons for the change
  - b. Major accounting entries based on exercise of judgment by management.
  - c. Qualifications in draft audit report
  - d. Significant adjustments arising out of audit
  - e. The going concern assumption
  - f. Compliance with accounting standards
  - g. Compliance with stock exchange and legal requirements concerning financial statements
  - h. Any related party transactions
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 6) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, and recommending improvements to the management.
- 7) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 8) Discussion with internal auditors any significant findings and follow up thereon.
- 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 10) Discussion with Statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11) Reviewing the company's financial and risk management policies.
- 12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

During the year 5 meetings were held, on 30/04/2009, 28/07/2009, 30/07/2009, 31/10/2009 and 30/01/2010.

The following is the composition of Audit Committee comprising all Non Executive Independent Directors



Name of the Director	Category of Membership	Attendance
J.Vidyasagar	Chairman	5
Mittapally Sudarshan	Member	4
Krishna Kumari	Member	2

#### 4. SUBSIDIARY COMPANIES:

There are no Subsidiary companies

#### 5. DISCLOSURES:

##### a) Remuneration Committee:

The terms of reference to the Remuneration Committee would include review of Remuneration policy to the Managing Director, Executive Director, other whole time directors and also key managerial personnel.

During the year no meeting were held.

The following is the Composition of Remuneration Committee comprising Three Non Executive Independent Directors .

Name of the Director	Category of Membership
Mittapally Sudarshan	Chairman
Krishna Kumari	Member
J.Vidyasagar	Member

##### b) Remuneration Policy

The company pays remuneration to the Managing Director as per the individual agreements entered into with him. The company pays no remuneration to the Non-Executive Directors except sitting fees for the meetings attended by them.

The remuneration paid to whole time directors is given below

Name of the Director	Designation	Salary (Rs.)	Other Allowance (Rs.)	Total (Rs.)
Boga Prabhakar	Managing Director	1,25,000	1,25,000	2,50,000

##### c) Share Transfer / Investors Grievance Committee

During the year two meetings were held on 15.09.2009 and 08.02.2010.

The following is the composition of Shareholders / Investors' Grievances Committee.

Name of the Director	Category of Membership	Attendance
N.V.Satyanarayana	Chairman	3
Boga Prabhakar	Member	3
Mittapally Sudarshan	Member	3

The Committee looks into redressing of shareholders / investors Grievances. The status of complaints is also reported to the Board of Directors. During the year 2009-2010 NIL complaints were received and no complaint is pending as on 31.03.2010.

**d) Details of Annual General Meetings:**

Location and time of General meetings held in past 3 years.

YEAR	LOCATION	DATE	TIME
2006-2007	At #203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad-500 004.	28-09-2007	11.55 A.M
2007-2008	At #203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad-500 004.	30-09-2008	11.00 A.M
2008-2009	At #203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad-500 004.	30-09-2008	11.00 A.M

The Company has not proposed to pass any Special Resolutions in the ensuing annual General Meeting. No resolution was passed by way of postal ballot at the last AGM. No resolution is proposed to be passed by way of postal ballot at this AGM.

**e) Means of Communication:**

Financial results are published by the Company in the prescribed format in Business Standard and Andhra Prabha within 48 hours of approval by the Board.

**f) General Shareholder Information**

- 1) 16<sup>th</sup> Annual General Meeting  
Date and Time : 30<sup>th</sup> September 2010 at 11.00 AM  
Venue : at #203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad – 500 004

**2) Financial Calendar (2010-2011):**

The Financial year of the company is 1<sup>st</sup> April to 31<sup>st</sup> March. For the year ending 31<sup>st</sup> March, 2011 Quarterly Unaudited /Annual Audited results shall be announced as follows:

Financial reporting for	Proposed Date
Unaudited Results for the Quarter ending : 30 <sup>th</sup> June, 2010	On 31 <sup>st</sup> July 2010
30 <sup>th</sup> September, 2009	On or before 14 <sup>th</sup> November 2010
31 <sup>st</sup> December, 2009	On or before 14 <sup>th</sup> February, 2011
Audited Results for the year ended 31 <sup>st</sup> March, 2010	On or before 30 <sup>th</sup> June, 2011

- 3) Book Closure date : 25<sup>th</sup> September 2010 to 30<sup>th</sup> September 2010 (Both days inclusive)
- 4) Registered Office : at #203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad – 500 004
- 5) Listing of Equity Shares : The Stock Exchange, Mumbai (BSE). Presently

the shares under suspension.

- 6) Listing Fees : Listing fee has been paid to Mumbai Stock Exchange till the year 2010-2011
- 7) Stock Code : 531909
- 8) ISIN No. : INE587J01019
- 9) CIN Number : L24134AP1994PTC017327

g) **Market Price Data** :

The monthly high and low quotations and volume of shares traded on BSE.

The shares of the Company are suspended from trading hence these details are not provided.

h) **Investors' Correspondence / Registrar & Share Transfer Agents:**

Venture Capital & Corporate Investment pvt Ltd.,  
H.No.12-10-167, BharatNagar, Hyderabad-500018.  
Phone: 040-23818475/76  
Email:info@vccilindia.com

i) **Share Holding pattern as on 31<sup>st</sup> March, 2010**

	Category	No.of Shares Held	Percentage of Share holding
A	Promoter's holding		
1	Promoters		
	- Indian Promoters	3581400	52.25
	- Foreign Promoters		
2	Persons acting in concert	NIL	NIL
	Sub-Total	3581400	52.25
B	Non-promoters Holding	NIL	NIL
3	Institutional Investors	NIL	NIL
a	Mutual Funds and UTI	NIL	NIL
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/non-government Institutions)	NIL	NIL
C	FII's	NIL	NIL
	Sub-Total	NIL	NIL
4	Others		
a	Private Bodies Corporate	NIL	NIL
b	Indian Public	3272400	47.74
c	NRIs/OCBs	1000	0.01
d	Any other (Please Specify)	NIL	NIL
	Sub-Total	3273400	47.75
	GRAND TOTAL (A+B)	68,54,800	100.00

Note: All the shares of the promoters are free from any pledge, lien, encumbrance etc.

**j) Distribution of shareholders as on 31st March 2010**

Slab of Share holding (Rs.)	No.of Shareholders	% to Total Holding	Amount in Rs.	% to Total
Upto - 5000	141	16.00	550000	0.80
5001 - 10000	171	19.41	1374000	2.00
10001 - 20000	252	28.60	3649000	5.32
20001 - 30000	92	10.44	2202000	3.21
30001 - 40000	20	2.27	715000	1.04
40001 - 50000	17	1.93	796000	1.16
50001 - 100000	140	15.89	10876000	15.86
100001 and above	48	5.44	48386000	70.58
<b>TOTAL</b>	<b>881</b>	<b>100.00</b>	<b>68548000</b>	<b>100.00</b>

**k) Share Transfer System:**

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the document is in order in all respects.

**l) Dematerialization of Shares**

As on 31.03.2010 only 7,93,900 Equity Shares of Rs.10/- each aggregating to 11.58% of the total paid up capital are being held with NSDL in dematerialize form. Other shares are in physical form. The Company is in the process of making an application to CDSL for registration of our Company equity shares with CDSL for dematerialization. Shareholders are requested to dematerialize their shares by sending the physical shares to our Share Transfer Agents **M/s. Venture Capital & Corporate Investment pvt Ltd**, through Depository Participant through whom the demat account opened.


**ADR/GDR holding** is Nil

**Address for Correspondence**

#203, Empress Court, 6-2-30/B,  
Khairatabad, Hyderabad – 500 004.

By Order of the Board  
For Swagruha Infrastructure Limited



  
Boga prabhakar  
Managing Director

Place: Hyderabad  
Date: 31.07.2010.

## **DECLARATION BY CEO OF THE COMPANY ON CODE OF CONDUCT**

As per clause 49 of the Listing Agreement of the Stock exchanges the Board shall lay down a code of conduct for all Board Members and senior management of the Company. The code of conduct shall be posted on the website of the company and all the Board Members and senior management personnel shall affirm compliance with the code on annual basis. The Annual report of the Company shall contain a declaration to this effect signed by CEO of the Company.

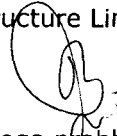
I hereby declare that:

1. Code of conduct prepared for the Board Members and senior management of the company was approved by the Board of Directors and the same was adopted by the Company.
2. Code of conduct adopted by the Company was circulated to the members of the Board and senior management of the company and also posted in the website of the company.
3. All the members of the Board and senior management of the company have complied with all the provisions of the code of conduct.

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By Order of the Board  
For Swagruha Infrastructure Limited



  
Boga prabhakar  
Managing Director

Place: Hyderabad  
Date: 31.07.2010.

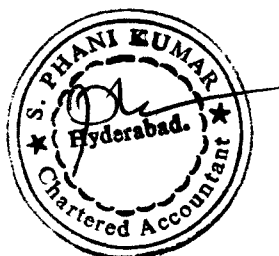
**AUDITORS' REPORT**

To  
The Members,  
**SWAGRUHA INFRASTRUCTURE LIMITED,**  
Hyderabad.

We have audited the attached Balance Sheet of M/s. **SWAGRUHA INFRASTRUCTURE LIMITED** (formerly Memory Polymers Limited) as at 31<sup>st</sup> March 2010 and the relative Profit & Loss Account and Cash Flow Statement 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.

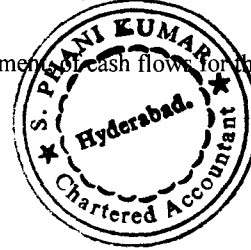
We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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.


1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order wherever applicable.
2. Subject to our comments in the annexure referred to in paragraph 1 above, we report that:
  - (a) We have obtained all the information and explanation which to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - (b) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in manner so required.
  - (c) 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 such books.
  - (d) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
  - (e) In our opinion, and to the best of our information and according to the explanations given to us the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956 to the extent applicable.
  - (f) On the basis of the written representation from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March, 2010 from the appointment as a Director in terms of Clause(g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - (g) (i) **No information with respect to party-wise break-up, nature and origin of transaction, legal enforceability of claims and the realizable values are available for Sundry Debtors amounting to Rs. 98,74,630 (Previous Year Rs. 98,55,124).**
  - (ii) **No information with respect to party-wise break-up, nature and origin of transaction, legal enforceability of claims and the realizable values are available for Loans & Advances amounting to Rs.4,74,28,481 (Previous Year Rs.4,74,28,481)**
  - (iii) **In the absence of necessary records, the figures as per the previous years' Audited Financial Statements have been relied upon.**



(h) **Subject to the foregoing**, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Profit and Loss Account and Cash Flow Statement read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010
- ii. In the case of Profit and Loss Account, of the loss of the company for the year ended on that date and
- iii. In the case of Cash Flow Statement, of cash flows for the year ended on that date.



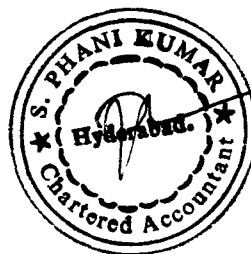
  
S.PHANI KUMAR  
Chartered Accountant

Place : Hyderabad  
Date : 31-07-2010.

**ANNEXURE TO AUDITORS REPORT REFERRED TO IN PARAGRAPH I OF OUR REPORT OF  
EVEN DATE**

With reference to the annexure referred to in the Auditor's report, we report that the provisions of sub-paragraphs 4(ii), 4(viii), 4(XIII) and 4(XIV) of the Companies (Auditor's Report) Order, 2003 are not applicable.

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.  
  
(b) As explained to us, the fixed assets have been physically verified by the management periodically, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.  
  
(c) In our opinion the company has not disposed off substantial part of Fixed Assets during the year and the going concern status of the company is not affected.
2. In our opinion, the Company has neither granted nor taken any loans to / from companies, firms or other parties covered in the Registered, maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) (b), (c) & (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets.
4. In our opinion, there are no transactions made in pursuance of contracts or arrangement that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and hence requirements of reporting regarding transactions of pursuance of such contracts aggregating during the year to Rs. NIL or more in respect of each part does not arise.
5. In our opinion and according to the information and explanations given to us, The company has not accepted any deposits from public with in the meaning of Rule 2(b) of the Companies (Acceptance of Deposits) Rule 1975, and the provisions of Sec.58 A of the Companies Act, 1956.
6. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
7. According to the information and explanations given to us, the following are the undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31<sup>st</sup> March, 2010 for a period exceeding six from the date they become payable:
8. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth.
9. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks and Financial Institutions.
10. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
11. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank of financial institutions.
12. During the period under review the company has not raised any term loan.





13. In our opinion and according to the information and explanations given to us, the company has not raised short-term funds during the year and hence, the use of such funds for long-term investment does not arise.
14. During the period 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.
15. No debentures have been issued by the Company and hence, the question of creating securities in respect there of does not arise.
16. The company has not raised any money by way of public issue during the year.
17. In our opinion, according to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year under review that causes the financial statements to be materially misstated.

  
 S.PHANI KUMAR  
Chartered Accountant

Place : Hyderabad  
Date : 31-07-2010

# SWAGRUHA INFRASTRUCTURE LIMITED

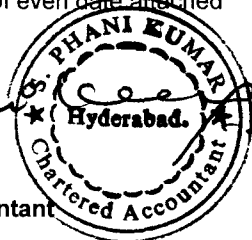
(formerly Memory Polymers Limited)

## BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31.03.10 Rs.	As at 31.03.09 Rs.
<b>SOURCE OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	67616750	67616750
	<b>TOTAL</b>	<b>67616750</b>	<b>67616750</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	II	393693	393693
Less Depreciation		350285	342929
Net Block		43408	50764
<b>Current Assets Loans &amp; Advances</b>			
Inventories	III	0	0
Sundry Debtors		9874630	9855124
Cash & Bank Balances		25669	39312
Loans & Advances		47428481	47428481
		57328780	57322917
Less: Current Liabilities & Provisions	IV	106170	110677
<b>Net Current Assets</b>		57222610	57212240
<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		0	0
<b>Profit &amp; Loss Account</b>		10350732	10353746
	<b>TOTAL</b>	<b>67616750</b>	<b>67616750</b>
Notes on Account	V		

As per our report of even date attached

S Phani Kumar  
Chartered Accountant



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

B.Prabhakar  
Director

B.Surender  
Director

N.V.Satyanarayana  
Director

Place : Hyderabad  
Date : 31-07-2010


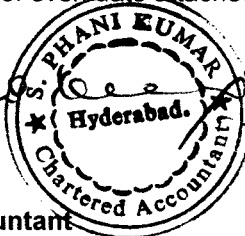
# SWAGRUHA INFRASTRUCTURE LIMITED

(formerly Memory Polymers Limited)


## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2010


<u>PARTICULARS</u>	<u>Schedule</u>	<u>As at</u> <u>31.03.10</u> <u>Rs.</u>	<u>As at</u> <u>31.03.09</u> <u>Rs.</u>
<b><u>I. INCOME</u></b>			
Other Income - Joint Venture with M/s. Kautilya Homes Pvt. Ltd.		1098700	2377455
Real Estate Income		25900	119450
<b>TOTAL - A</b>		<b>1124600</b>	<b>2496905</b>
<b><u>II. EXPENDITURE</u></b>			
Director Remuneration		250000	450000
Administration Expenses	VII	864230	842841
Preliminary Expenses written off	V	0	1669924
Depreciation	II	7356	8620
<b>TOTAL - B</b>		<b>1121586</b>	<b>2971385</b>
Net Profit before Tax (A-B)		3014	-474480
Provision for Taxation		-	-
<b>Profit After Tax</b>		<b>3014</b>	<b>-474480</b>
Profit / Loss Brought forward from Last Year		-10353746	-9879266
Profit / Loss Carried forward to Balance Sheet		<b>-10350732</b>	<b>-10353746</b>
Notes on Accounts	VI		

As per our report of even date attached

  
  
**S Phani Kumar**  
Chartered Accountant

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

  
**B. Prabhakar**  
Director

  
**B. Surender**  
Director

  
**N.V. Satyanarayana**  
Director

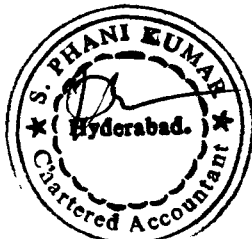
Place : Hyderabad  
Date : 31-07-2010

# SWAGRUHA INFRASTRUCTURE LIMITED

(formerly Memory Polymers Limited)


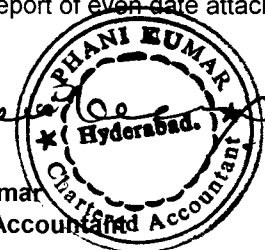
## SCHEDULES FORMING PART OF BALANCE SHEET

Schedules	PARTICULARS	As at 31.03.10 Rs.	As at 31.03.09 Rs.
<b>I</b>	<b>Share Capital</b>		
	Authorised Share Capital (75,00,000 equity shares of Rs.10/- each)	<u>75000000</u>	<u>75000000</u>
	Issued, Subscribed and Paid up Capital : 68,54,800 equity shares of Rs.10/- each	<u>68548000</u>	<u>68548000</u>
	Paid Up Capital 68,54,800 Equity Shares of Rs.10/- each	68548000	68548000
	Less: Allotment Money receivable	931250	931250
		<u>67616750</u>	<u>67616750</u>
<b>III</b>	<b>Current Assets Loans &amp; Advances</b>		
	<b>Sundry Debtors</b>		
	Unsecured - Considered Good	<u>9874630</u>	<u>8185200</u>
	<b>Cash &amp; Bank Balances</b>		
	Cash on Hand	23581	14479
	Cash at Scheduled Banks		
	In current Accounts	2088	24833
		<u>25669</u>	<u>39312</u>
	<b>Loans &amp; Advances</b> (Considered good, recoverable in cash or in kind of for value to received)		
	Capital Advances	17600400	17600400
	Loans and Receivables	25101550	25101550
	Amount receivable on Joint Venture	4536879	4536879
	Other Advances and Deposits	189652	189652
		<u>47428481</u>	<u>47428481</u>
<b>IV</b>	<b>Current Liabilities &amp; Provisions</b>		
	Creditors for Supplies	30520	34526
	Creditors for Expenses	58900	60458
	Other Liabilities	16750	15693
		<u>106170</u>	<u>110677</u>
<b>V</b>	<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		
	Preliminary Expenses	0	1669924
	Less : Written Off	0	1669924
		<u>0</u>	<u>0</u>




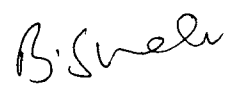
Schedules	PARTICULARS	As at	As at
		31.03.10	31.03.09
		Rs.	Rs.
<b>VII</b>	<b>Administration Expenses</b>		
	Rent Rates & Taxes	60265	68452
	Office Maintenance Expenses	21580	35658
	Salaries	375480	235480
	Travelling & Conveyance Expenses	28358	39652
	Printing & Stationery	45742	65482
	Site Visit Expenses	130563	148560
	Brouchers & Posters	40239	70152
	Collection Incentives	25890	29860
	Discounts & Coupons	10254	18563
	Telephone & Fax	65782	68893
	Postage & Courier Charges	10538	12548
	Staff Welfare Expenses	4582	4956
	Bank Charges	2589	3652
	Other Expenditure	12368	10933
	Audit Fee	30000	30000
		<b>864230</b>	<b>842841</b>


As per our report of even date attached

  
  
**S Phani Kumar**  
Chartered Accountant

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

  
**B. Prabhakar**  
Director

  
**B. Surender**  
Director

  
**N.V. Satyanarayana**  
Director

Place : Hyderabad  
Date : 31-07-2010

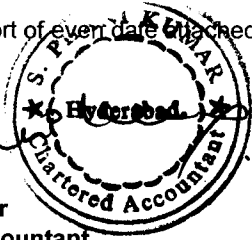
**SWAGRUHA INFRASTRUCTURE LIMITED**  
(formerly Memory Polymers Limited)  
**SCHEDULE - II**

**FIXED ASSETS**

DESCRIPTION	Dep. Rate %	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 1.4.09	Additions/ Deletions	As on 31.3.10	Up to 1.4.09	For the Year	Up to 31.3.10	As on 31.3.10	As on 31.3.09
Furniture & Fixtures	18.10	105,294	-	105,294	98,267	1,272	99,539	5,755	7,027
Office Equipment	13.91	288,399	-	288,399	244,662	6,084	250,746	37,653	43,737
<b>TOTAL</b>		<b>393,693</b>	<b>-</b>	<b>393,693</b>	<b>342,929</b>	<b>7,356</b>	<b>350,285</b>	<b>43,408</b>	<b>50,764</b>

As per our report of even date attached

*S. Phani Kumar*  
S. Phani Kumar  
Chartered Accountant



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

*B. Prabhakar*  
B. Prabhakar  
Director

*B. Surender*  
B. Surender  
Director

*N.V. Satyanarayana*  
N.V. Satyanarayana  
Director

Place : Hyderabad  
Date : 31.07-2010

# **SWAGRUHA INFRASTRUCTURE LIMITED**

**(formerly Memory Polymers Limited)**

## **SCHEDULE – VI**

### **NOTES TO ACCOUNTS**

#### **SIGNIFICANT ACCOUNTING POLICIES :**

It is corporate policy.

- i) Fixed Assets :  
To state Fixed Assets at cost of acquisition inclusive of inward freight and incidental expenses related to acquisition.
- ii) Depreciation :  
To calculate depreciation on Fixed Assets on written down value method as per rates under the Income Tax Act.
- iii) Financial Accounting :  
To follow the accrual method of accounting so that the books of account and other records are designed to facilitate compliance of the relevant provision of the Companies Act.
- iv) Miscellaneous Expenditure :  
Preliminary Expenditure is written-off over a period of Ten years.
- v) Contingent Liabilities :  
Contingent Liabilities are not provided and are disclosed by way of Notes.

#### **NOTES ON ACCOUNTS :**

**No information with respect to party-wise break-up, nature and origin of transaction, legal enforceability of claims and the realizable values are available for Sundry Debtors amounting to Rs.81,85,200 ( Previous Year Rs. 86,66,320)**

**No information with respect to party-wise break-up, nature and origin of transaction, legal enforceability of claims and the realizable values are available for Loans & Advances amounting to Rs.4,74,28,481 ( Previous Year Rs.4,74,28,481)**

**In the absence of necessary records, the figures as per the previous years' Audited Financial Statements have been relied upon.**

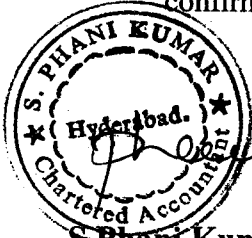
1. Balances of Loans & Advances, Debtors and creditors are subject to reconciliation and confirmation.
2. Provision for gratuity is not made in books of accounts as none of the employees has completed five years of continuous service.
3. Segment Reporting:  
During the period under review the company is engaged in one segment only. Hence segment reporting as per Accounting Standard is not applicable for the period.
4. Related party disclosure under Accounting Standard (AS : 18) NIL



# **SWAGRUHA INFRASTRUCTURE LIMITED**

**(formerly Memory Polymers Limited)**

5. Managerial Remuneration paid or payable during the period –
- |              | 2009-10  | 2008-09  |
|--------------|----------|----------|
| Remuneration | 2,50,000 | 4,50,000 |
6. Auditor's Remuneration includes for the period :
- |           | 2009-10 | 2008-09 |
|-----------|---------|---------|
| Audit Fee | 30,000  | 30,000  |
7. Foreign Exchange earning : Rs. NIL (Previous Year Rs. NIL)
8. Expenditure in Foreign Current : NIL (Previous Year Rs. NIL)
9. CIF Value of Imports : NIL (Previous Year Rs. NIL)
10. Pending Capital commitments as on 31<sup>st</sup> March, Rs. NIL
11. Contingent Liabilities – NIL
12. All the amounts in paise have been rounded off to nearest rupee.
13. Previous year figures have been regrouped or reclassified wherever necessary to confirm with current year grouping.



**S. Phani Kumar**  
**Chartered Accountant**

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

**Boga Erabhakar B Surender NV Satyanarayana**  
**Director Director Director**

Place : Hyderabad  
Date : 31.07.2010