

SWAGRUHA  
INFRASTRUCTURE LIMITED

18th Annual  
Report  
2011-12

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## **NOTICE**

NOTICE is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on 29<sup>th</sup> day of September 2012 at 11.00 A.M at 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 31<sup>st</sup> March, 2012 and Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Boga Surender, who retires by rotation, and being eligible seeks re-appointment.
3. To appoint a Director in place of Mr. U. Satish kumar, who retires by rotation, and being eligible seeks re-appointment.
4. To consider and if that fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to section 224 and other applicable provisions of the Companies Act, 1956 **M/s. M. M. REDDY & Co.,** Chartered Accountants Hyderabad be and are hereby re-appointed as 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.

**By Order of the Board of Directors**

**For Swagruha infrastructure Limited**

**Sd/-**

**Date: 03.09.2012**

**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 Section 173(2) of the Companies Act 1956 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. Pursuant to Section 154 of Companies Act, the Register of Members and Share Transfer Books will be closed from 28<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (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, Bharat Nagar, 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 Registrars.
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: 03.09.2012**

**Place: Hyderabad**

**Director**

## DIRECTORS' REPORT

To

### THE MEMBERS

Your Directors have great pleasure in presenting this **18th Annual** Report together with the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2012.

<b>FINANCIAL RESULTS</b>	<b>(Rs. In Lakhs)</b>	
<b>Particulars</b>	<b>2011-2012</b>	<b>2010-2011</b>
Income	30.24	25.37
Expenditure	558.47	24.98
Profit for the year	(528.23)	0.38
Add: Loss brought forward	(103.26)	(103.51)
<b>Profit / (Loss) carried to Balance Sheet</b>	<b>(631.49)</b>	<b>(103.26)</b>

### OPERATIONAL PERFORMANCE

You will be glad to note that our Company has achieved a turnover of Rs. 30.24 Lakhs. However it could not sustain its profit for the year due to bad debts and Advances written off. Loss for the year amounted to Rs. 528.23 lakhs.

### 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**

The retiring auditors, **M/s. M. M. REDDY & CO.**, Chartered Accountants, be and are hereby Re-appointed as auditors of this company to hold office from the conclusion of this annual general meeting to the conclusion of the next annual general meeting of the company on such remuneration as may be mutually agreed upon between the Board of Directors or the Audit Committee and the Auditors.

## **ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Company (Disclosures of particulars in the report of Board of Directors) Rules, 1988.

### **Foreign Exchange Earnings & Out Go:**

#### **Earnings:**

FOB Value of Exports : Rs. Nil

#### **Out Go:**

CIF Value of Capital Goods : Rs. Nil

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, 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, 1956, 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.

## **PERSONNEL**

There are no employees whose particulars are required to be furnished pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 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: 03.09.2012**

**Place: Hyderabad**

**Director**

## **REPORT ON CORPORATE GOVERNANCE** **(Forming part of Directors' Report)**

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

Fairness, accountability, disclosures and transparency form the four pillars of your Company's philosophy of Corporate Governance. Your Company strongly believes that for attaining sustainable growth in this competitive corporate world, Corporate Governance is a pre-requisite. The governance practices followed by your Company have played a vital role in its journey of continued success. Our endeavour over the years has been to strengthen the governance processes and systems attributing to constant improvisations, sustainability, profitable growth and creating long-term value for the stakeholders.

All the procedures, policies and practices followed by your Company are based on sound governance principles.

Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way business is done. The governance practices followed by your Company are continuously reviewed and the same are benchmarked to the best governed companies.

Your Company has complied with all the regulations stipulated by the Securities Exchange Board of India (SEBI) in the Listing Agreement.

### **II. BOARD OF DIRECTORS**

a.) The Board of Directors consists of 6 Members of whom 3 are Non-Executive Independent Directors. The Composition of the Board is in conformity with the listing requirements.

b.) The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV) (G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.

c.) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India.



Chairmanship/ Membership of Board Committees include only Audit and shareholders/ investor Grievance Committees.

d.) Pecuniary relationship or transaction of the Non – executive Directors vis-à-vis the company.

None of the Non-executive Directors has any pecuniary relationship or transactions with the company.

e.) The Board of Directors met 5 times during the year on 31.05.2011, 15.07.2011, 02.09.2011, 10.11.2011 and 14.02.2012 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of Composition of Board of Directors, directors’ attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Sl. 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	5	5	Yes	1	NIL	NIL
2.	Mr. Boga Surender	Promoter, Non-Executive	5	5	Yes	1	NIL	NIL
3.	Mr. G. Veeraswamy	Promoter Non-Executive	5	5	Yes	NIL	NIL	NIL
4.	Mrs. P. Krishna Kumari	Non-executive, Independent	5	5	Yes	3	3	3
5.	Mr. J. Vidya Sagar	Non-executive, Independent	5	5	Yes	3	3	3
6.	Mr. U. Satish Kumar	Non-executive, Independent	3	3	Yes	3	3	3

## **Board's Procedure:**

Agenda papers along with explanatory statements were circulated to the directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

## **Committees of the Board:**

Currently, there are Three (3) Committees of the Board, namely: Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee. The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance etc., of these Committees are provided hereunder:

### **III. 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 Section 292A of the Companies Act, 1956.
- b) The terms of reference of the Audit Committee include a review of;
  - 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 previous Annual General Meeting of the Company was held on 30<sup>th</sup> September 2011 and Mr. J. Vidyasagar, Chairman of the Audit Committee, attended previous AGM.
- d) 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 2011-2012, (4) four meetings of the Audit Committee were held on 31.05.2011, 15.7.2011, 10.11.2011 and 14.02.2012.

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)	4
Mrs. Krishna Kumari	Member	NED (I)	4
Mr. U.satish Kumar	Member	NED (I)	4

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

**ED:** *Executive Director Promoter*

The necessary quorum was present at all the meetings.

#### IV. 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)

#### 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.

#### 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.

The details of remuneration paid to the Executive Directors for the financial year 2011-12 are given below:

Name of the Director	Designation	Salary (Rs in Lakhs)	Commission (Rs in Lakhs)	Perquisites (Rs in Lakhs)	Retirement Benefits (Rs in Lakhs)
Mr. Boga Prabhakar	Managing Director	100000	----	----	----

## V. SHAREHOLDERS / INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE

### A) 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:

Name	Designation	Category
Mr. J. Vidyasagar	Chairman	NED (I)
Mrs. Krishna Kumari	Member	NED (I)
Mr. U.satish Kumar	Member	NED (I)

### B) 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 delegated the power to process the transfer and transmission of shares to the Registrar and share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

The Board has designated Mr. Boga Prabhakar, Managing Director, as the Compliance Officer.

The Company has designated an exclusive e-mail ID [bogaprabhakar@yahoo.com](mailto:bogaprabhakar@yahoo.com) for redressal of shareholders' complaints/grievances.

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

During the year no complaints were received.

Sl. 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

## VI. GENERAL BODY MEETINGS:

Financial Year	Date	Time	Venue	Special Resolution
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
2008-09	30.09.2009	11.00 AM	At # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004	No special resolution was passed

## VII. OTHER DISCLOSURES

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) **Whistle Blower policy:** We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. The mechanism provided direct access to the Managing Director/Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company.
- (e) The Company has complied with the non -mandatory requirements to relating to remuneration committee and Whistle Blower policy.
- (f) Managing Director of the Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

## VIII. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results will be sent to the stock Exchanges immediately after the Board approves the same and these results will also be published in one English newspaper and in one vernacular newspaper. These financial statements, press releases are also posted on the company's website, at [www.swagruha.net](http://www.swagruha.net)

## IX. GENERAL SHAREHOLDERS INFORMATION

a) 18<sup>th</sup> Annual General Meeting:

Date and Time	Saturday, the 29 September 2012 at 11.00 AM
Venue	# 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004

b) Book Closure Date: 28.09.2012 to 29.09.2012 (Both days inclusive)

c) **Financial Year and Calendar (Tentative) 2012-13:**

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 2012-2013 (tentative)	On or before
The First Quarter results	14.08.2012
The Second quarter results	14.11.2012
The Third quarter results	14.02.2013
The Fourth quarter results	15/30.05.2013

d) **Listing on Stock Exchanges:**

1) Ahmedabad Stock Exchange Limited

2) Bombay Stock Exchange Limited (*trading under IndoNext Segment*)

e) **Listing Fees** : Listing fee for the year 2012-13 has been paid

f) **Stock Code** : For equity shares: - BSE: 531909

**g) ISIN No** : For equity shares: - **INE587J01019**

**h) Stock Price Data** : The monthly high / low prices of shares of the Company from April, 2011 to March, 2012 at Bombay Stock Exchange .The Company's shares are not traded on Ahmedabad Stock Exchange.

<b>Month</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
April, 2011	-	-
May, 2011	-	-
June, 2011	-	-
July, 2011	-	-
August, 2011	-	-
September, 2011	-	-
October, 2011	-	-
November, 2011	-	-
December, 2011	-	-
January, 2012	47.00	36.05
February, 2012	36.10	34.25
March, 2012	36.25	35.00

**i) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):**

**Venture Capital and Corporate Investments Private Limited**

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

Ph: 040-23818475, 23818476

Fax: 040-23868024

Email: info@vccilindia.com

Website: www.vccilindia.com

**j) 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.

**k) Shareholding Pattern as on 31<sup>st</sup> March, 2012:**

Particulars	Category	No. of shares held	Percentage of shareholding
<b>A</b>	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	3582400	52.26
	<b>Sub- Total A</b>	<b>3582400</b>	<b>52.26</b>
<b>B</b>	Public Shareholding		
1.	Institutions	NIL	NIL
2.	Non- Institutions		
a)	Bodies Corporate	9400	0.14
b)	Indian public and others	3262000	47.59
c)	Any others		
	i) NRI's	1000	0.01
	Sub Total B	<b>3272400</b>	<b>47.74</b>
	<b>Grand Total (A+B)</b>	<b>6854800</b>	<b>100.00</b>

**l) Distribution of shareholding of the Company by number of shares held as on 31<sup>st</sup> March, 2012 is as follows:**

Particulars	Shareholders		Shareholding	
	Number	%	Number	%
UPTO - 500	149	16.74	58200	0.85
501-1000	171	19.21	137400	2
1001-2000	257	28.88	373900	5.45
2001-3000	94	10.56	225700	3.29
3001-4000	20	2.25	71500	1.04
4001-5000	17	1.91	79000	1.15
5001-10000	135	15.17	1040500	15.18
10001 & ABOVE	47	5.28	4868600	71.02
<b>Total</b>	<b>890</b>	<b>100</b>	<b>6854800</b>	<b>100</b>

**m) 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,2012 3840600 equity shares are dematerialized which is 56.03% of the paid up capital of the company and out of which 1,08,000 shares are in CDSL and 37,32,600 shares are in NDSL and the balance are in physical form.

**n) 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.

Flat No. 203, 6-2-30/B,  
Empress Court, Khairatabad,  
Hyderabad-500004  
Ph.Nos.040-66667770  
Fax: 040-40036584  
Email: [bogaprabhakar@yahoo.com](mailto:bogaprabhakar@yahoo.com)

**o) 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.

**p) 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.

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

**Place: Hyderabad  
Date: 03.09.2012**

**Sd/-  
Boga Prabhakar  
Managing 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**

**Place: Hyderabad  
Date: 03.09.2012**

**Sd/-  
Boga Prabhakar  
Managing Director**

Dear Shareholder,

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

### **MANAGING DIRECTOR CERTIFICATE**

I, Boga Prabhakar, 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.

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

**Place: Hyderabad  
Date: 03.09.2012**

**Sd/-  
Boga Prabhakar  
Managing Direct**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **Economic Scenario, Industry Structure and Developments**

The global economy has picked up momentum post recession and has registered positive growth in the year 2011. The Indian economy has maintained its stand as one of the fastest growing economies in the world and its Gross Domestic Product (GDP) stood at about 6.4%. This is expected to continue well into the next two years. The Government has also introduced certain reformative measures allowing 100% Foreign Direct Investments (FDIs) in development of Special Economic Zones (SEZs) and also in townships, housing, built-up infrastructure and construction development projects through the automatic route. The real-estate sector defines the Country's infrastructural and industrial landscape and forms a basic input for the socio-economic development. It generates substantial employment and provides a growth impetus with its linkages in multiple sectors, thereby contributing to more than 5% of GDP. Hyderabad has emerged as a home to various IT, ITES, Pharma, BPO and Entertainment industries and has hence acquired a cosmopolitan facade. The city continues to attract overseas investments and continues to maintain its stand as the software training capital global software giants such as Microsoft and Google incorporating development centers here as against the rest of India attracts migrants from all over the country. The city is now linked to all major international destinations and its international airport is ranked 5th in the world. In this scenario, the city continues to possess ever increasing demand for housing and commercial and retail spaces simultaneously and is expanding geographically. The capital city of the state hence manages to shield its real estate sector from the political and other external factors to a large extent.

### **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 to 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.

### **Segment-Wise Performance**

The Company is primarily engaged in construction activities and is managed organizationally as a single unit. Accordingly, the Company is a 'single business segment company'.

## **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.

## **Financial Performance**

The Company has made a turnover of Rs. 30.24 Lakhs for the year ended 31.03.2012 and the total expenditure incurred for the said period is Rs.5.58 crores. The net profit of the Company stood at Rs.5.28 crores for the year ended 31.03.2012. Though the percentage of net profit has not increased substantially, it has been commendable however, owing to the high increase in expenditure, which is mainly characterized by increase in input costs, interest rates and other inflationary factors. The Company's strong financial and operational performance during the year under review and the optimistic outlook about the Company's continued growth in the years to come enabled the Board to declare dividend of 12% to its equity shareholders.

## **Operational Review**

The Company's brand image has increased manifold during the year under review, 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 and yielding revenues 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.

### **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 realise 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. It also started a student adoption plan by which meritorious pupils are given scholarships and awards.

### **Cautionary Statement**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic conditions affecting price conditions in the domestic market in which the Company operates or changes in the Government Regulations, Tax Laws and other Statutes or other incidental factors.



## 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, 2012 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 :** 03.09.2012

## AUDITORS' REPORT

### To the Members

We have audited the attached Balance Sheet of , as at March 31, 2012, 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 a 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.

On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of

the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

(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, 2012;                      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**

**Place: Hyderabad  
Date: 03.09.2012**

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

**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, 2012)**

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

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 of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) 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, 10325667 and it has incurred any cash losses Rs, 52038 during the current financial year covered by our audit and has incurred any cash losses immediately preceding financial year.
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 31.03.2012, 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.

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

**Place: Hyderabad  
Date: 03.09.2012**

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

**SWAGRUHA INFRASTRUCTURE LIMITED**

**Balance Sheet**

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

		2011-12	2010-11
	Note No's	As at Mar' 31, 2012	As at Mar' 31, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	68,548,000	67,616,750
Reserves and Surplus	3	(63,149,299)	(10,325,667)
Preference Share Warrant		-	-
	A	5,398,701	57,291,083
<b>Non - current liabilities</b>			
Long - term borrowings	4	1,890,894	-
Deferred tax liabilities (Net)		-	-
Long term provisions		-	-
	B	1,890,894	-
<b>Current liabilities</b>			
Short - term borrowings		-	-
Trade Payables	5	37,778	115,050
Short - term provisions	6	-	13,114
	C	37,778	128,164
<b>Total</b>	<b>(A+B+C)</b>	<b>7,327,373</b>	<b>57,419,247</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Gross Block	7	393,693	393,693
Less : Accumulated depreciation / amortization		361,927	356,565
<b>Net block</b>		<b>31,766</b>	<b>37,128</b>
Capital work- in- progress		-	-
	A	31,766	37,128
Deferred tax assets (Net)		-	-
Long - term loans and advances		-	-
Non-current investments		-	-
Other Non- Current Assets		-	-
	B	-	-
<b>Current assets</b>			
Inventories		-	-
Trade receivables	8	2,290,477	9,930,781
Cash and cash equivalents	9	118,251	22,857
Short - term loans and advances	10	4,886,879	47,428,481
Other current assets		-	-
	C	7,295,607	57,382,119
<b>Total</b>	<b>(A+B+C)</b>	<b>7,327,373</b>	<b>57,419,247</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 : 0103715

Chartered Accountants

M Madhusudhana Reddy

Partner

Membership No. 213077

Place : Hyderabad

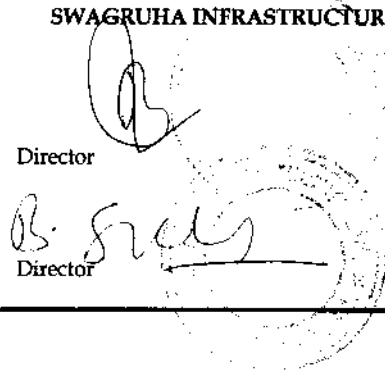
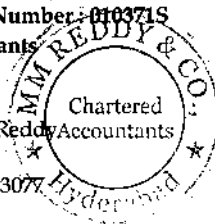
Date : 03-09-2012

For and on behalf of the Board of Directors of

**SWAGRUHA INFRASTRUCTURE LIMITED**

Director

Director



**SWAGRUHA INFRASTRUCTURE LIMITED**

Profit and Loss Account for the year ended

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

		2011-12	2010-11
	Note No's	Year Ended Mar' 31, 2012	Year Ended Mar' 31, 2011
<b>INCOME</b>			
Turnover (Gross)			
Income from operations		2,979,833	2,537,088
Other Income		43,855	-
<b>Total Revenue</b>		<b>3,023,688</b>	<b>2,537,088</b>
<b>EXPENDITURE</b>			
Director Remuneration		100000	340,000
Personal Cost	11	580,478	556,088
Administration expenses	12	2,395,248	1,596,542
Depreciation/ amortization	7	5,362	6,279
Bad debts Written Off		9,874,630	
Loans & Advances Written Off		42,891,602	
<b>Total</b>		<b>55,847,320</b>	<b>2,498,909</b>
Exceptional items (Refer note no.18 of Schedule 20)		-	-
<b>Profit before tax</b>		<b>(52,823,632)</b>	<b>38,179</b>
Provision for taxation			
- Current Year Tax		-	13,114
- Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>13,114</b>
Profit/(Loss) from continuing operations		(52,823,632)	25,065
Balance brought forward from previous year		(10,325,667)	(10,350,732)
<b>Balance carried to Balance Sheet</b>		<b>(63,149,299)</b>	<b>(10,325,667)</b>
<b>Earnings per share</b>			
Basic		(0.77)	0.00
Weighted Number of Shares		68,548,000	67,616,750
Nominal value		10	10

**Notes to accounts**

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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

M Madhusudhana Reddy  
Partner  
Membership No. 213077

Place : Hyderabad  
Date : 03-09-2012

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

Director

Director



## **Notes: 1 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.

**SWAGRUHA INFRASTRUCTURE LIMITED**

**Notes to Accounts**

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

	2011-12	2010-11
	As at Mar' 31, 2012	As at Mar' 31, 2011
<b>Note 2 : Share Capital</b>		
<b>Authorised:</b>		
75,00,000 Equity shares of Rs.10/- each	75,000,000	75,000,000
<b>Issues, Subscribed and Paid up</b>		
68,54,800 Equity shares of Rs. 10/- each	68,548,000	68,548,000
Less: Calls-in-arrears		931,250
	68,548,000	67,616,750
<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	6,854,800	6,854,800
Add: Additional shares issued during the year	-	-
Equity Shares outstanding at the closing of the year	6,854,800	6,854,800
<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</b>	<b>No of Shares</b>	<b>No of Shares</b>
<b>Equity Shares</b>		
No Shareholder holds more than 5% Shares of the company		
Ganji Veera Swami	456,000	456,000
Kouthlya Mutual Benefit Fund Limited	1,500,000	1,500,000
Kouthlya Laboratories Pvt Ltd	750,000	750,000
Boga Prabhakar	670,400	670,400
<b>Note 3 : 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	(10,325,667)	(10,350,732)
Additions during the year	(52,823,632)	25,065
	(63,149,299)	(10,325,667)
<b>Note 4 : Long - term borrowings</b>		
<b>Loans and advances from banks</b>		
<b>Term loans</b>		
From banks	-	-
From others- Directors (Unsecured)	1,890,894	-
	1,890,894	-
<b>Note 5 : Trade Payables</b>		
Creditors for suppliers	-	25000
Creditors for Expenses	-	68500
other Liabilites	37,778	21,550
	37,778	115,050
<b>Note 6 : Short - term provisions</b>		
Provision for Income tax	-	13,114
Others Provisions	-	-
	-	13,114

**SWAGRUHA INFRASTRUCTURE LIMITED**

**Notes to Accounts**

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

**Note 7: Fixed Assets**

Particulars	Gross Block		Depreciation/amortization			Net Block	
	As at April 1, 2011	Additions March 31, 2012	As at April 1, 2011	For the year 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
Office equipment	288,399	-	255,984	4,509	260,493	27,906	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>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>

**SWAGRUHA INFRASTRUCTURE LIMITED**

**Notes to Accounts**

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

	2011-12	2010-11
	As at Mar' 31, 2012	As at Mar' 31, 2011
<b>Note 8 : Trade receivables</b> (Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered Good	-	9,874,630
Considered Doubtful	9,874,630	
Other debts		
Considered Good	2,290,477	56,151
	<b>12,165,107</b>	<b>9,930,781</b>
Less: Bad Debts write off	9,874,630	-
	<b>2,290,477</b>	<b>9,930,781</b>
<b>Note 9 : Cash and cash equivalents</b>		
Cash on hand	106,992	19,566
Balances with Noted banks		
On current accounts	11,259	3,290
On deposit accounts	-	
	<b>118,251</b>	<b>22,857</b>
<b>Note 10 : Short - term loans and advances</b>		
<b>Advances recoverable in cash or in kind or</b>		
<b>for value to be received</b>	25,101,550	25,101,550
<b>Less: Advances Written Off</b>	(25,101,550)	-
<b>Capital advances</b>	17,600,400	17,600,400
<b>Less: Capital Advances Written off</b>	(17,600,400)	-
Amount receivable on joint Venture	4,536,879	4,536,879
Amount receivable from Associate Concern	350,000	-
Other advances and deposits	189,652	189,652
Less: Other Advances and Deposits Written Off	(189,652)	-
	<b>4,886,879</b>	<b>47,428,481</b>

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

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

	2011-12	2010-11
	Year Ended	Year Ended
	Mar' 31, 2012	Mar' 31, 2011
Note 11 : Personal Cost		
Salaries and incentives	507,442	462,544
Staff welfare expenses	73,036	93,544
	580,478	556,088
Note 12 : Administration expenses		
Rates & Taxes	1,333,750	275,421
Office Maintenance	64,637	254,544
Traveling & Conveyance	105,741	99,715
Office Rent	145,624	
Printing & Stationery	42,226	86,310
Site visit expenses	78,451	381,546
Brouchers and posters	65,871	62,148
Collection incentives	94,872	78,154
Computer Maintenance	3,150	
Discounts and Coupons	46,857	71,347
Communication expenses	70,256	96,548
Postage and couriers	38,974	55,454
Auditors remuneration	30,000	30,000
Bank Charges	5,718	11,215
Electricity Charges	11,988	
Professional Fee	122,778	
RTA C Harges	25,256	
Vehicle Maintenance	10,333	
Other Expenses	98,766	94,140
	2,395,248	1,596,542

## NOTES ON ACCOUNTS:

14. Contingent Liabilities: There are no Contingent liabilities as on date.
15. The Company has no Subsidiaries.
16. Auditors Remuneration : 30000/-
17. No outstanding amounts payable to micro, small and medium enterprises.
18. 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.
19. CIF value of import in respect of capital goods: Nil.  
Expenditure and Earnings in Foreign Currency: Nil (Previous Year: Nil)
20. Retirement benefits / Gratuity will be considered in accounts on payment basis. However no employee qualifies for the same.
21. 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.
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.

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<b>As per our report of even date attached</b>	<b>For and on behalf of the Board of Directors</b>		
<b>For M M Reddy &amp; co.,</b>			
<b>Chartered Accountants</b>			
<b>Firm Reg No. 010371S</b>			
Sd/-			
<b>(M Madhusudhana Reddy)</b>		<b>sd/-</b>	<b>sd/-</b>
<b>Partner</b>	<b>Director</b>	<b>Director</b>	
<b>Membership No. 213077</b>			
<b>Date: 03.09.2012</b>			
<b>Place:Hyderabad</b>			

**SWAGRUHA INFRASTRUCTURE LIMITED**

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

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**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 18th Annual General Meeting of the Company to be held on **Saturday, the 29<sup>th</sup> September 2012 at 11.00 AM # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500004** and at any adjourned meeting thereof.

As Witnessed Signed this \_\_\_\_\_ day of September 2012

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

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

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

Affix Re.1/- Revenue Stamp
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**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.

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**SWAGRUHA INFRASTRUCTURE LIMITED**

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

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**ATTENDANCE SLIP**

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the members of the company to be held on **Saturday, the 29 September 2012 at 11.00 AM # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004.**

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.