

NOTICE TO THE MEMBERS

Notice is hereby given that the Sixteenth Annual General Meeting of the Shareholders of the Company will be held on Thursday the 24th September 2009 at 11.45 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 Directors' Report, the profit and loss Account for the year ended 31st March 2009, the Balance Sheet as at the date and the Auditors' Report there on.
2. To declare a dividend of 11% 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 reappointment.
4. To appoint a Director in place of Mr. N P Jaganathan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to 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 R. SUNDARARAJAN, Chartered Accountant, be and are 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."

SPECIAL BUSINESS:

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

RESOLVED THAT pursuant to the provisions of section 21 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 if any, and subject to the approval of Registrar of Companies the name of the company be changed from RAJESWARI FOUNDATIONS LIMITED to "RAJESWARI INFRASTRUCTURE LIMITED" and the name of Rajeswari Foundations Limited, wherever it appears in the Memorandum of Association and Articles of Association, documents etc., be substituted by the new name as "RAJESWARI INFRASTRUCTURE LIMITED" in due course.

RESOLVED FURTHER THAT Sri. G. Ramamurthy Managing Director, be and is hereby authorized to make an application to the Central Government (Registrar of Companies) seeking their approval for change in name of the Company and after receipt of approval to obtain a fresh certificate of incorporation in terms of Section 23 and thereafter to change the name of the Company in all documents, books of accounts etc.

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

RESOLVED THAT pursuant to provisions of sections 94 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the company be and is hereby increased from Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity shares of Rs.10 (Rupees Ten Only) each to Rs. 15,00,00,000 (Rupees Fifteen Crores only) by creation of 50,00,000 (Fifty lakh only) Equity shares of Rs.10/- (Rupees Ten only) each ranking pari- passu with the existing Equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard.

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

RESOLVED THAT subject to the provisions of the Section 16 of the Companies Act, 1956 and all other relevant provisions, if any, the existing Clause V of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting in its place, following new clause:

V. The authorized share capital of the company is Rs.15,00,00,000 (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Only) Equity Shares of Rs.10/- (Rs. Ten only) each with power of the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preference, priority or special privileges or subject to any postponement of right or to any conditions or restrictions, so that unless the conditions of issue shall otherwise subject to the power herein contained.

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

RESOLVED THAT subject to the provisions of Section 31 of the Companies Act, 1956 and all other relevant provisions, if any, the existing Clause 4 of the Articles of Association of the Company relating to the Authorised Share Capital be and is hereby altered by substituting the following new Article:

4. The Authorised share capital of the Company is Rs.15,00,00,000 (Rs. Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs only) Equity shares of Rs.10/- (Rs. Ten only) each with power s to increase or reduce the same in accordance with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard.

Chennai
26th June, 2009

By order of the Board

G. Ramamurthy
Chairman & Managing Director

Registered Office
B-3, C-Block, 3rd Floor,
Parsn Paradise Apartments,
New No.49, Old No.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. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed.
3. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
4. The Registrar of members and Share Transfer Books of the Company will remain closed from Friday 18th September 2009 to Thursday 24th September 2009 (both days are inclusive)
5. Securities and Exchange Board of India (SEBI), vide Circular No.MRD/DoP/Cir-05/2009 dated May 20, 2009, has informed that in respect of Securities Market transactions and off-market/private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferees to furnish copy of PAN card to the Company/Registrars and Transfer Agents for registration of such transfer of shares.

In view of the above circular dated 20-05-2009, all requests for transfer of shares received after 20.05.2009 will be processed only if the requests are accompanied by a copy of the PAN card.

6. Corporate members are requested to send a duly certified copy of the board resolution/power of attorney authorizing their representative to attend and vote at the annual general meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at any early date so as to enable the Management to keep the information ready.
8. After declaration of the dividend at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after September 24, 2009. 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).
9. 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).
10. 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 016C01014
11. 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
2007-2008	26.09.2008	26.10.2008	26.10.2015

Chennai
26th June, 2009

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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

ANNEXURE TO NOTICE

Explanatory Statement as Required Under Section 173 of the Companies Act, 1956

ITEM NO.6:

The present name does not convey the magnitude of operations of the Company and expresses only part of its activities.

For some time the directors have been giving thought to changing the name of the Company. The new name proposed contains "RAJESWARI INFRASTRUCTURE" which reflects our group identity and reflects the operations of the company and the full name "RAJESWARI INFRASTRUCTURE LIMITED" reflects the operations of the Company.

The Registrar of Companies, Chennai has confirmed that the new name is available for registration under section 21 of the Companies Act, 1956 and subject to the resolution being passed an application will be made to the Registrar of Companies for confirmation to the change of name.

The Directors trust that this change of name will have the members' support and approval.

No Director has any interest in this Resolution except as a member of the Company.

ITEM NO.7, 8 AND 9

To enable the Company to raise resources to meet its growth requirements, the Company proposes to issue further shares, thereby increasing its capital base and net worth. To accommodate such further issue, it is necessary for the Company to increase its current Authorised Capital from the present level of Rs.10 Crores to Rs. 15 Crores.

The Board of Directors recommends Ordinary Resolution in Item No. 7 & 8 and Special Resolution for Item No.9 for approval.

None of the Directors are interested in the Resolution.

Chennai
26th June, 2009

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DIRECTORS' REPORT

To the members

Rajeswari Foundations Limited

Your Directors are pleased to present the 16th Annual Report together with the Audited statement of Accounts for the year ended 31st March 2009.

Financial Results

	Year ended 31.03.2009 (Rs. in lakhs)	Year ended 31.03.2008 (Rs. in lakhs)
Income from operations	1009.78	970.14
Non-operating Income	4.52	6.47
Total expenditure	847.69	828.28
Interest	41.39	32.57
Gross Profit	125.57	115.77
Depreciation	16.56	17.60
Profit before Tax	109.00	98.17
Provision for Current Taxes	42.51	45.66
Provision for Deferred Taxes	2.94	2.86
Fringe Benefit Tax	0.85	0.82
Profit after Tax	62.68	54.56
Balance brought forward from last year	0.07	1.37
Amount Available for appropriation	62.76	55.93
Appropriations have been made as under		
Transfer to General Reserve	1.70	0.50
Dividend (proposed)	52.03	47.31
Dividend TAX	8.84	8.04
Surplus carried to Balance Sheet	0.17	0.08

DIVIDEND

The Directors recommend a dividend of Rs.1.10 per equity shares of Rs. 10 each (11% on paid-up equity share capital) for the year ended 31st March 2009. The aggregate amount of dividend on equity shares for the financial year 2008-09 would be Rs.60.87 Lakhs including dividend tax and surcharge thereon.

OPERATIONAL PERFORMANCE

You will be glad to note that your company achieved a turnover of Rs.1009.78. lakhs as against Rs.970.14 lakhs achieved in the previous year. The earned a gross profit of Rs.125.57 Lakhs Before interest and depreciation as against Rs.115.77 lakhs in the previous year. After deducting interest of Rs. 41.39 lakhs, providing a sum of Rs. 16.56 lakhs towards depreciation, income tax provision of Rs. 42.51 lakhs, the operations resulted in a net profit of Rs. 62.68 lakhs as against Rs. 54.56 lakhs in the previous year.

REALITY RELIABILITY ROBUST

PROJECTS

Your Company has achieved significant progress in all its current projects and has delivered the projects taken up within the scheduled time.

Having achieved significant experience and expertise in executing of various projects, your Company has created efficient and experienced workforce for all of its divisions.

Your Company's projects in different verticals are handled by dedicated teams. These teams are highly skilled, motivated and are led by professionals who are experts in their respective fields.

The projects are discussed in the Management Discussion and Analysis Report which forms part of this report.

FUTURE PROSPECTS

Going forward, we maintain our positive outlook to maintain the growth momentum for the year 2009-10. The Government of India has given indication for boosting of infrastructure and realties sector. The fall in interest rates will be a significant factor for growth of the sector.

Your Company is pursuing growth opportunities, strategic to its intents and operations. It has all available resources leading to the future, leveraging on all available infrastructural development opportunities.

Future prospects and projects of the Company are provided in detail in the Management Discussion and Analysis Report.

DIRECTORS

Mr. K.V. Sambavadass and N.P.Jaganathan, Directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

PUBLIC DEPOSITS

Your Company has not accepted any deposits an, 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, 2009 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 1 and 2 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 debt and credit balances.

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

INVESTOR EDUCATION & PROTECTION FUND

As at March 31, 2009 dividends amounting to Rs. 7,76,460 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 2008-2009.

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 2009, 86.67% 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 2008-2009 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/-)

Particulars	Year ended 31.3.2009	Year ended 31.3.2008	
	INR	INR	In foreign currency
Foreign Exchange Outgo			
Imports	Nil	18,77,842	US\$ 46069/95
Foreign Travel	2,72,559	5,61,000	Euro currency 3000 Euro TC 7000

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 2008-2009.

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.

By order of the Board

Chennai
26th June, 2009

G. Ramamurthy
Chairman & Managing Director

MANAGEMENT DISCUSSIONS 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 2008-2009 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 grew by 6.7% in 2008-09, the growth rate is lower than the 9% in the preceding fiscal but is far better than growth rates of USA, European Countries and other Asian countries which have slipped into recession. The growth rate makes India the fastest growing economy after China. The current GDP growth rate is commendable in face of such severe downturn. The per capita income, a measure of average income of a citizen, went up 12.2% to Rs. 37,490 per annum during 2008-09 from Rs.33,283 per annum in 2007-08. Though to sustain the momentum of growth in 2008-09 in face of such severe economic downturn, Government of India (GOI) had to intervene and announce stimulus package which has resulted in ballooning of the fiscal deficit to 6.2% of the GDP in 2008- 09 from 3.1% in 2007-08.

Industry Structure and Developments

The Indian construction industry grew by 7.2 % in the last fiscal against 10.1% growth in 2007-08. The construction industry is an integral part of the Indian economy. The share of construction in GDP has increased from 6.1% in 2002–03 to 6.9% in 2006–07. This has primarily been on account of increased government spending on physical infrastructure in the last few years, with programmes such as National Highway Development Programme (NHDP) and PMGSY/Bharat Nirman Programme receiving a major fillip of late. The construction industry is experiencing a great upsurge in the quantum of the work load, and has grown at the rate of over 10% annually during the last five years.

Housing Sector

Urbanization is a key indicator of economic development and should be seen as a positive factor for overall development. For instance, the contribution of urban sector to India's GDP has increased from 29% in 1950–51 to 47% in 1980–81. The urban sector presently contributes about 62%–63% of the GDP and this is expected to increase to 75% by 2021. The Central sector outlay for Urban Infrastructure may be stepped up from the present Rs. 50,000 crore to around Rs. 70,000 crore under the ongoing Central programme of JNNURM in the Eleventh Five Year plan so that great thrust could be given to water supply and sanitation sector in the urban areas. Likewise, the State sector outlay which stood at Rs. 18,749 crore during the Tenth Plan may be stepped up to around Rs. 35,000 crore. The Government of India introduced policies aiding public-private participation (PPPs) to bridge the gap between demand and supply of urban infrastructure.

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% of the Indian reality space, while commercial segment forms 4–5% and organised retail around 1%. The IT and ITES sector alone is estimated to require 150 million sq ft of office space across urban India by 2010. The organised retail industry is likely to require an additional 220 million sq ft by 2010. Moreover, growth is not restricted to a few towns and cities but is pan- India, covering nearly all tier-I and tier-II cities Investments in commercial real estate are likely to increase three-fold in five years over the previous five years.

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 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 (Serviced Apartments)	Rs. 2400 Lacs
Rajeswari Nagar, Mugalivakkam (Phase V)	Rs. 580 Lacs
Nanmanglam	Rs. 1344 Lacs

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, 2009. 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, 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, 2009 is as follows:

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

- During the period ended 31.3.2009, 5 Board Meetings were held.

Director	Held	Attended
D. Sekaran	5	5
N P Jaganathan	5	5
K V Sambavadass	5	5
G Ramamurthy	5	4
R Usha	5	4

- 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 26.9.2008
			Held Nos.	Attended Nos	
1	G. Ramamurthy	ED	5	4	Yes
2	R. Usha	ED	5	4	Yes
3	D. Sekaran	NED/ID	5	5	Yes
4	N P Jaganathan	NED/ID	5	5	Yes
5	K V Sambavadass	NED/ID	5	5	Yes

- 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

b. AUDIT COMMITTEE

Mr. D. Sekaran is Chairman of the Audit 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:

D. Sekaran -Chairman

N P Jaganathan

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 preagreed performance parameters. The executive directors are not paid sitting fees for any board/committee meetings attended by them.

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 2009.

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 for the year

The details of remuneration provided for the year ended 31st March, 2009 are as follows:

Particulars	Current year 2008 - 09 (Rs.)	Previous year 2007 - 08 (Rs.)
Salaries	19,50,000	18,00,000
Perquisites	7,30,000	7,30,000
Commission	62,455	54,800

C. INVESTOR RELATIONS 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 shareholder 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 look after the performance of the Registrar and Transfer Agents of the Company.

Composition of Committee

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

D. Sekaran - Chairman

N P Jaganathan

K V Sambavadass

- Name and designation of compliance officer
Mr. G. Ramamurthy, Managing Director
- Number of shareholders complaints received, number not solved to the satisfaction of the shareholder and number of pending transfers-there is no investors compliant as on date of Balance Sheet.
- 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.

c. General Meetings:

- Location and time for the last three Annual General Meetings

Year	Date	Time	Venue
2007-2008	26.09.2008	12.05 P.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
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

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

Date	Time	Venue
22.06.2009	3.30 P.M.	Naradha Gana Sabha (Mini Hall) at No.314 (OldNo. 254) T.T.K. Road, Chennai-600 018
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

Postal Ballot

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

d. 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, and 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

e. Means of Communications

- a. 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.

Shareholder 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
For Rajeswari Foundations Limited

Chennai
Date : 26th June 2009

G. Ramamurthy
CHAIRMAN AND MANAGING DIRECTOR

SHAREHOLDERS' INFORMATION

General Shareholder Information:

- | | |
|-------------------------|---|
| 1. AGM: Date and venue | Thursday, 24th September 2009, 11.45 A.M.
At Narada Gana Sabha, Mini Hall, 314, T.T.K. Road, Chennai-600 018 |
| 2. Date of Book Closure | 18th September 2009 to 24th September 2009 |
| 3. Financial Calendar | Financial Reporting for 2009-2010
First Quarter June30, 2009 : on or before July 31, 2009
Second Quarter Sep. 30, 2009 : on or before Oct31, 2009
Third Quarter Dec. 31, 2009 : on or before Jan.31,2010
Fourth Quarter Mar. 31, 2010 : on or before Apr.30,2010
AGM for year ending March 2010 : September 2010 |

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 Authorized 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 Lay out, Sakthi Theatre Road, Tirupur-641 603

STOCK MARKET DATA

Monthly High and low quotations along with the volume of shares traded at BSE for 2008-2009 are:

Stock Prices

Scrp Code:526823 Company::RAJES FOUND For the Period:April 2008 to March 2009

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No.of Trades
April 2008	15.35	21.40	15.30	18.80	56983	469
May 2008	19.65	21.00	15.70	15.90	42974	427
June 2008	16.50	17.95	12.00	13.25	71263	723
July 2008	12.30	18.29	11.50	15.40	67135	697
August 2008	17.30	21.50	14.10	14.50	107249	892
September 2008	15.75	17.98	9.60	10.66	108416	476
October 2008	12.55	13.29	7.64	11.17	57162	432
November 2008	11.75	15.90	9.70	10.43	64584	441
December 2008	10.05	13.23	9.79	10.36	6906	65
January 2009	10.11	10.11	7.65	8.17	31433	112
February 2009	7.77	8.66	6.93	8.66	8294	76
March 2009	9.00	9.00	6.42	7.90	36911	267

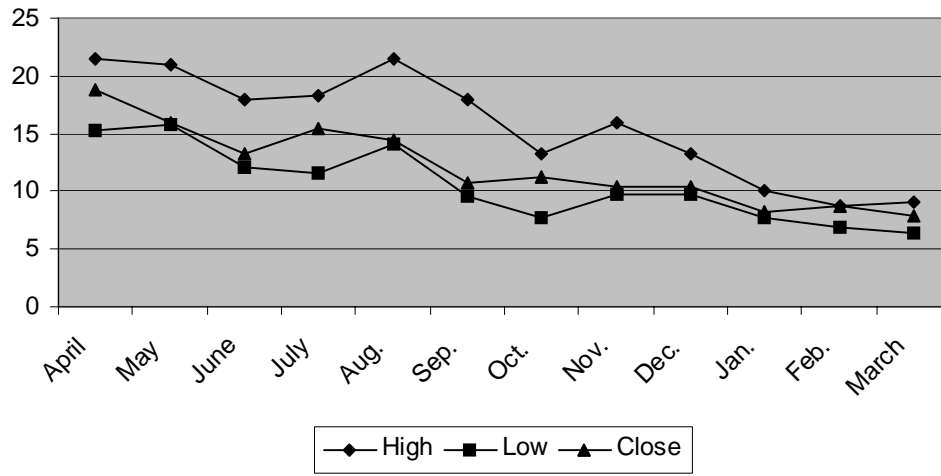
Dematerialization of Equity Shares

The trading in the Company's Equity Shares on the specified Stock Exchanges has 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 dematerialization by these depositories with the International Securities Identification Number (ISIN)-INE 016C01014

As on 31st March 2009, out of total 47,30,900 Equity Shares of the Company 41,00,486 Equity Shares representing 86.67% of total shares have been dematerialized.

BSE - SHARE PRICE MOVEMENT 2008 - 2009



Nomination Facility

The Companies Act, 1956 and the Rules prescribed thereunder provides for nomination of shares. The shareholders can now nominate a person with whom the shares shall vest in the event of death of the shareholders. The nomination can be made only by individuals holding shares of the company either in sole name or jointly with another (not exceeding one joint holder). The nominee shall be individual. In the case of nominee being a minor he/she may be represented by his/her natural guardian or a court appointed guardian. The transfer of shares in favour of a nominee shall be a valid discharge by the company against the legal heirs. The nomination shall stand rescinded upon transfer of shares. The nomination by a shareholder can be changed or cancelled at any time by giving due notice and upon execution of a fresh nomination form.

Communication

All share transfers should be forwarded to the Registrars & Share Transfer Agents of the Company. All communications should be forwarded to the Registered Office of the Company marked to the attention of the Managing Director.

DISTRIBUTION OF SHAREHOLDING (AS AT THE YEAR END)

No. of Equity Shares Held	2008-2009			
	No. of shareholders	% of shareholders	No. of Shares held	% of shareholding
1 - 100	3198	56.8028	256446	5.4206
101 - 500	1846	32.7886	509713	10.7741
501 - 1000	299	5.3108	255688	5.4046
1001 - 2000	143	2.5399	218016	4.6083
2001 - 3000	44	0.7815	112649	2.3811
3001 - 4000	18	0.3197	62625	1.3237
4001 - 5000	22	0.3907	102579	2.1682
5001 - 10000	35	0.6216	249686	5.2777
10001 - And Above	25	0.4440	2963498	62.6413
Total	5630	100.0000	4730900	100.0000

Rajeswari Foundations Limited

Shareholding Pattern

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in dematerialized form	Total Shareholding as a % of Total No. of Shares	
				As a % of (A+B)	As a % of (A+B+C)
(A) Shareholding of Promoter and Promoter Group					
(i) Indian					
Individuals / Hindu Undivided Family	16	2,480,181	2,467,681	52.43	52.43
Sub Total	16	2,480,181	2,467,681	52.43	52.43
(ii) Foreign					
Total shareholding of Promoter and Promoter Group (A)	16	2,480,181	2,467,681	52.43	52.43
(B) Public Shareholding					
(i) Institutions					
Mutual Funds / UIT	2	1,500	-	0.03	0.03
Sub Total	2	1,500	-	0.03	0.03
(ii) Non-Institutions					
Bodies Corporate	126	294,695	270,595	6.23	6.23
Individuals					
Individual shareholders holding nominal share capital up to Rs. 1 lakh	5,403	1,564,924	996,410	33.08	33.08
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14	341,382	317,582	7.22	7.22
Any Others (Specify)	69	48,218	48,218	1.02	1.02
Clearing Members	10	9,733	9,733	0.21	0.21
Hindu Undivided Families	52	31,434	31,434	0.66	0.66
Non Resident Indians	7	7,051	7,051	0.15	0.15
Sub Total	5,612	2,249,219	1,632,805	47.54	47.54
Total Public shareholding (B)	5,614	2,250,719	1,632,805	47.57	47.57
Total (A)+(B)	5,630	4,730,900	4,100,486	100	100
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-
Total (A)+(B)+(C)	5,630	4,730,900	4,100,486	-	100

For and on behalf of the Board
For Rajeswari Foundations Limited

Chennai
Date : 26th June 2009

G. Ramamurthy
CHAIRMAN AND MANAGING DIRECTOR

AUDITOR'S CERTIFICATE

To

The Members of Rajeswari Foundations Limited

We have examined the compliance of conditions of Corporate Governance by Rajeswari Foundations Limited for the year-ended 31.03.2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has broadly complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing.

We state that no investor grievance(s) against the Company is/are pending exceeding one month as per records maintained by the shareholders' Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

R. Sundararajan F.C.A
Chartered Accountant
(Membership No. 25762)

Dated : 26th June 2009

CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

I, G. Ramamurthy, Chairman and Managing Director of Rajeswari Foundations Limited, to the best of our knowledge and belief hereby certify that:

- a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) I have indicated to the auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Chennai
Date : 26th June 2009

G. Ramamurthy
CHAIRMAN AND MANAGING DIRECTOR

DECLARATION UNDER CLAUSE 49(1)(D)(ii) OF THE LISTING AGREEMENT

I G. Ramamurthy, Chairman and Managing Director of Rajeswari Foundations Limited, to the best of my Knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed Compliance with the Code of Conduct of the Company for the year ended 31st March 2009

Chennai
Date : 26th June 2009

G. Ramamurthy
CHAIRMAN AND MANAGING DIRECTOR

AUDITORS' REPORT

To

The Members of **RAJESWARI FOUNDATIONS LIMITED**

I have audited the attached Balance Sheet of RAJESWARI FOUNDATIONS LIMITED as at 31st March 2009 and the Profit and Loss Account and the cash flow statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I report as follows:

- 1) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India and on the basis of such checks as I considered appropriate and according to the information and explanations given to me, I give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

- 2) Further to my comments in the Annexure referred to in paragraph 1 above:-
- a) I have obtained all the information and explanations, which to the best of my knowledge and belief, were necessary for the purpose of my audit;
 - b) In my opinion, proper books of account as required by law have been kept by the Company, so far as appears from my examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) On the basis of the written representation received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors. I report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Act;
 - e) In my opinion, the Profit and Loss Account and the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956.
 - f) In my opinion and to the best of my information and according to the explanations given to me, the said Balance Sheet and Profit and Loss Account read together with the notes thereon and attached there to, give in the prescribed manner, the information required by the Companies Act, 1956, and also give a true and fair view; in conformity with the accounting principles generally accepted in India.
 - i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March 2009 and
 - ii) In so far as it relates to the Profit and Loss Account, of the PROFIT for the year ended on that date.
 - iii) In so far as it relates to the Cash flow Statement, of the cash flows for the year ended on that date.

Place: Chennai
Date: 26.6.2009

R.SUNDARARAJAN,F.C.A.
CHARTERED ACCOUNTANT
(Membership No.25762)

ANNEXURE

Referred to in paragraph 1 of my report of even date

1. a. The Company has maintained proper records to show full particulars including Quantitative details and situation of its fixed assets.
 - b. As explained to us all the fixed assets of the Company have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c. In my opinion, and according to the information and explanations given to me, no substantial part of fixed assets has been disposed off by the Company during the year.
2. a. The inventory of the Company has been physically verified by the Management during the year. In my opinion the frequency of verification is reasonable.
 - b. In my opinion and according to the information and explanations given to me the procedure of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In view of the complexities in nature of the process involved which consumes multi various inputs of heterogeneous sizes giving rise to varied outputs of different sizes according to customer tolerances the company is unable to maintain proper records of inventory.
3. a. According to the information and explanations given to me the Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

Accordingly paragraphs 4(iii)(b),(c) and (d) of the order are not applicable.

 - b. According to the information and explanations given to me the Company has not taken any loans, secured or unsecured, to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii) (f) and (g) of the order are not applicable.
5. a. In my opinion, and according to the information and explanations given to me the Particulars of contract or arrangement that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. This item does not arise as there are no transactions exceeding the value of five lakh rupees in respect of any party covered in the register to be maintained under section 301 of the Companies Act, 1956 during the financial year under consideration.
6. According to the information and explanations given to me the Company has not accepted any deposits from the public therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.
7. In my opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. In my opinion and according to the information and explanations given to me the Central Government order for the maintenance of cost records, under Section 209 (1) (d) of the Companies Act, 1956, has no application to the Company.
9. a. According to the information and explanations given to me and according to the books and records as produced and examined by me, in my opinion, the undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, customs duty, excise duty and other material statutory dues as applicable, have been generally regularly deposited by the Company during the year with the appropriate authorities.
- b. According to the information and explanations given to me and according to the books and records as produced and examined by me the particulars of sales tax/income tax/custom tax/wealth tax/excise duty/cess as at March 31,2009 which have not deposited on account of a dispute pending.

Name of the Status	Nature of the disputed dues	Amount Rs.Lacs	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Dispute regarding assessment of Income tax for the AY 2006-07	30.81	FY 2005 -06	Commissioner-Appeals Income Tax

10. The Company has neither accumulated losses exceeding 50% of its net worth as at 31st March 2008 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by me and the information and explanations given to me, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet Date.
12. According to the information and explanations given to me, the Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
13. In my opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In my opinion and according to the information and explanations given to me the Company is not a dealer or trader in securities.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof, in my opinion, are not prima facie prejudicial to the interest of the Company.
16. In my opinion, and according to the information and explanations given to me and on overall examination, the term loans have been applied for the purpose for which they were raised.
17. Based on the information and explanations given to me and on an overall examination of the balance sheet of the Company, in my opinion, there are no funds raised on short term basis which have been used for long term investments, and vice versa.

Rajeswari Foundations Limited

18. During the year 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 during the year.
19. The Company has not issued any debentures and hence this clause is not applicable.
20. The Company has not raised any money by public issue during the year.
21. During the course of my examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me I have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have I been informed of such case by the management.

Place: Chennai
Date: 26.6.2009

R.SUNDARARAJAN, F.C.A.
CHARTERED ACCOUNTANT
(Membership No.25762)

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedules	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS			
1) SHAREHOLDERS FUNDS			
Share Capital	1	47309000.00	47309000
Share Application Money Received		1828500.00	1828500
2) RESERVES & SURPLUS			
	2	888182.68	707967
3) LOAN FUNDS:			
Secured Loan	3	13535835.00	25482324
Unsecured Loan	4	2768696.68	3299477
Total		<u>66330214.00</u>	<u>78627268</u>
II. APPLICATION OF FUNDS			
1) FIXED ASSETS:			
Gross Block	5	35572192.00	35460433
Less : Depreciation		21102026.19	19445368
Net Block		14470165.81	-
Add : Capital Work in progress - Building		1759172.31	-
Total		<u>16229338.12</u>	<u>16015065.00</u>
2) INVESTMENTS			
	6	509000.00	9000
3) DEFERRED TAX ASSET			
	7	142672.00	437594
4) CURRENT ASSETS, LOANS AND ADVANCES;			
(a) Inventories	8	62438612.00	68468533
(b) Sundry debtors	9	310287.00	344325
(c) Cash and bank balances	10	2749317.94	3527322
(d) Loans & advances	11	20618327.88	14476579
		<u>86116544.82</u>	<u>86816759</u>
Less: Current Liabilities & Provisions	12	36667340.67	24651150
Net Current Assets		<u>49449204.15</u>	<u>62165609</u>
Total		<u>66330214.00</u>	<u>78627268</u>
Notes on accounts & Significant accounting policies	19		

As per my report of even date

For and on behalf of the Board

R. SUNDARARAJAN
Chartered Accountant.
(Membership No.25762)

D SEKARAN
Director

G. RAMAMURTHY
Chairman and Managing Director

AMRITLAL BISANI
Company Secretary

R USHA
Whole time Director

Place : Chennai - 17
Date : 26.06.2009

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009

	Schedules	Current Year 2008-2009 Rs.	Previous Year 2007-2008 Rs.
INCOME			
Sale of Bungalow Units	13	100,978,486.99	97,013,959.00
Other Income	14	452,298.81	647,839.00
		<u>101,430,785.80</u>	<u>97,661,798.00</u>
EXPENDITURE			
Cost of Goods Sold	15	73,208,899.20	67,006,211.00
Staff Costs	16	3,870,287.15	3,575,600.00
Administrative & Selling Expenses	17	7,690,235.16	12,246,445.00
Finance Charges	18	4,103,923.51	3,256,709.00
		<u>88,873,345.02</u>	<u>86,084,965.00</u>
Profit/(Loss) before depreciation		12,557,440.78	11,576,833.00
Depreciation	5	1,656,657.00	1,759,549.00
Profit/(Loss) after depreciation and before tax		10,900,783.78	9,817,284.00
Provision for Taxation		4,251,538.00	4,565,535.00
Deferred Tax Cr/(Dr)		294,922.00	285,861.00
Fringe Benefit Tax		85,700.00	81,812.00
Profit /(Loss) for the Year		6,268,623.78	5,455,798.00
Balance brought forward from last year(profit)		7,967.00	137,084.00
Profit available for Appropriation		6,276,590.78	5,592,882.00
Less :Transferred to general reserve		170,350.00	50,000.00
Profit available for distribution		6,106,240.78	5,542,882.00
Proposed dividend		5,203,990.00	4,730,900.00
Dividend tax		884,418.10	804,016.00
Balance carried to balance sheet		17,832.68	7,967.00
Earning per Share (Basic) (face value of Rs.10/-)		1.33	1.15
Notes on accounts & Significant accounting policies	19		

As per my report of even date

For and on behalf of the Board

R. SUNDARARAJAN
Chartered Accountant.
(Membership No.25762)

D SEKARAN
Director

G. RAMAMURTHY
Chairman and Managing Director

AMRITLAL BISANI
Company Secretary

R USHA
Whole time Director

Place : Chennai - 17
Date : 26.06.2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
100,00,000 Equity Shares of Rs.10/- each (Previous Year 100,00,000)	<u>100000000</u>	<u>100000000</u>
Issued, subscribed & paid-up:		
47,30,900 equity shares of Rs.10/- each (previous year- 47,30,900)	<u>47309000</u>	<u>47309000</u>
	<u>47309000</u>	<u>47309000</u>
SCHEDULE 2 : RESERVES & SURPLUS		
General Reserve		
Opening Balance	700000	650000
Add : Amount transferred from Profit & Loss Account	170350	50000
	<u>17833</u>	<u>7967</u>
Profit & Loss Account	<u>888183</u>	<u>707967</u>
SCHEDULE 3 : SECURED LOANS		
IOB Term Loan A/c 1	-	5255682
IOB Term Loan A/c 2 (Secured by way of mortgage on immovable properties ie.company owned construction lands and immovable property of Managing Director)	12996898	19500000
Kotak Mahindra Prime Ltd (Secured by hypothecation of movable asset car)	538937	726642
	<u>13535835</u>	<u>25482324</u>
SCHEDULE 4: UNSECURED LOANS		
Citifinancial Consumer Finance India Ltd (Secured by personal guarantee given by Directors)	2481684	2691364
Cholamandalam DBS Finance Ltd.	152628	325287
Kotak Mahindra Bank Ltd	134385	282826
	<u>2768696.68</u>	<u>3299477</u>

SCHEDULE 5 : FIXED ASSETS Depreciation as per Companies Act 1956

Fixed Assets

(Amount in Rs.)

Fixed Assets	Depre- ciation (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31.03.08	Additions	Deletions	As at 31.03.09	Upto 31.03.08	For 2008-09	Deductions	Upto 31.03.09	As at 31.03.09	As at 31.03.08
Land	-	3845500	-	-	3845500	-	-	-	-	3845500	3845500
Plant & Machinery	4.75%	27520158	55157	-	27575315	17583060	1309491	-	18892551	8682764	9937098
Computer	16.21%	285747	31100	-	316847	133969	51210	-	185179	131668	151778
Furniture & Fixtures	6.33%	2079037	25502	-	2104539	1223043	131607	-	1354650	749889	855994
Vehicles	9.50%	1729991	-	-	1729991	505297	164349	-	669646	1060345	1224694
Total	-	35460433	111759	-	35572192	19445369	1656657	-	21102026	14470166	16015064
Previous year	-	40160115	4191691	8891373	35460433	22767788	1759549	5081969	19445368	16015065	17392326

**As at
31.03.2009
Rs.**

**As at
31.03.2008
Rs.**

SCHEDULE 6: INVESTMENTS :

LONG TERM INVESTMENTS

Non - Trade (Valued at cost)

In shares (Quoted and fully paid up)

No. of Shares

Munoth Investments Limited

300

9000

9000

DSPML Top 100 Equity Fund

100000

HSBC Equity Fund

100000

Kotak 30 Fund

100000

Reliance Growth Fund

100000

Sundaram BNP Paribas Select Focus Fund

100000

509000

9000

SCHEDULE 7: DEFERRED TAX ASSET

Opening Balance

437594

151733

Less : For the Current Year

294922

285861

142672

437594

SCHEDULE 8 : INVENTORIES

(As per inventories taken, valued & certified by
Managing Director)

a) Materials (Valued at Cost)

Construction

765050

4501155

b) Semi Finished and Work in Progress (Valued at estimated cost)

61673562

63967378

c) Finished Inventories (Valued at lower of cost or market value)

-

-

62438612

68468533

SCHEDULE 9 : SUNDRY DEBTORS

(Unsecured and considered good)

a) Over six months old

210287

94325

b) Others

100000

250000

310287

344325

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE 10 : CASH AND BANK BALANCES		
a) Cash on hand (as certified by the management)	14709	409805
b) With Scheduled banks in current account	1957998	2605331
c) Unclaimed Dividend Account with Axis Bank	150482	150631
d) Unclaimed Dividend Account with HDFC Bank - 2005-06	133722	134325
Unclaimed dividend account with HDFC Bank 2006-07	224524	227230
Unclaimed dividend account with HDFC Bank 2007-08	267883	-
	<u>2749318</u>	<u>3527322</u>
SCHEDULE 11 : LOANS & ADVANCES		
(Unsecured and considered good)		
a) Advance recoverable in cash or in kind or for value to be received	16489945	11971121
b) Tax deducted at source	984589	832726
c) Deposits with Govt.Dept/Agencies	1007059	1007059
d) Other deposits	1600000	260000
e) Mahindra Holiday Resorts	536735	405673
	<u>20618328</u>	<u>14476579</u>
SCHEDULE 12 : CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
(i) for goods supplied	5347228	2940016
(ii) for others	8963905	6083962
Provisions		
Provision for Income Tax	12250942	7999404
Provision for FBT	27936	26428
For Expenses	323734	853233
Other Liabilities		
a) Employees contribution to P.F	-	4619
Provident fund payable	-	4619
TNVAT Payable	29038	52925
Advance for Sale of Machinery	22000	22000
Booking advance received	1750000	-
Advance recd. From Customers	3000	3000
Unclaimed Interim Dividend Warrant (2005-06)	133722	150481
Unclaimed Final Dividend Warrant with Axis Bank	150331	134325
Unclaimed dividend account with HDFC Bank (2007-08)	267883	-
e) Unclaimed Dividend Account with HDFC Bank (2006-07)	224524	227230
Interest on secured loans Accrued	-	324328
Outstanding expenses	87085	-
Tds on perquisites	150000	234864
perquisites	730000	-
Proposed dividend	5203990	4730900
Dividend tax on proposed dividend	884418	804016
Commission payable to MD	62455	54800
Audit fees payable	55150	-
	<u>36667341</u>	<u>24651150</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009

	Current Year 2008-2009 Rs.	Previous Year 2007-2008 Rs.
SCHEDULE 13 : SALES & LABOUR CHARGES		
Sales -Printing	-	-
Labour Charges-Printing	-	-
Sale of Bunglow Units	100978487	97013959
	100978487	97013959
SCHEDULE 14 : OTHER INCOME		
Purchase Discount received	61580	2100
Interest on sweep term deposit	1120	17559
Interest on SDR	18083	-
Machinery hire charges	300000	562500
Interest on deposits	1360	25680
Delayed payment charges on sales	40000	-
Dividend on mutual fund investment	5156	-
House booking Cancellation charges	25000	40000
	452299	647839
SCHEDULE 15: COST OF GOODS SOLD		
a) Consumption of raw materials (including consumables)		
Opening Stock		
Printing		
Construction	4501155	4501155
Add: Purchases		531955
Printing		
Construction	31406474	-
Land for Construction Phase V	13000000	-
	44406474	-
	48907629	26388928
Purchase of land for construction phase III	-	6042400
Purchase of land for construction phase IV	-	18575000
	-	51006328
Less: Closing Stock		
Printing		
Construction	765050	765050
	48142579	4501155
"A"		46505173

		Current Year 2008-2009 Rs.	Previous Year 2007-2008 Rs.
b) Other Expenses			
Power & Fuel	261242	-	365282
Labour Charges	16475848	-	15918040
Freight & Transportation	374363	-	746806
Land development charges	5337	-	
Landscaping Expenses	21415	-	43000
Anti Termite charges	64000	-	40464
CMDA Approval	1533913	-	391395
Construction Expenses	493125	-	875550
Planning Permission Expenses	1272731	-	224318
Registration Expenses	2270531	-	4344003
Placement Charges		-	12755
Customs Duty		-	848595
Import clearance Expense		-	459434
"B"		<u>22772504</u>	<u>24269642</u>
c) (Increase)/Decrease in stocks of finished goods & work-in-progress			
Printing			
Opening Stock		-	-
Less: Closing Stock		-	-
Construction		-	-
Opening Stock	63967378	-	60198774
Less : Closing stock	61673562	-	63967378
"C"		<u>2293816</u>	<u>(3768604)</u>
Total Cost of Goods Sold (A+B+C)		<u>73208899</u>	<u>67006211</u>

SCHEDULE 16 : STAFF COSTS

Salaries & Wages	936763.00	583494.00
Staff Welfare	329197.15	397931.00
Contribution to Provident Fund	74327.00	64175.00
Director's Remuneration	<u>2530000.00</u>	<u>2530000.00</u>
	<u>3870287.15</u>	<u>3575600.00</u>

	Current Year 2008-2009 Rs.	Previous Year 2007-2008 Rs.
SCHEDULE 17: ADMINISTRATIVE & SELLING EXPENSES		
Advertisement	1826354.11	879666.00
Listing Fees	23684.00	22600.00
Professional, Legal & Consultancy Charges		
- For Loan project	-	389080.00
- For Architects Consultancy	227697.00	327054.00
- Others	271070.00	1099179.00
Vehicle Maintenance	530538.33	212523.00
Sales Promotion	130206.00	42292.00
Rent	96000.00	112500.00
Rates & Taxes	2637880.50	2494150.00
Insurance	47349.00	74413.00
Loss on Sale of Machinery	-	3359404.00
Travelling & Conveyance	27756.68	143223.00
Travelling -Directors Foreign Travel	272559.58	719211.00
Postage & Telegrams	98534.03	136799.00
Telephone Charges	206665.20	218528.00
Printing & Stationery	192287.39	200641.00
Commission to Managing Director	62455.00	54800.00
Office Maintenance	111571.00	96333.00
Processing fees (Bank Loan)	-	250000.00
Other expenses	459608.34	552969.00
Legal Fees	111500.00	72900.00
Commission & Brokerage	300000.00	732000.00
Internet charges	1369.00	-
Audit Fees	55150.00	56180.00
	<u>7690235.16</u>	<u>12246445.00</u>
SCHEDULE 18 : FINANCE CHARGES		
Bank Charges	71608.52	47187.00
Other Finance Charges	522319.99	327451.00
Interest on Car Loan	64295.00	82110.00
Interest on Term Loan	3351000.00	2646596.00
Interest on Loan	94700.00	153365.00
	<u>4103923.51</u>	<u>3256709.00</u>

SCHEDULE 19 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The Financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles comply with the applicable Accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

2. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Differences between the actual results and estimates are recognized in the period in which the results are known/materialised.

3. Revenue Recognition :

The accounts are prepared on accrual basis in accordance with normally accepted accounting principles.

Receipts from fixed price construction contract recognised as revenue on the percentage of completion measured by reference to percentage of construction cost incurred up to the reporting date to the estimated total construction cost for each project.

Cost incurred for the construction contract recognised as expenditure only when agreement to sale of individual units is entered into.

4. Foreign Currency Translation:

Foreign Currency Transaction:

Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion:

A Foreign Currency monetary items are not reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

5. Income Taxes

Tax Expenses comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has no unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually

certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

6. Borrowing Cost

Borrowing cost attributable to acquisition/construction of qualifying fixed assets which takes substantial period of time to get ready for its intended use is capitalized as part of the cost of such fixed asset. All other borrowing costs are recognized as an expense in the period in which they are incurred.

7. Segment Information:

The Company has disclosed Business Segment as Primary Segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organization structure and internal reporting system.

The Company's operations predominantly related to Construction division. Other Business segments reported are printing division.

The Company's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

For the purpose of reporting, business segment are primary segment and the geographic segment is a secondary segment.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

The net expenses, which are not directly attributable to the Business Segment, are shown as unallocated corporate assets and liabilities respectively.

Details of Business Segment Information is presented.

8. Employee benefits:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contribution payable to the respective authorities.

Since the number of employees in the company does not exceed the limit prescribed in the provisions of Payment of Gratuity Act, 1972 is not made applicable to the company. The company does not have the policy of encashment of Earned Leave. Hence no provision has been made for gratuity and leave encashment

9. Fixed assets :

All fixed assets are valued at cost less depreciation.

10. Depreciation

Depreciation is provided on a straight line basis applying the rates specified in schedule XIV to the companies Act, 1956.

11. Investments :

Long term investments are carried at cost. Current investments valued at lower of cost or market value.

12. Inventories :

Raw materials are valued at cost Semi - finished goods are valued at estimated cost. Finished goods are valued at lower of cost or net realizable value.

13. Impairment of assets:

As at each Balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- a) the provision for impairment loss, if any, required; or
- b) the reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- a) In the case of an individual asset, at the higher of the net selling price and the value in use;
- b) In the case of cash generating unit (a group of assets that generates identified, independent cash flows),at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present values of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

14. Provisions, Contingent Liabilities and contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet Date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in financial statements.

15. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shared outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes on Accounts

- 1) Contingent liabilities not provided for:

Claims against the company / disputed liabilities not acknowledged as debts:

- (i) Towards disputed income tax liability – Rs.909877/- (Pre. Year- Rs.9,09,877/-)
- (ii) Towards disputed sales tax liability – Rs.359025/- (Pre. Year – Rs.3,59,025/-)

An appeal by the Company is pending with the Appellate Tribunal for Income Tax Demand of Rs.39,91,181/-. However the Department is holding refund amount of Rs.9,09,877 from the subsequent assessment years as deposit.

- 2) Sundry debtors, Sundry creditors and Loans and advances are subject to confirmation.
- 3) Remuneration to Auditors:

Particulars	Current year 2008 - 09	Previous year 2007 - 08
	(Rs.)	(Rs.)
For Statutory Audit	35,000	35,000
For Tax Audit	15,000	15,000
Total	50,000	50,000

- 4) The Company has incurred the following foreign currency transactions during the year.

Imports Nil
Foreign Travel Expenses - Rs. 2,72,559/-

5) Director's Remuneration :

Particulars	Current year 2008 - 09	Previous year 2007 - 08
	(Rs.)	(Rs.)
Salaries	19,50,000	18,00,000
Perquisites	7,30,000	7,30,000
Commission	62,455	54,800

- 6) Particulars of installed capacity, quantities and value of each class of goods dealt with by the company opening & closing stocks, production and raw materials consumed by the company have not been reported since the nature of business of the company is construction of houses based on orders from its customers.
- 7) The company has issued convertible warrants during the year 2007-08 into Equity shares of Rs.10/-each at a premium of Rs.13/- to the promoters.
- 8) Computation of net profit under section 198 read with section 309(5) of the companies Act 1956, has not been made as only minimum remuneration prescribed under part-B of section II of Schedule XIII of the Act has been paid to the managing and whole time director of the company.
- 9) Land purchased for construction purpose have been treated as work in progress for which the Company has Ownership / Power of Attorney in its name. No agreement to sale for Bungalow units relating to this land entered during this year.
- 10) Loans and advances also include Rs.2,75,800/-(Previous year Rs.2,75,800/) representing rental deposit paid to managing and other directors in respect of the premises belonging to them and taken on rent by the company maximum balance during the year Rs.2,75,800 /-(Previous year Rs. 2,75,800 /-)
- 11) Segmental Reporting – Schedule Attached.
- 12) The Deferred Tax Asset comprise of the following:

Particulars	Current year 2008 - 09 (Rs.)	Previous year 2007 - 08 (Rs.)
Deferred Tax Asset related to Depreciation of Fixed Assets	1,42,672	4,37,594

13) Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares during the year. The numbers used in calculating basic and diluted earnings per equity share are as stated below:

Particulars	Current year 2008 – 09 (Rs.)	Previous year 2007 – 08 (Rs.)
Profit after Taxation & Before exceptional items	62,68,624	54,55,798
Profit after Taxation	62,68,624	54,55,798
Weighted Average no.of shares	4730900	4730900
Earnings per share before exceptional items (Basic and diluted)	1.33	1.15
Earnings per share (Basic and diluted)	1.33	1.15
Face value per share	10	10

14) Related party information:

A.Relationship:

Where control exists:

(i) G.Ramamurthy

(b) Key Management personnel

(i) G.Ramamurthy

(ii) Usha Ramamurthy

(c) Other Related Parties

(i) Rajeswari Prints-Tirupur

Note : Related party relationship on the basis of the requirement of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

2. Transactions with related parties.

Particulars	Referred in I (a) above	Related parties Referred in I (b) above	Referred in I (c) above
Expenses			
Commission to Directors	62,455.00	-	-
Remuneration to Directors	20,30,000.00	6,50,000.00	-
Income			
Machinery Hire Charges	-	-	3,00,000.00
Other Receipts			
Advance for sale of Machinery	-	-	22,000.00

15) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act,2006, (MSMED Act,2006) as at March 31,2009

16) Previous year's figures have been regrouped wherever necessary.

17) Figures have been rounded off to the nearest rupee.

As per my report of even date

For and on behalf of the Board

R. SUNDARARAJAN
Chartered Accountant.
(Membership No.25762)

D SEKARAN
Director

G. RAMAMURTHY
Chairman and Managing Director

AMRITLAL BISANI
Company Secretary

R USHA
Whole time Director

Place : Chennai - 17

Date : 26.06.2009

SEGMENT REPORTING FOR THE YEAR ENDING 31ST MARCH 2009 (AS-17)

Particulars	House Construction		Off Set Printing		Unallocable		Total	
	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.	Current Year Rs.	Previous Year Rs.
Segment Revenue:								
Sales	100978487	97013959	-	-	-	-	100978487	97013959
Other Income	126580	40000	300000	562500	25718.81	45339	452299	647839
Total Revenue	101105067	97053959	300000	562500	25719	45339	101430786	97661798
Segment result (Profit before interest, Depn & Tax)	16361364	19834319	300000	562500	-71609	-5610247	16589755	14786572
Less: Interest Paid	3351000	2646747	522319.99	327451	158995	235541	4032315	3209739
Profit before Taxes & Depn	13010364	17187572	-222320	235049	-230604	5374706	12557440	11576833
Depreciation	-	-	-	-	-	-	1656657	1759549
Taxes	-	-	-	-	-	-	4632160	4361486
Profit after Taxes	-	-	-	-	-	-	6268623	5455798
Segment Assets	86077636	83092236	8411386	13255731	8508533	6930234	102997555	103278201
Segment Liabilities	29058031	33782660	2503684	2713364	21410158	16937318	52971873	53433342
Total Cost incurred during the year to acquire Segment assets	55157	219375	-	-	56602	3972316	111759	4191691
Segment Depreciation	3153	870	1306338	1424067	347166	334612	16566657	1759549
Non cash expenses other than depreciation	-	-	-	3359404	-	-	-	3359404

Notes:

- The Company has disclosed business segments taking into account the nature of products, the differing risks and returns, the organisational structure and internal reporting system.
- Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segment as also amounts allocated on a reasonable basis. The expenses which are not directly relatable to the business segment, are shown as unallocable cost. Assets and Liabilities that cannot be allocated between the segments are shown as unallocated Corporate assets and liabilities respectively.

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

	Year ended 31-03-2009 Rs. in lakhs	Year ended 31-03-2008 Rs. in lakhs
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary Item	109.01	98.17
Adjustments for:		
Depreciation and Amorisation	16.57	17.59
Provision for IT u/s 115JB	-42.52	-45.65
Provision for Deferred Tax	2.95	-2.86
Interest and Miscellaneous Income	-4.52	-6.48
Interest on Borrowings	40.32	31.28
Provision for FBT	-0.86	-0.73
Operating Profit Before Working Capital Changes	<u>120.95</u>	<u>91.32</u>
Adjustments for:		
Loans and Advances	-61.42	-69.23
Trade and Other Receivables	0.34	-1.68
Inventories	60.30	-77.38
Trade payables and Other Liabilities	122.35	98.63
Cash Generated from Operations	<u>242.52</u>	<u>41.66</u>
Interest paid	-40.32	-31.28
Net Cash from Operating Activities	<u>202.20</u>	<u>10.38</u>
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1.11	-41.92
Sale of Fixed Assets	0.00	72.15
Interest and Miscellaneous income	4.52	6.48
Purchase(-) / Sale of Investment	-5.00	15
Capital Work in prog	17.59	-
Net Cash Used In Investing Activities	<u>16.00</u>	<u>51.71</u>
C.CASH FLOW FROM FINANCING ACTIVITIES		
Application of Long term Borrowings	-124.77	28.89
Share Application Money Received	-	18.28
Dividend and dividend tax paid	-60.88	-55.35
Interest on Long Term Borrowings	-40.32	-31.28
Net Cash used in Financing Activities	<u>-225.97</u>	<u>-39.46</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-7.78	22.63
Cash and Cash Equivalents as at 01-04-2008 (Opening Balance)	35.27	12.64
Cash and Cash Equivalents as at 31-03-2009 (Closing Balance)	27.50	35.27

G. RAMAMURTHY
Chairman and Managing Director

For and on behalf of the Board
R USHA
Whole time Director

Place : Chennai - 17
Date : 26.06.2009

Additional Information as per Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

I. Registration details

Registration No.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	(State Code)	<input type="text"/>	<input type="text"/>
Balance Sheet Date	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Date			Month		Year				

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Rights Issue	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bonus Issue	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Private Placement	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

III. Position of Mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Total Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Source of funds																		
Paid-Up Capital	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Reserves & Surplus	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Secured Loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Unsecured Loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Application of Funds																		
Net Fixed Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Investments	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Net Current Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Misc. Expenditure	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Accumulated Losses	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Total Expenditure	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
+ - Profit/Loss before Tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	+ - Profit/Loss after tax	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Earning per Share in Rs.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Dividend Rate %	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

V. Generic names of three principal products/services of Company (as per monetary terms)

Item Code No. [ITC Code]	N	A							
Product Description	NIL								
Item Code No. [ITC Code]	N	A							
Product Description	NIL								
Item Code No. [ITC Code]	N	A							
Product Description	CONSTRUCTION								

RAJESWARI FOUNDATIONS LIMITED

Regd. Office: B-3, 'C' Block, 3rd Floor, Parsn Paradise Apts., 109, GN. Chetty Rd., T.Nagar, Chennai - 600 017.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Hall.

I hereby record my presence at the 16th Annual General Meeting of the Company being held at 11.45 A.M. on Thursday, 24th September, 2009 at Narada Gana Sabha (Mini Hall), at No.314 T.T.K. Road, Chennai - 600 018.

Folio No.
DP ID.
Client ID
No.of Shares

SIGNATURE OF THE SHAREHOLDER OR PROXY

NAME OF THE PROXY :

NAME OF THE SHAREHOLDER :

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT WITH THEM TO THE ANNUAL GENERAL MEETING.

RAJESWARI FOUNDATIONS LIMITED

Regd. Office: B-3, 'C' Block, 3rd Floor, Parsn Paradise Apts., 109, GN. Chetty Rd., T.Nagar, Chennai - 600 017.

PROXY FORM

I/We
being a member/ members of above named Company, hereby appoint

- (1) Sri of or failing him
- (2) Sri of as my/our Proxy

to attend and vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held at 11.45 A.M. on Thursday, 24th September, 2009 at Narada Gaha Sabha (Mini Hall), at No.314 T.T.K. Road, Chennai - 600 018 and at any adjournment thereof.

Signed this day of 2009.

Signature


Folio No.
DP ID.
Client ID
No.of Shares

- Note: 1. This form in order to be effective should be duty stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. Proxy form must be deposited with the Company's Share Transfer Agent M/s. Cameo Corporate Services Limited, Fifth Floor, Subramaniam Building, No.1 Club House Road, Chennai - 600 002.