

SWAGRUHA
INFRASTRUCTURE LIMITED

18th Annual
Report
2011-12

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on 29th 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 31st 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
Place: Hyderabad

Director

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 28th September, 2012 to 29th 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 31st March, 2012.

FINANCIAL RESULTS		(Rs. In Lakhs)
Particulars	2011-2012	2010-2011
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)
Profit / (Loss) carried to Balance Sheet	(631.49)	(103.26)

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

Director

Place: Hyderabad

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