

17th ANNUAL REPORT

Registered office:

Flat No. 203, 6-2-30/B,Empress Court
Khairatabad, Hyderabad - 500 004

Ph.Nos. : 040 - 66667770

Fax : 040 - 40036584

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SWAGRUHA INFRASTRUCTURE LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS :

- | | | |
|-------------------------------|----|-------------------|
| 1. Mr.Boga Prabhakar | -- | Managing Director |
| 2. Mr. Boga Surender | -- | Director |
| 3. Mr. Ganji Veeraswamy | -- | Director |
| 4. Mrs.Krishna Kumari Pudupet | -- | Director |
| 5. Mr.Vidya Sagar Jalda | -- | Director |
| 6. Mr. Upadrasta Satish Kumar | -- | Director |

Registered Office:

Flat No. 203, 6-2-30/B,
Empress Court,
Khairatabad, Hyderabad-500004
Ph.Nos.040-66667770
Fax: 040-40036584

Auditors:

M/s. M. M. Reddy & Co.
Chartered Accountants, Hyderabad

Audit Committee:

- 1) Mr. J. Vidya sagar
- 2) Mrs. P.Krishna Kumari
- 3) Mr. U .Satish Kumar

Remuneration Committee:

- 1) Mr. J. Vidya sagar
- 2) Mrs. P.Krishna Kumari
- 3) Mr. U .Satish Kumar

Investor Grievance Committee:

- 1) Mrs. P.Krishna Kumari
- 2) Mr. J. Vidya sagar
- 3) Mr. U .Satish Kumar

Listing:

- 1) Bombay Stock Exchange Limited

Registrar & Share Transfer Agents:

M/s. Venture Capital and Corporate Investments Private Limited
12-10-167, Bharat Nagar, Hyderabad - 500 018
Ph.Nos.040-23818475/23818476/23868023
Fax: 040-23868024

SWAGRUHA INFRASTRUCTURE LIMITED

NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Shareholders of M/s. SWAGRUHA INFRASTRUCTURE LIMITED will be held on Friday, the 30th September 2011 at 11.00 AM at # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004 to transact the following business:

Ordinary Business:

1. To receive and adopt the Directors' Report, the Audited Profit and Loss Account and the Cash Flow statement for the year ended 31st March, 2011, and the Balance Sheet as at that date.
2. To appoint a director in place of Mrs.Krishna Kumari Pudupet who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Ganji Veeraswamy who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956 to appoint M/s. M.M.Reddy & Co., Chartered Accountants, Hyderabad the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorize the Board to fix their remuneration.

For and on behalf of the Board of
SWAGRUHA INFRASTRUCTURE LIMITED

Place :Hyderabad
Date :02.09.2011

Boga Prabhakar
Managing Director

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. U.Satish, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f. 02.09.2011 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation."

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4: Appointment of Mr. U.Satish Kumar

The members may note that Mr. U.Satish Kumar, was inducted into Board as an Additional Director of the company, with effect from 02.09.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

SWAGRUHA INFRASTRUCTURE LIMITED

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

The Board recommends the resolution for your approval.

None of Directors except Mr. U.Satish may be deemed to be concerned or interested in the resolution.

For and on behalf of the Board of
SWAGRUHA INFRASTRUCTURE LIMITED

Place :Hyderabad
Date :02.09.2011

Boga Prabhakar
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on a poll instead of himself / herself and the Proxy need not be a member of the Company.
2. Proxies, in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 26.09.2011 to 30.09.2011 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. Members, who hold shares in de-materialized form, are requested to bring their Client ID and DP IDs for easier identification of attendance at the meeting.
6. Members are requested to kindly bring their copies of the Annual Report to the meeting. As a measure of economy, copies of Annual Report will not be distributed at the AGM
7. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

DIRECTORS' REPORT

To

The Members

We have pleasure in presenting the 17th Annual Report with Audited Statements of Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS:

(Rupees in thousand)

Particulars	2010-2011	2009-2010
Income	2537.08	1124.60
Expenditure	2498.90	1121.59
Profit for the year	25.06	3.01
Add: Loss brought forward	(10350.74)	(10353.75)
Profit / (Loss) carried to Balance Sheet	(10325.66)	(10350.74)

PERFORMANCE REVIEW:

The Company has recorded a turnover of Rs. 2537.08 Thousand in the current year against the turnover of Rs. 1124.60 Thousand in the previous financial year ending 31.03.10.

The Company has been continuously working on quality up gradation and cost reduction plans for achieving efficient running of the organisation.

DIVIDEND:

Your directors have not recommended any dividend in view of the accumulated losses

PUBLIC DEPOSITS:

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

LISTING:

The equity shares of your company are listed on BSE Limited. Mumbai presently the trading of shares under suspension.

DIRECTORS:

In accordance with the Companies Act, 1956 read with Articles of Association of the company Mrs.Krishna Kumari Pudupet, Mr. Ganji Veeraswamy directors of the company retire by rotation and have expressed his willingness for reappointment.

During the Year Mr.U.Satish Kumar was appointed as the Directotr of the Copmpany w.e.f 02.09.2011

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm

- i) That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) That the directors had 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.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on the going concern basis.

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

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

A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

B. Technology Absorption:

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

C. Foreign Exchange Earnings and Out Go:

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

PARTICULARS OF EMPLOYEES:

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

CODE OF CONDUCT:

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

AUDITORS:

Your directors propose the appointment of M/s. M. M. Reddy & Co. as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, Forms part of this Report as Annexure.

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:

The shareholders

I, Boga Prabhakar, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

For and on behalf of the Board of
SWAGRUHA INFRASTRUCTURE LIMITED

Place :Hyderabad
Date :02.09.2011

Boga Prabhakar
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of Directors' Report)

INDUSTRY STRUCTURE & DEVELOPMENT :

Infrastructure Industry in India Have been experiencing a rapid growth in its different sectors with the development of urbanization and increasing involvement of foreign investment in this field. The Indian government has taken initiatives to develop the infrastructure sector, with major emphasis on construction, engineering, IT, entertainment, textiles, food, and utility to name some.

OPERATIONAL AND FINANCIAL PERFORMANCE:

- Income: During the year under review, Operational Income stood at Rs. 2,537,088 as against Rs. 1,124,600 in previous year.
- Net Profit: During the year, the Company has achieved a Net Profit of Rs. 25,064 as against Rs.3,014, during the corresponding period in the previous year.
- Net working Capital: The net current assets of the Company increased to Rs. 57,253,954 in previous year from Rs. 57,222,610.

INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control systems commensurate with the size and the nature of business of the Company.

The internal control system is constantly assessed and strengthened with tighter control procedures. The internal control systems ensure effectively of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions.

The audit committee periodically reviews the adequacy and efficacy of the said internal control systems. All the issues relating to internal control systems are resolved by the audit committee.

HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company recognizes the importance and contribution of the employees. Human Resource is viewed to be as one of the most important factor in the growth process with a view to cross further frontiers in business performance, the Company strives to organize training modules for understanding and improving the core

skills of the employees. It is the continuous effort by the Company that helps to provide the right environment in order to maximize team efforts while exploiting individual growth potential in the right manner.

The Directors record their appreciation of the support and continued contribution of all employees towards the growth of the Company.

RISKS AND CONCERNS:

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

OUTLOOK:

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

SWAGRUHA INFRASTRUCTURE LIMITED

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

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

II. BOARD OF DIRECTORS

As on the date of Report, Swagruha Infrastructure Board consists of 6 Members of whom 3 are Non-Executive Independent Directors. The Composition of the Board is in conformity with the listing requirements.

Sl.No.	Name & Category No. of Directorships	No.of the Directors held in other public companies	No. of Memberships / Chairmanships held in Committees of other companies
1	Mr.Boga Prabhakar Managing Director, Executive, Non Independent	NIL	NIL
2	Mr. Boga Surender Non Executive, Director, Non Independent	NIL	NIL
3	Mr. Ganji Veeraswamy Non Executive Director, Non Independent	NIL	NIL
4	Mrs.Krishna Kumari Pudupet Independent Director	NIL	NIL
5	Mr.Vidya Sagar Jalda Non Executive Director, Independent Director	NIL	NIL
6	*Mr. Upadrasta Satish Kumar Non Executive Director, Independent Director	NIL	NIL
7	#Mr. M.Sudershan Independent Director	NIL	NIL
8	#Mr. N.V Satyanarayana Non Executive Director , Promoter	NIL	NIL

***Appointment with effect from 02.09.2011**

#Resignation with effect from 02.09.2011

SWAGRUHA INFRASTRUCTURE LIMITED

BOARD MEETINGS :

The Board of Directors met 5 times during the year on May 19, 2010, August 3, 2010, October 26, 2010, January 28, 2011, and March 28, 2011 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

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

Name of the Directors	No. of Board Meetings Held during the tenure of the Director	No. of Board Meetings attended by the Director	Whether present at the previous AGM
Mr.BogaPrabhakar	5	5	Yes
Mr. Boga Surender Non	5	5	Yes
Mr. Ganji Veeraswamy	5	5	Yes
Mrs.Krishna Kumari Pudupet	5	5	Yes
Mr.Vidya Sagar Jalda	5	5	Yes
*Mr. Upadrasta Satish Kumar	0	0	No
#Mr. M.Sudershan	5	5	Yes
#Mr. N.V Satyanarayana	5	5	Yes

***Appointment with effect from 02.09.2011**

#Resignation with effect from 02.09.2011

III. AUDIT COMMITTEE

Composition, meetings and the attendance during the year:

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 2010-11 our meetings of the Audit Committee were held on the May 19, 2010, August 03, 2010, October 26, 2010, and January 28, 2011.

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

Terms of reference:

The terms of reference of the Committee, interalia covers all the matters specified under Clause 49 of the Listing Agreement with the Stock Exchange as well as those specified in Section 292 (A) of the Companies Act, 1956. Besides, in additions to other terms as may be referred by the Board of Directors, the Audit Committee has the power interalia, to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

IV. REMUNERATION COMMITTEE

The details of composition of the Committee are given below:

Name	Designation	Category
Mrs. Krishna Kumari	Chairman	NED(I)
Mr. J. Vidyasagar	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 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.

V. SHAREHOLDERS / INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE

Composition, meetings and the attendance during the year:

The Shareholders/Investors Grievance Committee was constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non receipt of Dividend and other allied complaints.

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)

SWAGRUHA INFRASTRUCTURE LIMITED

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

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

During the year no complaints were received.

VI. GENERAL BODY MEETINGS:

Details of location, date and time of Annual General Meetings held during the last three years:

Financial Year	Venue	Date and Time
2007-2008	#203, Empress Court, 6-2-30/B Khairatabad -500 004	30.09.2008 11.00AM
2008-2009	#203, Empress Court, 6-2-30/B Khairatabad -500 004	30.09.2009 11.00AM
2009-2010	#203, Empress Court, 6-2-30/B Khairatabad -500 004	30.09.2010 11.00AM

- No Special Resolutions were passed in the previous three Annual General Meetings.
- During the year no resolutions were passed by Postal Ballot.

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) The Company has complied with all the mandatory requirements of Clause 49. As regards the non-mandatory requirements, the extent of compliance has been stated in this report against each item.

SWAGRUHA INFRASTRUCTURE LIMITED

- (e) There were no material pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- (f) Managing Director and Chief Financial Officer of the Company have furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

VIII. MEANS OF COMMUNICATION

The un-audited quarterly results and audited results for the year are generally published in one English newspaper Business Standards and at least one vernacular newspaper Andhra Prabha shortly after its submission to the Stock Exchanges.

IX. GENERAL SHAREHOLDERS INFORMATION

- a) 17th Annual General Meeting:

Date and Time	Friday, the 30th September 2011 at 11.00 AM
Venue	# 203, Empress Court, 6-2-30/B, Khairatabad -500 004

- b) Book Closure Date : 26.09.2011 to 30.09.2011 (Both days inclusive)

- c) Financial Year and Calendar (Tentative) 2010-11 :

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 2011-2012 (tentative)	
The First Quarter results	On or before 14.08.2011
The Second quarter results	On or before 14.11.2011
The Third quarter results	On or before 14.02.2012
The Fourth quarter results	On or before 15.05.2012

d) Listing on Stock Exchanges :

1) Bombay Stock Exchange Limited (Presently the Shares are under Revocation)

e) Listing Fees :

Listing fee for the year 2011-12 has been paid

f) Stock Code :

For equity shares : BSE: 531909

g) ISIN No. :

For equity shares : **INE587J01019**

h) Stock Price Data :

The Shares of the company are suspended from trading.

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

Phones: 040-23818475, 23818476, 23868023,

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 and 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.

SWAGRUHA INFRASTRUCTURE LIMITED

k) Shareholding Pattern as on 31st March, 2011 :

Particulars	Category	No. of shares held	Percentage of shareholding
A	Shareholding of Promoter and promoter group		
1.	Promoters & Persons acting in concert	3,581,400	52.25
	Sub- Total A	3,581,400	52.25
B	Public Shareholding		
1.	Institutions	NIL	NIL
2.	Non- Institutions		
	a) Indian public and others	3,273,400	47.75
	Sub Total B	3,273,400	47.75
	Grand Total (A+B)	6,854,800	100

l) Dematerialization of Shares:

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited.

m) 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.

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

o) CEO Certification:

As required by the clause 49 (V) of the Listing Agreement, the certificate from CEO was placed before the Board of Directors at their meeting held on 02.09.2011

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 of
SWAGRUHA INFRASTRUCTURE LIMITED

Place :Hyderabad

Date :02.09.2011

Boga Prabhakar
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Swagruha Infrastructure Limited

We have examined the compliance of conditions of corporate governance by Swagruha Infrastructure Limited for the year ended on 31st march 2011 as stipulated in clause 49 of the listing agreement of the said company with concerned Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management, our examination has been limited a review of the procedures and implementation thereof adopted by the company for ensuring the compliance the conditions of corporate governance. It is neither an audit not expression of opinion on the financial statements of the company.

In our opinion and best of our information and according to the explanation given to us and the representations made the Directors and Management, we certify that the company has complied with the conditions of corporate governance as stipulated in the aforesaid listing agreement.

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 Reg. No.010371S

Place : Hyderabad
Date : 02.09.2011

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

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

SWAGRUHA INFRASTRUCTURE LIMITED

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 of
SWAGRUHA INFRASTRUCTURE LIMITED

Place :Hyderabad
Date :02.09.2011

Boga Prabhakar
Managing Director

AUDITOR'S REPORT

To
The Members,
SWAGRUHA INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet as at 31st March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. 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 misstatements. 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' of India ('the Act') and on the basis of such verifications of the books and records of the company as we considered are appropriate and according to the information and explanations given to us, we have given in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) 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;

SWAGRUHA INFRASTRUCTURE LIMITED

b) 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;

c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;

e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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, 2011;

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

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

Place : Hyderabad
Date : 02.09.2011

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 3 of Auditor's Report of even date to the members of SWAGRUHA INFRASTRUCTURE LIMITED on the financial statements for the year ended March 31, 2011]

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. The Company does not have any inventories and accordingly the provisions of clause 4 (ii) (a), (b) and (c) of the order are not applicable to this Company.
3. The company has neither granted nor taken any loans secured or unsecured to/from companies, firms or parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for the sale of services. The activities of the company do not involve purchase of inventory and sale of goods. Further, on the basis of our examination of the books and records of the company, and according to

the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. According to the information and explanations given to us, there have been no contracts or arrangements referred to section 301 of the Act during the year to be entered in the register required to be maintained under that section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. The Company has an adequate internal audit system commensurate with its size and nature of its business.
8. The maintenance of cost records is not applicable to this company.
9. (a) According to the information and explanations given to us and the records of the company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us and the records of the company examined by us, excise duty and cess are not applicable to the company for the current year.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales-

tax, wealth tax, service tax, customs duty which have not been deposited on account of any dispute.

10. The company has the accumulated losses Rs.103.24 Lakhs at the end of the financial year and not incurred any cash losses during the year and immediately preceding previous year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not borrowed any loans from any financial institution or bank or debenture holders as at the balance sheet date.
12. The company has not granted any 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 in the business of Nidhi/ Mutual Benefit Fund/ Societies.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions during the year.
16. The company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which not have been used for long-term investment and vice-versa

SWAGRUHA INFRASTRUCTURE LIMITED

18. The Company has not issued any debentures during the year.
19. The company has not raised any money by public issues during the year.
20. 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.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Place : Hyderabad
Date :02.09.2011

SWAGRUHA INFRASTRUCTURE LIMITED

Balance Sheet as at 31st March' 2011		(Amount in Rs)	
Particulars	Sch No	As At 31.03.2011	As At 31.03.2010
SOURCES OF FUNDS			
Share capital	1	67,616,750	67,616,750
Reserves and Surplus		-	-
LOAN FUNDS			
Secured Loans		-	-
Un Secured Loans		-	-
		67,616,750	67,616,750
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	2	393,693	393,693
Less: Accumulated Depreciation		356,564	350,285
Net Block		37,129	43,408
Current Assets, Loans & Advances:	6		
Sundry Debtors	3	9,930,781	9,874,630
Cash and Bank Balances	4	22,856	25,669
Loans and Advances	5	47,428,481	47,428,481
		57,382,118	57,328,780
Less : Current Liabilities & Provisions	6		
Current Liabilities		115,050	106,170
Provisions		13,114	-
		128,164	106,170
Net Current Assets		57,253,954	57,222,610
Profit and Loss A/c debit balance		10,325,668	10,350,732
		67,616,750	67,616,750
Accounting Policies & Notes on Accounts	8		
As per our report of even date attached		For and on behalf of the board of directors	
FOR M.M. REDDY & CO., CHARTERED ACCOUNTANTS Firm Reg. No. 010371S	SD/- B.PRABHAKAR Managing Director	SD/- B.SURENDER Director	
M. MADHUSUDHANA REDDY PARTNER Membership No.213077			

SWAGRUHA INFRASTRUCTURE LIMITED

Balance Sheet As At		(Amount in Rs)	
Particulars	Sch No	As At 31.03.2011	As At 31.03.2010
<u>INCOME</u>			
Income from operations		2,537,088	1,124,600
TOTAL		2,537,088	1,124,600
<u>EXPENDITURE:</u>			
Director Remuneration		340,000	250,000
Administrative Expenses	7	2,152,630	864,230
Depreciation	2	6,279	7,356
		2,498,909	1,121,586
Net Profit / (Loss) for the Year		38,179	3,014
Less : Provision for Taxation - Current		13,114	-
- Deferred Tax		-	-
Net Profit / (Loss) after tax		25,064	3,014
Add: Profit / (Loss) B/f from Previous Year		(10,350,732)	(10,353,746)
Profit /(Loss) C/fd to Balance Sheet		(10,325,668)	(10,350,732)
Earnings per share (basic / diluted)		0.00	0.00
Accounting Policies & Notes on Accounts	8		

The schedules referred to above form an integral part of the Profit & Loss Account As per our report of even date attached

**FOR M.M. REDDY & CO.,
CHARTERED ACCOUNTANTS**
Firm Reg. No. 010371S

**SD/-
M. MADHUSUDHANA REDDY
PARTNER**
Membership No.213077

For and on behalf of the board of directors

**SD/-
B.SURENDER**
Director

**SD/-
B.PRABHAKAR**
Managing Director

SWAGRUHA INFRASTRUCTURE LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Balance Sheet As At		(Amount in Rs)	
Particulars	Sch No	As At 31.03.2011	As At 31.03.2010
<u>SCHEDULE-1: Share Capital:</u>	1		
Authorised Capital:			
75,00,000 Equity shares of Rs.10/- each		75,000,000	75,000,000
<u>Issued subscribed and paid up capital:</u>			
68,54,800 Equity shares of Rs. 10/- each		68,548,000	68,548,000
Less: Calls-in-arrears		931,250	931,250
		67,616,750	67,616,750
<u>SCHEDULE- 3: Sundry Debtors:</u>			
Unsecured, considered good			
Debts Outstanding for more than six months		-	-
Debts Outstanding for less than six months		9,930,781	9,874,630
		9,930,781	9,874,630
<u>SCHEDULE-4: Cash and Bank Balances:</u>			
Cash in Hand	19,566	23,581	
Cash at Banks	3,290	2,088	
	22,856	25,669	
<u>SCHEDULE- 5: Loans and Advances:</u>			
Advances recoverable in cash or in kind or for value to be received	25,101,550	25,101,550	
Capital advances	17,600,400	17,600,400	
Amount receivable on joint Venture	4,536,879	4,536,879	
Other advances and deposits	189,652	189,652	
	47,428,481	47,428,481	

SWAGRUHA INFRASTRUCTURE LIMITED

Balance Sheet As At		(Amount in Rs)	
Particulars	Sch No	As At 31.03.2011	As At 31.03.2010
<u>SCHEDULE - 6: Current</u>			
<u>Liabilities & Provisions :</u>			
<u>Liabilities :</u>			
Creditors for suppliers		25,000	30,520
Creditors for Expenses		68,500	58,900
Other Liabilities		21,550	16,750
		115,050	106,170
<u>Provisions :</u>			
Provision for Income Tax		13,114	-
		13,114	-
<u>SCHEDULE 7 : Administrative Expenses:</u>			
Rent, rates & taxes		275,421	60,265
Office Maintenance		254,544	21,580
Salaries		462,544	375,480
Traveling & Conveyance		99,715	28,358
Printing & Stationery		86,310	45,742
Site visit expenses		381,546	130,563
Brouchers and posters		62,148	40,239
Collection incentives		78,154	25,890
Discounts and Coupons		71,347	10,254
Communication expenses		96,548	65,782
Postage and couriers		55,454	10,538
Staff welfare expenses		93,544	4,582
Auditors remuneration		30,000	30,000
Bank Charges		11,215	2,589
Other Expenses		94,140	12,368
		2,152,630	864,230

SWAGRUAHA INFRASTRUCTURE LIMITED

		SCHEDULE - 2 : FIXED ASSETS						(Amounts in Rupees)	
		GROSS BLOCK		Depreciation		Net Block			
S.No	Description	As on 01.04.2010	Total as on 31.03.2011	Up to 31.03.2010	For the Period	Total as on 31.03.2011	As on 31.03.2011	As on 31.03.2010	
1	Furniture and Fixtures	105,294	105,294	99,539	1,042	100,581	4,713	5,755	
2.	Office Equipments	288,399	288,399	250,746	5,238	255,984	32,415	37,653	
	Total	393,693	393,693	350,285	6,279	356,564	37,129	43,408	
	Previous Year	393,693	393,693	342,929	7,356	350,285	43,408	50,764	

SWAGRUHA INFRASTRUCTURE LIMITED

Cash Flow Statement for the year ended 31st March, 2011		(Amount in Rs)
Particulars	As At 31.03.2011	As At 31.03.2010
A. Cash Flow from Operating Activities		
Net Profit Before Tax and Extraordinary Items	38,179	3,014
Adjustments for:		
Depreciation	6,279	7,356
Bad debts written off	-	-
Interest & other income recd	-	-
Loss on sale of asset	-	-
Operating Profit before Working		
Capital Changes	44,458	10,370
Adjustments for:		
Trade and Other receivables	(56,151)	(19,506)
Loans and Advances	-	-
Other Current Liabilities	21,994	(4,507)
Cash Generated From Operations:	10,301	(13,643)
Taxes paid	-	-
Net Cash Flow from Operating Activities	10,301	(13,643)
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	-	-
Sale of Fixed/Leased Assets	-	-
Interest & other income recd	-	-

SWAGRUHA INFRASTRUCTURE LIMITED

Cash Flow Statement for the year ended 31st March, 2011		(Amount in Rs)
Particulars	As At 31.03.2011	As At 31.03.2010
Net Cash from Investing Activities	-	-
C. Cash Flow From Financing Activities:		
Proceeds from issue of share capital	-	-
Proceeds from Short Term Borrowings	-	-
Currency translation reserve	-	-
Net Cash from Financing Activities	-	-
Net increase / (decrease) in cash and cash equivalents	10,301	(13,643)
Cash and Cash Equivalents as at beginning of the year	25,669	39,312
Cash and Cash Equivalents as at end of the year	35,970	25,669

The schedules referred to above form an integral part of the Profit & Loss Account As per our report of even date attached

For and on behalf of the board of directors

**FOR M.M. REDDY & CO.,
CHARTERED ACCOUNTANTS**
Firm Reg. No. 010371S

SD/-

**M. MADHUSUDHANA REDDY
PARTNER**
Membership No.213077

**SD/-
B.SURENDER**
Director

SD/-

B.PRABHAKAR
Managing Director

SCHEDULE: 8
ACCOUNTING POLICIES AND NOTES TO ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Accounting:

The financial statements have been prepared by following the going concern concept on historical cost convention on an accrual basis and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred in Section 211(3C) of the Companies Act, 1956, of India (the "Act").

2. Fixed Assets:

Fixed asset are stated at cost less 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. Depreciation on the fixed assets is provided on Written down value method as per the rates and on the manner prescribed on schedule XIV to the companies Act, 1956.

3. Investments:

Current investments are carried at lower of cost or fair value. Long term investments are stated at cost after deducting provisions made for diminution other than temporary.

4. Revenue recognitions:

The revenue has been recognized on the accrual basis. Revenues from the sale of plots are recognized on transfer of title to the users and revenue from the other operations upon submission of bills.

5. Expenses:

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

6. Taxes on Income:

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which related revenue and expenses arise.

Deferred tax is recognized on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

7. Earnings per Share:

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares outstanding during the period.

8. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

NOTES TO THE ACCOUNTS

1. **Contingent Liabilities** : NIL
2. Dues to micro & small-scale industrial undertakings: As at March 31, 2011 as per available information with the company, there are no dues to small scale industrial undertakings.
3. Additional Information pursuant to the provisions of Paragraph 3, 4C and 4D of part II of schedule VI to the Companies Act is not applicable to the Company and nature of its business.
4. **Directors Remuneration** : Rs.3,40,000/- (Last Year: Rs.2,50,000/-)
5. Foreign Exchange earned and outgo Based on CIF basis
Net Exports: Rs. Nil (Last Year: Nil)
Imports: Rs. Nil (Last Year: Nil)
6. **Segmental reporting:**
The segmental reporting disclosure as required under Accounting Standard-17 is not required since there are no reportable business and geographical segments.
7. **Auditors remuneration** :Rs.30,000/-(excluding service tax) (Last Year: Rs.30,000/-)
8. Taxes: Deferred tax has been calculated on the timing differences and it is not at material item to report.

SWAGRUHA INFRASTRUCTURE LIMITED

9. Sundry Creditors, Debtors and Loans & Advances, which are subject to reconciliation. Provision for doubtful debts, if any, in respect of the above and the consequential adjustment, if any, whether of revenue nature or otherwise, will be dealt accordingly.

10. In determining earnings per share, the company considers the net profit after tax and includes the past tax effect of any extraordinary/exceptional item.

Particulars	Amount in Rupees	
	31.03.2011	31.03.2010
Weighted average number of shares outstanding	67,61,675	67,61,675
Face value of equity shares	10	10
Net Profit after tax	26,364	3,014
Earnings per share (basic/diluted)	0.00	0.00

11. Previous year's figures have been regrouped, rearranged and reclassified, wherever necessary to match with the current year's figures.

12. Paise have been rounded off to the nearest rupee.

13. Schedules 1 to 8 form part of Balance Sheet and Profit and Loss account have been authenticated.

As per our report of even date attached

For and on behalf of the board of directors

FOR M.M. REDDY & CO.,
CHARTERED ACCOUNTANTS
Firm Reg. No. 010371S

SWAGRUHA INFRASTRUCTURE LIMITED

SD/-

SD/-

M. MADHUSUDHANA REDDY
PARTNER
Membership No.213077

B.PRABHAKAR
Managing Director

Date:02.09.2011
Place: Hyderabad

SWAGRUHA INFRASTRUCTURE LIMITED

SWAGRUHA INFRASTRUCTURE LIMITED

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

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 17th Annual General Meeting of the Company to be held on Friday, the 30th day of September 2011 at 11.00 A.M at # 203, Empress Court, 6-2-30/B, Khairatabad, Hyderabad - 500 004 and at any adjourned meeting thereof.

As Witnessed Signed this _____ day of September 2011

Signed by the said _____

Folio No./Client ID _____

No. of shares held _____

Affix
Re.1/-
Revenue
Stamp

Note:

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



SWAGRUHA INFRASTRUCTURE LIMITED

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

ATTENDANCE SLIP

[Please present this slip at the Meeting venue]

I hereby record my presence at the 17th Annual General Meeting of the members of the company to be held on Friday, the 30th day of September, 2011 at 11.00 A.M at # 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.