

Corporate Information

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**

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: rajeswarifoundationsltd@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

NOTICE TO THE MEMBERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Shareholders of the Company will be held on Friday the 26th September 2008 at 12.05 P.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, 2008 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 of 10% on equity shares.
3. To elect a Director in place of Mr. K.V. Sambavadass who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Mr. D. Sekaran who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and for this to consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the retiring Auditor Mr. **R. SUNDARARAJAN**, Chartered Accountant, be and is hereby appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

By order of the Board

Place : Chennai
Date : 09.06.2008

G. Ramamurthy
Chairman & 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.
2. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
3. The Registrar of members and Share Transfer Books of the Company will remain closed from Friday 19th September 2008 to Friday 26th September 2008 (both days are inclusive)

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4. After declaration of the dividend at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after September 26, 2008. 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).
5. 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).
6. 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
7. 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.

The particulars of due dates for transfer of such unclaimed dividend to Investor Education and Protection Fund are furnished below:

Financial year	Date of Declaration of Dividend	Date of Transfer to Special Account/ Unclaimed Account	Date of Transfer to IEPF
2005-2006 (Interim Dividend)	04.01.2006	04.02.2006	04.02.2013
2005-2006 (Final Dividend)	07.09.2006	07.10.2006	07.10.2013
2006-2007	26.09.2007	26.10.2007	26.10.2014

By order of the Board

Place : Chennai
Date : 09.06.2008

G. Ramamurthy
Chairman & Managing Director

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

INFORMATION ABOUT DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING IN RESEPECT OF RESOLUTION NO.3 AND 4 ABOVE

(In accordance with Clause 49 VI of the Listing Agreement)

Name of the Director	Age	Qualification	Other Directorship(s) if any	Committee Memberships
K.V. Sambavadass	63	DAE	Nil	Nil
D. Sekaran	52	Graduate	Nil	Nil

DIRECTORS' REPORT

Your Directors are pleased to present the 15th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2008.

Financial Results of your Company are as follows:

	Year ended 31.03.2008 (Rs. in lakhs)	Year ended 31.03.2007 (Rs. in lakhs)
Income from Operations	970.14	863.41
Non-Operating Income	6.47	7.70
Total Expenditure	828.28	757.83
Interest	32.57	23.12
Gross Profit (after Interest but before depreciation and taxation)	115.77	90.15
Depreciation	17.60	19.77
Profit before tax	98.17	70.38
Provision for Current Taxes	45.66	24.88
Provision for Deferred Taxes	2.86	3.34
Fringe Benefit Tax	0.82	0.56
Profit after Tax	54.56	48.30
Balance brought forward from last year	1.37	9.92
Amount available for appropriation	55.93	58.22
Appropriations have been made us under:		
Transfer to General Reserve	0.50	1.50
Dividend(Proposed) –Final	47.31	47.31
Dividend Tax	8.04	8.04
Surplus carried to Balance Sheet	0.08	1.37

DIVIDEND

Your Directors take pleasure on recommending equity dividend of 10% (Rs.1.00 per share of Rs.10/- face value) on the paid-up equity share capital for the approval of members. The dividend, if approved, at the 15th Annual General meeting by the members, will be paid to all those equity shareholders whose names appear in the register of members as on 26th September and also to those, whose names as beneficial owners are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited.

OPERATIONAL PERFORMANCE

You will be glad to note that your company achieved a turnover of Rs. 970.14 lakhs as against Rs.863.41 lakhs achieved in the previous year registering a growth of 12%. The earned a gross profit of Rs.148.34 lakhs before interest and depreciation as against Rs.113.27 lakhs in the previous year. After deducting interest of Rs.32.57 lakhs, providing a sum of Rs.17.60 lakhs towards depreciation, income tax provision of Rs.45.66 lakhs, the operations resulted in a net profit of Rs. 52.51Lakhs as against Rs. 45.50 lakhs in the previous year, recording a growth of 15.4%.

The Company has also submitted bids for other projects, which are under evaluation. The Company is confident of securing a sizeable share of these new projects.

FUTURE OUTLOOK

The Indian construction industry is an integral part of the Indian economy and an important portion of investments into the development of the Indian Economy takes place through the construction industry. The construction industry is expected to grow with further economic development, industrialization, urbanization and improvements in the standard of living.

According to Indian infrastructure, the Indian construction industry accounts for more than 5% of India's GDP and is the second largest employer after agriculture, employing nearly 32 million people. The financing of infrastructure development has largely shifted to the private sector, primarily through the use of public, private partnership (PPP), which are based on a partnership between the public and the private sectors for the purpose of delivering a project or service traditionally provided by the public sector.

In the year to come, your company has initiated major cost effective measures to improve the margins. Sustainable medium and long term goals are envisaged and pursued. Your director's foresee that, the performance of the Company will be better.

PREFERENTIAL ISSUE OF EQUITY SHARES TO PROMOTERS OF THE COMPANY

As approved by the members at the Annual General Meeting of the company held on 26th September 2007, the Board of Directors at their meeting held on Friday, 19th October 2007 has made allotment of 7,95,000 convertible warrants of Rs.10 each at a premium of Rs.13 per share as per SEBI Guidelines to the promoters of the Company on preferential basis.

DIRECTORS

Mr. K.V. Sambavadass and D. Sekaran retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

PUBLIC DEPOSITS

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

Mr. R. Sundararajan, Chennai Chartered Accountant, who are the statutory auditors of the Company retire at the ensuing annual general meeting and is eligible for re-appointment. The retiring Auditor have furnished a Certificate of his eligibility for re-appointment under Section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to be re-appointed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken 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;
- iv. that the annual accounts have been prepared on a going concern basis.

AUDITORS' REPORT

With regard to the remarks of the Auditors in their report to the members, the Directors have to state that the notes no.2, 3 and referred to by the Auditors are self explanatory and no further comments are called for.

Your Directors have to comment as under on the point regarding confirmation of balances. The Company had sent circulars to most of the suppliers but the confirmation from them were not received except in a few cases. However, from the current year the Company will be writing for confirmation of all debit and credit balances.

The Report of the Auditors being self-explanatory needs no further comments.

INVESTOR EDUCATION & PROTECTION FUND

As at March 31, 2008 dividends amounting to Rs. 5,12,036 have not been claimed by shareholders of the Company. The Company has been intimating the shareholders to lodge their claim for dividend from time to time.

As per the provisions of Section 205A of the Companies Act, 1956, dividends that have not been claimed by the shareholders for a period of seven years from the date of transfer to the unpaid dividend account will be transferred to the Investor Education and Protection Fund in accordance with the current regulations.

LISTING

The securities of the Company are listed on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited. The Company has duly paid the listing fees to all the aforesaid Stock Exchanges for the year 2007-2008.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges, with which the Company's shares have been enlisted. A separate Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate as to Compliance of the conditions of Corporate Governance as stipulated under Clause-49 of the Listing Agreement is annexed to the Report on Corporate Governance.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

DEPOSITORY SYSTEM

Trading in Equity shares of the Company is permitted only in dematerialized form. All requests for dematerialization of shares are processed and the confirmation is given to the respective depositories i.e. NSDL and CDSL within the stipulated time. Upto 31st March 2008, 85.61% Equity Shares of the Company have been dematerialized.

CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year 2007-2008 is annexed hereto.

DISCLOSURES

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 – CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company's core activity at present is civil construction which is not power intensive. The Company is making every effort to reduce the consumption of power.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings Rs. Nil (Previous Year Rs. Nil/-)

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Particulars	Year ended 31.3.2008		Year ended 31.3.2007	
	INR	In foreign currency	INR	In foreign currency
Foreign Exchange Outgo				
Imports	18,77,842	US \$ 46,069/95	Nil	Nil
Foreign Travel	5,61,000	Euro Currency 3000 Euro TC 7000	2,02,675	US \$ 4500

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of monetary ceiling prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 during the financial year 2007-2008.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial and contributed significantly to the record results achieved during the year.

ACKNOWLEDGEMENTS

The Board placed on record its appreciation for the assistance and co-operation received from the Banks and Government Authorities.

The Board also places on record its gratitude to the employees at all levels for their commitment and dedicated efforts. The Directors are also thankful to the shareholders for their continued support to the Company.

For and on Behalf of the Board of Directors

Place : Chennai
Date : 09.06.2008

G. Ramamurthy
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Rajeswari Foundations Limited presents the Industry Overview, Opportunities and Threats, Initiatives by the Company and overall strategy of Rajeswari Foundations Limited for the year 2007-2008 and its outlook for the future. This outlook is based on assessment on the current business environment; it may vary due to future economic and other developments.

This Management Discussion and Analysis statement of the Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India.

Macro-Economic and Industry Development

India's GDP maintained its steady rise in 2007-08 to clock 9% growth. The average GDP for the last four years has been 8.6%, signifying stable economic growth and domestic demand. The per capita income, which is a parameter for judging purchasing power, increased from Rs.11672 in 2003-04 to Rs.24,321 in 2007-08. This consistent growth of the economy has catapulted India as the fastest growing economy after China for the following reasons:

- * Changing composition of GDP; reduced dependence on agriculture and growing industrial and services sectors
- * Strong outsourcing growth momentum – IT and financial services, healthcare and manufacturing.
- * Strong improvement in the external sector and a gradual fiscal deficit correction.

Industry Structure and Developments

The Indian construction industry is an integral part of the Indian economy and an important portion of investments into the development of the Indian Economy takes places through the construction industry. The construction industry is expected to grow with further economic development, industrialization, urbanization and improvements in the standard of living.

According to Indian Infrastructure, the Indian construction industry accounts for more than 5% of India's GDP and is the second largest employer after agriculture, employing nearly 32 million people. In the course of liberalization of the Indian economy, the Governemnt has placed a priority on infrastructure development and emphasized the involvement of private capital and management in order to respond to the growing demand for new infrastructure projects. Accordingly, the financing of infrastructure development has largely shifted to the private sector, primarily through the use of Public Private Partnership (PPP), which are based on a partnership between the public and the private sectors for the purpose of delivering a project or service traditionally provided by the public sector.

According to the Indian Central Statistical Organisation, investments in construction in India grew at a compounded annual growth rate of 12% during the last ten years.

Housing Sector

Construction spending for urban infrastructure is expected to amount to Rs.827 bn (US\$ 18.8 bn) i.e. 23% of the total construction spending in the Eleventh Five Year Plan. The key drivers include a growing Indian industry and economy, increasing urbanization and household growth. The mounting demand for building and housing construction is due to the strong growth in the industrial, manufacturing and real estate sectors. Entertainment spending on malls, multiplexes and auditoriums are bound to rise in major cities, strengthening the demand for construction activity.

The Government of India introduced policies aiding public-private participation (PPPs) to bridge the gap between demand and supply of urban infrastructure. Urbanisation is the inevitable outcome and it is expected that over the next 10 to 15 years, about 40 per cent of India's population is stated in live in urban areas.

Real Estate

The Indian real estate market is worth around US\$ 40-45 billion and can be segregated into residential, commercial and the retail and hospitality segments. The residential sector forms 90-95 percent of the Indian reality space, while

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commercial segment forms 4-5 percent and organized retail around 1 percent. The reality segment is growing at an exponential pace of CAGR 19.50% and is expected to reach US\$ 97.5 billion by 2010.

Overview of the Business of the Company

Your Company has been focusing in the development of construction of independent Bungalows. The growth and progress of the Company depends on the potential buyers. In the opinion of the Directors, the growth in the industry is fairly good and the demand for Independent Bungalow is expected to grow.

Besides, the Company also has expertise in the following areas:

- 1) Civil & Structural work
- 2) Prepress of Reprographic work for the printing Industry
- 3) Offset printing
- 4) Pressure sensitive adhesive labels and non-adhesive labels.

The market for building activities is growing steadily while competition also increases by many folds. The market acceptance of our product and the creation of Brand Equity have provided good credibility to the Dream Bungalows.

The printing division market has growth potential, due to severe competition between a large numbers of suppliers in the market; the profit margins have dropped down substantially resulting in reduced profit.

Recent development in printing technology, particularly in offset printing, both in prepress and press activities has revolutionized the printing and publishing industry. It is expected that the share held by offset printing will increased.

In case of label industry, growth in self-adhesive label market is considerable and hence there is no immediate threat even though the prices have dropped due to aggressive competition.

Opportunities and Threats

Building activities

Opportunities

Your Company's performance with regard to overall sales should be regarded as good considering the competitive market condition.

Your Company had completed phase II of 14 Bungalows situated at Rajeswari Nagar at Mugalivakkam near Chennai and also completed Phase III of 16 Bungalows situated at Rajeswari Nagar at Mugalivakkam near Chennai.

Your directors are pleased to inform that during the year under review, the company has identified the following projects.

Name of the Project	Total Value of the Project
Pallikaranai (Service Apartments)	Rs.2400 lakhs
Rajeswari Nagar, Mugalivakkam (Phase IV)	Rs.754 lakhs
Rajeswari Nagar, Mugalivakkam (Phase V)	Rs.580 lakhs
Nanmangalam	Rs. 1344 lakhs

The Company has also submitted bids for other projects, which are under evaluation. The Company is confident of securing a sizeable share of these new projects.

The market for our product is so large that the growth potential seems unlimited.

Threats

- Demand is dependent on general economic conditions. A downturn can adversely affect the Company's business and earnings.

- Increasing competition from domestic and international construction companies affect the market share and profitability.
- Uncertainties regarding government policies can significantly affect operations.
- Volatility in prices of inputs and / or changes in assumptions may cause cost overruns affecting the profitability delay in completion of project could result in liquidated damages and / or additional costs affecting profitability.
- Risk of accidents, fire, theft etc., to Company's properties and stocks will affect the company's operations affecting profitability. Similarly the breakdowns to the Company's machinery will affect operations and profitability.

Printing Division

Opportunities

Since the Company's products have various applications in all industries, it is difficult to project the demand for the products but it can be safely said that the demand will be quite high and it may also be mentioned that this industry is a recession free industry since printing is required in all the industries. Therefore the prospects of this line of business are very good.

Threats

- Company may face competition from existing and new units as is normal and prevalent in any industry.
- The business witnessed intense competition in the market and the overall margins are under pressure. The printers are working on very thin margin.

Segmental Analysis

Segment wise revenue, profit and capital employed have been reported in the notes on accounts for the year ended 31st March, 2008. The segmental report has been prepared in the manner prescribed in Accounting Standard 17 issued by the Institute of Chartered Accountants of India and audited by the statutory auditors of the Company.

Internal Controls and Their Adequacy

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Checks and balances are in place and are reviewed at regular intervals by the Audit Committee in consultation with the internal auditors and corrective action(s) are initiated, wherever deemed necessary.

Human Resources

Human resources continued to be one of the biggest assets of the Company. The management has been paying special attention to various aspects like training, welfare and safety and thereby further strengthening the human resources. Relations with the employees remained cordial throughout the year.

Future Outlook

Your Company is aware of the risks and threats noted above and have devised its business strategy accordingly. By leveraging its brand value and strategically positioning its divisions, the Company believes that it will largely de-risk itself from pricing pressures and competitions.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary depending upon economic conditions, Government policies and other incidental/related factors.

REPORT ON CORPORATE GOVERNANCE

Compliance with clause 49 of the listing agreement with the Stock Exchanges

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance (in the prescribed format), alongwith the Certificate of Statutory Auditors (Annexure I) is given as under:

PHILOSOPHY ON CODE OF GOVERNANCE

Rajeswari Foundations Limited is committed to standards of Corporate Governance in all activities.

A. BOARD COMPOSITION

1. Size of the Board and Independent Directors

The Board, has currently Five Members comprising the Managing Director, Whole Time Director and three non-executive Directors. As per the current by-laws of the Company, the Board can have up to 12 (twelve) Members. The present Board has three independent directors and Two executive directors.

B. BOARD COMMITTEES

1. The Committees of the Board

Currently, the Board has Three Committees – the Audit Committee, the Investor Relations Committee and Remuneration Committee

a. Board of directors

- ❖ Composition and category of directors as of March 31, 2008 is as follows:

Category	No. of directors	%
Executive Directors	2	40
Non- Executive Directors	3	60

- ❖ During the year ended 31.3.2008, 11 Board Meetings were held on the following dates.

Sl. No.	Date of meeting	No. of Directors Present
1	26.04.2007	5
2	16.05.2007	5
3	06.06.2007	3
4	22.06.2007	5
5	02.07.2007	5
6	03.07.2007	5
7	29.08.2007	5
8	26.09.2007	5
9	17.10.2007	5
10	19.10.2007	5
11	24.01.2008	5

❖ Attendance of each director at the Board Meetings and the last AGM

Sl. No.	Name of Director	Category •	Board Meetings		Attendance in last AGM on 26.9.2007
			Held Nos.	Attended Nos	
1	G. Ramamurthy	ED	11	10	Yes
2	R. Usha	ED	11	10	Yes
3	D. Sekaran	NED/ID	11	11	Yes
4	N.P. Jaganathan	NED/ID	11	11	Yes
5	K.V. Sambavadass	NED/ID	11	11	No

• ED - Executive Director; NED - Non Executive Director; ID - Independent Director

No Director of the Company is a member in other Board Committee or Committee Chairmanship

Equity Shares held by Executive Directors		Equity Shares held by Non-Executive Director	
Name	No. of Share	Name	No. of Share
G. Ramamurthy	2162496	D. Sekaran	30000
R. Usha	67301		

b. Audit Committee

D. Sekaran, Chairman of the Committee.

❖ **Brief description of terms of reference**

The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board.

Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.

Composition of committee:

- Mr. D. Sekaran - Chairman
- Mr. N.P. Jaganathan
- Mr. K.V. Sambavadass

❖ Meetings and attendance of members during the year

Director	Held	Attended
D. Sekaran	4	4
N.P. Jaganathan	4	4
K.V. Sambavadass	4	4

REMUNERATION COMMITTEE

Remuneration Policy

The compensation of the executive directors comprises of a fixed component and/or a performance incentive by way of commission. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The commission is determined based on certain pre-agreed performance parameters. The Executive Directors are not paid sitting fees for any board/committee meetings attended by them.

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Role of Committee

The main scope/role of remuneration and Nomination Committee is to recommend to the Board the appointment/reappointment of the executive/non-executive directors. The committee has also been vested with the authority to determine the periodic increments in salary and annual incentives of the Executive Directors.

The committee elects one of its members as chairman for each meeting. The committee met twice during the year ended 31st March 2008.

The Composition of the committee and the attendance of each member at these meetings is given below.

Name of the Member	Number of meetings attended
D. Sekaran - Chairman	2
N.P. Jaganathan	2
K.V. Sambavadass	2

Remuneration to Non-Executive Directors

The Company presently doesn't pay any salary or remuneration to non-executive directors.

Remuneration for the year

The details of remuneration provided for the year ended 31st March, 2007 are as follows:

Executive Directors

(Amount in Rs.)

Name of the Director	Salary	Allowance	Perquisites & contributions	Total
Mr. G. Ramamurthy	2,16,000	9,84,000	7,30,000	19,30,000
Mrs. R. Usha	96,000	5,04,000	—	6,00,000

C. INVESTOR GRIEVANCE COMMITTEE

A Sub-Committee of the Board of directors of the Company consisting of D. Sekaran (Chairman of the Committee)

❖ Brief description of terms of reference

The terms of reference of this Committee encompasses formulation of shareholders'/investors' servicing policies, looking into redressal of shareholders and investors complaints viz., transfer of shares, non receipt of balance sheet, etc., and deciding on any other matter as may be required in connection with the shareholders'/investors servicing and redressal of their grievances.

The Board has delegated the power of Share Transfer to Registrar & Share Transfer agents, who process the transfers. The Committee also looks after the performance of the Registrar and Transfer Agents of the Company.

Compliance Officer:

Mr. G. Ramamurthy, Managing Director of the Company has been appointed as compliance officer and is responsible for the compliance.

Composition of Committee

The Members of the Company's Shareholders' Committee are:

- D. Sekaran - Chairman
- N.P. Jaganathan
- K.V. Sambavadass

❖ **Number of shareholders complaints received, number not solved to the satisfaction of the shareholder and number of pending transfers**

- The details are provided in the “shareholders information” section of this report.
- Representatives of your company are continuously in touch with Cameo Corporate Services Limited, Share Transfer Agents of the Company, and review periodically the outstanding complaints.

General Meetings

❖ **Location and time for the last three Annual General Meetings**

Year	Date	Time	Venue
2004-2005	28.09.2005	3.30 P.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018
2005-2006	07.09.2006	11.00 A.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018
2006-2007	26.09.2007	10.15 A.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018

❖ **Location and time for the last three Extra-ordinary General Meetings**

Date	Time	Venue
08.05.2006	3.30 P.M.	Naradha Gana Sabha (Mini Hall) at No.314 (Old No. 254) T.T.K. Road, Chennai-600 018
02.01.2002	10.00 A.M.	G-4, Parsn Paradise Apartment , No.109, G.N. Chetty Road, T.Nagar, Chennai-600 017
09.03.1995	4.30 P.M.	36, Arcot Road, Kodambakkam, Madras-600 024.

Postal Ballot

None of the subjects placed before the shareholders in the last annual general meeting required approval by a postal ballot.

Pecuniary Relationship or transactions of Non-Executive Directors

There are no pecuniary relationship or transactions between any of the Non-Executive Directors and the Company.

Disclosures

- ❖ Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the company at large.
- ❖ During the year, the Company has not entered into any transaction of material nature with the directors, their relatives or management which were in conflict with the interest of the Company.
- ❖ The transaction with the promoters, its associate companies etc., or routine nature have been reported elsewhere in the annual report as per Accounting Standard 18 (AS18) issued by the Institute of Chartered Accountants of India.
- ❖ Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years. - **NIL**

Means of communication

- The un-audited Financial Results on quarterly basis subject to Limited Review by the Auditors of the Company, are taken on record by the Board of Directors at its meeting within one month of the close of every quarter/half

year respectively and the same are furnished to all the Stock Exchanges where the Company's Shares are listed. Results of the Company were published in the newspapers viz., Business Line/Economic Times/ Financial Express and the Tamil version of the financial results in a Tamil daily viz., Maalai Sudar.

- b) Management's Discussions & Analysis forms part of this Annual Report, which is also being posted to all the shareholders of the Company.

COMPLIANCE WITH CLAUSE 49

Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of the revised Clause 49.

Non-Mandatory Requirements

1. The Board:

No separate office is maintained since chairman is Executive.

2. Remuneration Committee:

The Company has constituted a Remuneration Committee; full details are furnished under this Report.

3. Shareholders Communications:

The Company displays its quarterly (unaudited), half yearly (unaudited) and annual (audited) result on its website at www.rajeswarifoundations.com, which is accessible to all. The results are also published in English newspaper having a wide circulation and in Tamil newspapers having a wide circulation in TamilNadu respectively.

4. Audit Qualifications:

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

5. Training of Board Members:

The Company's Board of Directors consists of professionals with expertise in their respective field and industry. They endeavor to keep themselves updated with changes in global economy & legislation. They attend various workshop and seminars to keep themselves abreast with the changing business environment.

6. Mechanism for evaluating Non-Executive Board Members:

The Company has adopted a policy for evaluation of Non-Executive Board members based on primarily of attendance and a few other factors including contribution at the Board Meeting and at Meeting of the Audit Committee of the Board.

7. Whistle Blower Policy:

The Company has adopted whistle blower policy. All the employees have the access to Board and Audit Committee. Further Board / Audit Committee ensure that no victimization is done to such employee.

Shareholders' Information

A separate Section has been included in the Annual Report furnishing various details, viz., time and venue of Annual General Meeting, share price movements, financial calendar, BSE Index, etc.

For and on Behalf of the Board of Directors

Place : Chennai
Date : 09.06.2008

G. Ramamurthy
Chairman and Managing Director

General Shareholder Information

1. AGM: Date and venue Friday, 26th September 2008, at 12.05 p.m.
At Narada Gana Sabha, Mini Hall, 314, T.T.K. Road, Chennai-600 018.
2. Date of Book Closure 19th September, 2008 to 26th September 2008
3. Financial Calendar Financial Reporting for 2008-2009
First Quarter June30, 2008 : on or before July 31, 2008
Second Quarter Sep. 30, 2008 : on or before Oct. 31, 2008
Third Quarter Dec. 31, 2008 : on or before Jan. 31, 2009
Fourth Quarter Mar. 31, 2009 : on or before Apr. 30, 2009
AGM for year ending March 2009 : September 2009
4. Registrar and Transfer Agents M/s.Cameo Corporate Services Ltd.
“Subramanian Building “ No.1, Club House Road, Chennai-600 002.
Tel: 28460390, Fax: 28460129
5. Share Capital Details Authorised 1,00,00,000 equity shares of Rs.10/- each
Paid-up 47,30,900 equity shares of Rs.10/- each
6. Listing of Company’s Shares i) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.
ii) The Madras Stock Exchange Limited
P.B. No. 183, No. 11, Second Line Beach, Chennai-600 001.
7. Works Location **(Printing and Graphics Division)**
i) 29E, Kandasamy Layout, Sakthi Theatre Road, Tirupur— 641 603.

Stock Market Data

Monthly high and low quotations along with the volume of shares traded at BSE for 2007-2008 are:

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades
April 2007	24.15	26.65	21.15	23.75	71997	494
May 2007	23.25	24.15	20.00	20.65	114637	790
June 2007	21.45	25.50	21.10	24.20	62764	533
July 2007	24.00	24.50	20.10	21.50	71884	422
August 2007	22.00	24.85	19.80	21.70	126681	519
September 2007	22.30	29.25	21.55	26.15	84169	538
October 2007	25.30	36.00	22.50	27.60	474940	2090
November 2007	29.25	35.45	21.00	31.10	279631	1823
December 2007	31.40	42.75	30.05	42.75	761776	2326
January 2008	44.85	48.85	28.55	28.65	420003	2209
February 2008	28.50	30.75	22.85	24.60	73001	475
March 2008	25.50	25.50	14.70	15.70	143300	714

Dematerialisation of equity shares

The trading in the Company’s Equity Shares on the specified Stock Exchanges have to be compulsorily settled in the electronic form by all investors. The Company has entered into tripartite agreement along with the registrar and Share transfer Agents of the Company with two depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Equity Shares of the Company have been admitted for dematerialisation by these depositories with the International Securities Identification Number (ISIN)-INE 016CO1014.

As on 31st March 2008, out of total 47,30,900 Equity Shares of the Company 40,50,485 Equity Shares representing 85.61% of total shares have been dematerialised.

