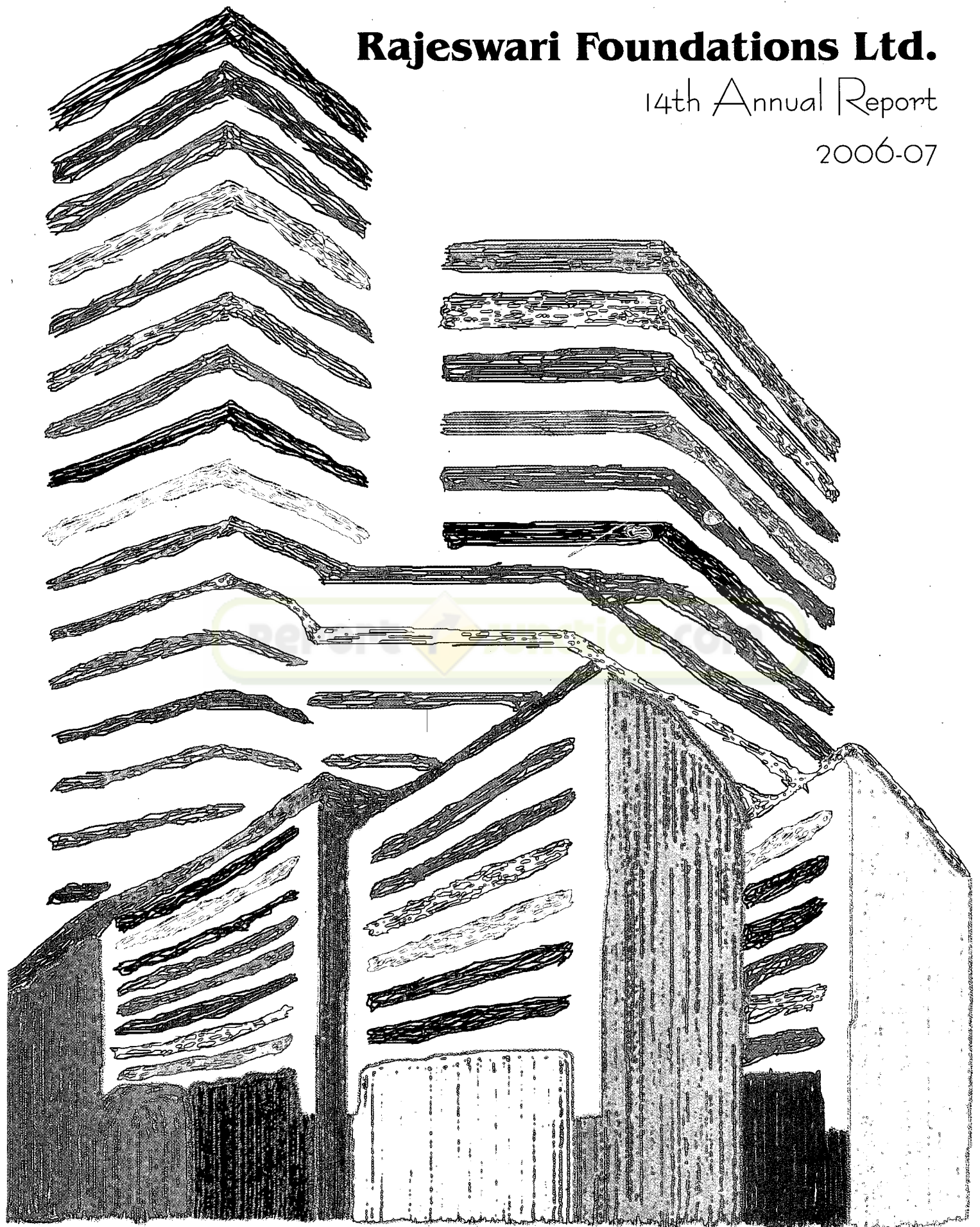


Rajeswari Foundations Ltd.

14th Annual Report

2006-07



REALTY RELIABILITY ROBUST

Rajeswari Foundations Limited

Board of Directors

Shri G. RAMAMURTHY

Chairman & Managing Director

Smt R. USHA

Whole-time Director

Shri D. SEKARAN

Director

Shri N.P. JAGANATHAN

Director

Shri K.V. SAMBAVADASS

Director

Company Secretary

Shri AMRITLAL BISANI

Bankers

**Indian Overseas Bank
Standard Chartered Bank
Corporation Bank
Kotak Mahindra Bank Ltd.**

Auditor

Shri R. SUNDARARAJAN
Chartered Accountant

Registered Office

B-3, 'C' Block, 3rd Floor
Parsn Paradise Apartments
109, G.N. Chetty Road
T.Nagar, Chennai - 600 017.
E-mail: rajeswarigraphicsltd@vsnl.net
Website: www.rajeswarifoundations.com

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
Fifth Floor, Subramanian Building,
No.1, Club House Road, Chennai - 600 002.
Tel. No.: 91-44-28460390/91/92/93
E-mail: cameosys@satyam.net.in

REALTY RELIABILITY ROBUST

NOTICE TO THE MEMBERS

Notice is hereby given that the Fourteenth Annual General Meeting of the Shareholders of the Company will be held on Wednesday the 26th September 2007 at 10.15 A.M. at Narada Gana Sabha (Mini Hall), at 314 T.T.K. Road, Chennai-600 018 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 and the profit and loss Account for the year ended on that date together with the Reports of the Directors and the Auditors there on.
2. To declare a dividend on equity shares for the year ended March 31, 2007.
3. To appoint a Director in place of Mr. D. Sekaran who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N P Jaganathan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. Mr. R. Sundararajan, Chartered Accountant, the retiring auditor, is eligible for re-appointment.

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, the Company hereby approves the revision in terms of remuneration payable to Mr. G. Ramamurthy, the Managing Director of the Company, from 1st April 2007, for the residual term of office till 30.09.2008, as per the terms and conditions set out in the draft supplementary agreement to be entered into by the company with him, submitted to the meeting, and initialed for the purpose of identification by Mr. D. Sekaran, Director of the Company.

Resolved further that all other terms and conditions relating to his appointment and remuneration shall remain unchanged.

Resolved further that the Board of Directors be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.

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

RESOLVED THAT pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, the Company hereby approves the revision in terms of remuneration payable to Mrs. R. Usha, the Whole Time Director of the Company, from 1st April 2007, for the residual term of office till 31.10.2010, as per the terms and conditions set out in the draft supplementary agreement to be entered into by the company with her, submitted to the meeting, and initialed for the purpose of identification by Mr. D. Sekaran, Director of the Company.

Resolved further that all other terms and conditions relating to her appointment and remuneration shall remain unchanged.

Resolved further that the Board of Directors be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.

Rajeswari Foundations Limited

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

RESOLVED THAT in terms of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (the Act) (including any statutory modifications or re-enactment there, for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, and in accordance with the provisions of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (SEBI DIP Guidelines) as may be applicable on preferential issue of Warrants Convertible into Equity Shares and other applicable Regulations/ Guidelines of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as "Board" which expression shall include any Committees thereof for the time being to which all or any of the powers hereby conferred on the Board by these resolution, have been delegated) and subject to such consents and approvals of SEBI, Stock Exchange, or Such other bodies or authorities as may be required by the law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals, and which may agreed to by or any other authority as may be necessary for that purpose the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranche(s) upto 7,95,000 (Seven Lacs and Ninety Five thousands only) Warrants, Convertible into Equity shares of the Company, at Rs.23 (Rs. Twenty-Three only) each to the promoters mentioned below on preferential basis convertible into 1 (one) Equity shares of Rs.10 (Rs. Ten Only) each fully paid-up at price of Rs.23 (Rs. Twenty Three only) including premium of Rs.13/- (Rs. Thirteen only) determined in accordance with the SEBI Guidelines on Preferential Issue and the subscription amount for the warrants being adjusted against the exercise price of the warrants and that the Board be and is hereby authorised to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force in that behalf.

PROMOTERS

Name of the Person to whom Warrants are being offered	Number of Warrants offered
R. USHA	3,00,000
G. RAMAMURTHY	4,95,000
Total	7,95,000

RESOLVED FURTHER THAT the "Relevant Date" under SEBI Guidelines on Preferential issue in relation to warrants for the purpose of determining the issue price shall be 27.08.2007 being the date, 30 days prior to the date of passing this Resolution.

RESOLVED FURTHER THAT subject to the applicable provisions of law, such warrants may, at the option of the holder, be convertible into Equity Shares of the Company, within 18 months from the date of their allotment, in one or more tranche(s) and on such terms and conditions, in such form and manner as the Board of Directors and the holder of the warrants may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT the equity shares so issued on conversion of warrants shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.

Rajeswari Foundations Limited

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the companies do apply for listing of the new Equity shares as may be issued on conversion of warrants with the Stock Exchange, Bombay and Madras.

By order of the Board

Place : Chennai
Date : 28.08.2007

G. Ramamurthy
Managing Director

Registered Office
B-3, 'C' Block, 3rd Floor
Parsn Paradise Apartments
109, G.N. Chetty Road
T.Nagar, Chennai - 600 017.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED WITH THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.

Revenue Stamp for 15 paise should be affixed on the Proxy Form. Forms which are not stamped or inadequately stamped are liable to be considered invalid. Further, for identification purposes etc., it is advisable that the proxy holder's signature may also be furnished in the Proxy Form.

Member/proxy holder must bring the attendance slip to the meeting and hand it over at the entrance duly signed.

Members who are Holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.

Shareholders are requested to bring their copies of Annual Report to the Annual General Meeting.

2. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed.
3. All documents referred to in the Notice and Explanatory Statement will be available for inspection by the members at the registered office of the Company between 10.00 a.m. to 1.00 p.m. on all working days upto the date of Annual General Meeting.
4. The Registrar of members and Share Transfer Books of the Company will remain closed from Friday 21st September 2007 to Wednesday 26th September 2007 (both days are inclusive)
5. A member desirous of seeking any information on the accounts or operations of the Company is requested to forward his/her Query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

Rajeswari Foundations Limited

6. After declaration of the dividend at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after September 26, 2007. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
7. Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar and Transfer Agent, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai-600 002. Members holding shares in electronic form may intimate any such change to their respective Depository Participants (DPs).
8. The equity shares of the Company are available for trading in dematerialized form (scripless trading in electronic form) through Depository Participants. The ISIN Code is INE 016CO1014.
9. Members who are holding physical shares in more than one folio are requested to intimate to the Registrar & Share Transfer Agents the details of all their folio numbers for consolidation into a single folio.
10. Pursuant to the provisions of Section 205A of the Companies Act, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the investor Education and Protection Fund of the Central Government, shareholders/investors who have not encashed the dividend warrant(s) so far are requested to make their claim to the secretarial Department, B-3, "C" Block, 3rd Floor, Parsn Paradise Apartments, No.109, G.N.Chetty Road, T.Nagar, Chennai-600 017. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Central Government, no claim shall lie in respect thereof.
11. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking re-appointment at the forthcoming Annual General Meeting is annexed.

**INFORMATION ABOUT DIRECTORS SEEKING RE-APPOINTMENT
IN THIS ANNUAL GENERAL MEETING IN RESPECT OF
RESOLUTION NO.3, and 4 ABOVE
(in accordance with Clause 49 VI of the Listing Agreement)**

Name	Age	Qualification	Other Directorship(s) if any	Committee Memberships
D.SEKARAN	50	GRADUATE	NIL	NIL
N.P.JAGANATHAN	51	GRADUATE	NIL	NIL

*Rajeswari Foundations Limited***ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO.6**

In view of the changing trends in compensation of managerial personnel, the company had undertaken a detailed study of the compensation policy in various comparable companies. The remuneration now proposed is fairly in line with the general pattern for comparable responsibility/job profile. The Board at its Meeting held on 27th January 2007 revised the limits on overall remuneration payable to Mr. G. Ramamurthy, the Managing Director. Below mentioned is overall existing and proposed limits of remuneration and perquisites, payable to Mr. G. Ramamurthy, the Managing Director.

Date of General meeting approving the resolution	– 27.09.2004
Period of existing agreement	– 5 yrs. w.e.f. 01.10.2003
Existing Limits Remuneration	– Salary - Rs.60,000 per month Commission - 1% of Net Profit of the Company
Perquisites	– As per the Original agreement
Proposed Limits Remuneration	– Salary - Rs.1,00,000 per month Commission - 1% of Net Profit of the Company
Perquisites	– No change

For the above purpose

- (i) "remuneration" includes salary, commission and Personal Allowance
- (ii) "perquisites" include furnished accommodation or house rent allowance in lieu thereof, gas, electricity, water, furnishing, domestic, assistance, use of car with driver, telephone at residence, children's education allowance, medical reimbursement and leave concession for self and family, club fees and personal accident insurance etc., in accordance with the rules of the Company.

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

An abstract of the modification in remuneration of Mr. G. Ramamurthy, Managing Director, pursuant to Section 302 of the Companies Act, 1956 has been circulated to all the shareholders and the same is available for inspection by the shareholders at the Registered Office of the Company between 10.00a.m and 1.00 p.m. on all working days upto the date of Annual General Meeting.

This may be construed as an abstract of the terms of appointment and Memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Mr. G. Ramamurthy and Mrs. R. Usha, Directors of the Company being relatives to each other are deemed to be interested or concerned in the resolution. None of the other Directors are deemed to be interested in this resolution.

The Board of Directors recommends passing of this resolution.

Rajeswari Foundations Limited

ITEM NO.7

In view of the changing trends in compensation of managerial personnel, the company had undertaken a detailed study of the compensation policy in various comparable companies. The remuneration now proposed is fairly in line with the general pattern for comparable responsibility/job profile. The Board at its Meeting held on 27th January 2007 revised the limits on overall remuneration payable to Mrs. R. Usha, the Whole Time Director. Below mentioned is overall existing and proposed limits of remuneration and perquisites, payable to Mrs. R. Usha, the Whole Time Director.

Date of General meeting approving the resolution	– 07.09.2006
Period of existing agreement	– 5 yrs. w.e.f. 01.11.2005
Existing Limits	– Salary - Rs.18,000 per month
Perquisites	– No other perquisites except the above salary
Proposed Limits	– Salary - Rs.50,000 per month
Perquisites	– No change

For the above purpose

(i) "remuneration" includes salary, commission and Personal Allowance

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

An abstract of the modification in remuneration of Mrs. R. Usha, Whole-time Director, pursuant to Section 302 of the Companies Act, 1956 has been circulated to all the shareholders and the same is available for inspection by the shareholders at the Registered Office of the Company between 10.00a.m and 1.00 p.m. on all working days upto the date of Annual General Meeting.

This may be construed as an abstract of the terms of appointment and Memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

Mr. G. Ramamurthy and Mrs. R. Usha, Directors of the Company being relatives to each other are deemed to be interested or concerned in the resolution. None of the other Directors are deemed to be interested in this resolution.

The Board of Directors recommends passing of this resolution.

ITEM NO.8

The Board of Directors of the Company give the following disclosures that is required to be given in the explanatory statement to the special resolution to be passed under section 81 (1A) of the Companies Act, 1956 and in terms of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

I. Objects of the Issue through Preferential Offer

The purpose of the issue to allot the warrants convertible into the equity shares is to achieve long term plans of the Company and to meet the funding requirements including but not limited to investment for meeting its business requirements, funding ongoing capital expenditure and/or for the repayment of its long term debts and working capital requirements in order to improve its project capacity and enhance infrastructure facilities.

Rajeswari Foundations Limited

Relevant date and pricing of the Issue:

The issue price of the warrants convertible into the Equity shares shall be Rs.23.00 (Rs. Twenty Three only) each.

The price of the Equity shares of Rs.10 each together with premium of Rs.13 (Rs. Thirteen only) has been fixed for Rs.23.00 (Rs. Twenty Three only) per share to be issued on conversion of warrants based on relevant date 27th August, 2007 calculated in the manner specified for pricing of shares to be allotted in lieu of warrants as per the SEBI (Disclosure and Investor Protection) Guidelines 2000.

As per the SEBI (Disclosure and Investor Protection) Guidelines, 2000, the price for equity shares/warrants convertible into Equity Shares of Rs.10/- each has been determined at Rs.22.78 per share/warrant convertible into equity shares on the relevant date 27th August, 2007, based on the quotations available at the Stock Exchange Bombay. The issue price of Rs.23 per Shares/Warrant is higher than the price as per SEBI Guidelines. A certificate to that effect has been obtained from the Auditors of the Company on 30th August, 2007 which is also available for inspection at the registered office of the Company.

II. Intention of the Promoters/Directors/Key Management persons to subscribe to the offer

Promoters Group would be subscribing to the Warrants as per the details set out below:

Name of the Person to whom Warrants are being offered	Number of Warrants offered
R. USHA	3,00,000
G. RAMAMURTHY	4,95,000
Total	7,95,000

None of the other Promoters/Directors/Key Management persons would be subscribing to the preferential issue authorized by the resolution.

The existing Promoters would continue to be in control of the Company after the preferential issue and there would be no change in control in the management of the Company, nor would there be any change/reconstitution in the Board of the Company.

An amount of ten percent of total value of warrants has to be paid at the time of allotment. Warrants have to be made fully paid up before conversion to Equity Shares. In case the warrants are not converted to Equity, the amount paid towards the warrants would stand forfeited.

*Rajeswari Foundations Limited***III. Shareholding pattern before and after the offer and consequential changes, if any on voting rights.**

	Pre offer in terms of Shares		Number of Shares to be allotted	Post Allotment Shareholding	
	No.	%	No.	No.	%
Promoters					
(a) G. Ramamurthy	2,145,457	45.35	495,000	2,640,457	47.78
(b) R.Usha	55,692	1.18	300,000	355,692	6.44
(c) R. Rajesh Kumar	23,000	0.49	—	23,000	0.42
(d) G. Subramaniam	1,000	0.02	—	1,000	0.02
(e) R R. Palani	300	0.01	—	300	0.01
(f) B. Banumathi	300	0.01	—	300	0.01
(g) Muthu manickam M	200	0.00	—	200	0.00
(h) Vijayakumar M	2,000	0.04	—	2,000	0.04
(i) K. Devanathan	100	0.00	—	100	0.00
(j) G. Kalarani	5,000	0.11	—	5,000	0.09
(k) K. Vinodhini	5,100	0.11	—	5,100	0.09
(l) G. Karthikeyan	4,800	0.10	—	4,800	0.09
Sub Total (A)	2,242,949	47.41	795,000	3,037,949	54.98
Non Promoters					
Mutual Funds	1,500	0.03	—	1,500	0.03
Banks	—	—	—	—	—
FIIS	—	—	—	—	—
Foreign Companies	—	—	—	—	—
Corporate Bodies	467,278	9.88	—	467,278	8.46
NRI's and OCB	9,408	0.20	—	9,408	0.17
Public (including clearing members)	2,009,765	42.48	—	2,009,765	36.37
Sub Total (B)	2,487,951	52.59	—	2,487,951	45.02
Total Numbers (A+B)	4,730,900	100.00	795,000	5,525,900	100.00

The voting rights will change in tandem with the change in shareholding pattern. The above conversion of warrant will be made in two or more tranches in compliance to the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997.

Note:

The above mentioned shareholding pattern given above assumes the following:

- The Warrant Holders would exercise the option to convert their entire warrants to which they may be entitled.
- The holdings of other shareholders do not change.

IV. Proposed time within which the allotment shall be completed

The allotment of warrants shall be completed within a period of 15 days from the date of passing of the resolutions by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.