

ZR INFRA LIMITED
(Formerly known as ZR Infraventures India Limited)

14TH ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS:

MR. ZAIN RAVDJEE	- Managing Director
MR. B. APPI REDDY	- Director
MR. ALI SYED MOHD FAZLE	- Director
MR. RAVDJEE ZULFI ABDULLAH	- Director
MR. REVANT SHARAN	- Director
MR. V. VENKATA RAMANAIAH	- Director

AUDITORS:

STATUTORY AUDITORS

M M REDDY & CO.,

Chartered Accountants

G - 8, Amrutha Ville, Right Wing,

Rajbhavan Road, Somajiguda

Hyderabad - 500 082.

BANKERS:

AXIS BANK

Road No. 1,

Banjara hills,

Hyderabad- 500 034.

REGISTERED OFFICE:

Office No. 11, 6-3-249/6,

2nd Floor, Alcazar Plaza & Towers,

Road No. 1,

Banjara Hills,

Hyderabad - 500 034.

SHARE TRANSFER AGENTS:

M/s. Aarathi Consultants Pvt Ltd,

1-2-285, Domalguda, Hyderabad.

LISTED AT:

Ahmedabad Stock Exchange Limited

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the shareholders of M/s. ZR Infra Limited will be held on 30th day of September 2011 at 11.00 A.M at Registered office of the Company, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. Appi Reddy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. M.M.REDDY & CO., Chartered Accountants, Hyderabad as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Ravdjee Zulfi Abdullah, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f. 12.03.2011 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.”

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

“RESOLVED THAT Mr. Revant Sharan, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f. 12.11.2010 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.”

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

“RESOLVED THAT Mr. V. Venkata Ramanaiah, who was appointed as additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f. 12.11.2010 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.”

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

Appointment of Mr. Zain Ravdjee as Managing Director:

“Resolved that pursuant to the provisions of Sections 196, 269, 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Mr Zain Ravdjee, be and is hereby appointed as the Managing Director of the company for a term of 5 years with effect from 12.11.2010. During his tenure as may be decided by the Board and with liberty to the Board of directors to fix, alter or vary from time to time the terms and conditions of the said appointment including the remuneration in such manner as it may deem fit within the limits in that behalf contained in Schedule XIII of the said Act including any Statutory modifications(s) in force or that may hereinafter be made thereto by the Central Government in that behalf or any amendments thereto as may be agreed by the Board of Directors and Mr. Zain Ravdjee in this behalf:

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Zain Ravdjee, the remuneration, perquisites and other allowances, if any fixed by the Board of Directors shall be governed by the limits prescribed in Schedule XIII to the Act.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For ZR INFRA LIMITED

Date: 02.09.2011
Place: Hyderabad

Sd/-
Zain Ravdjee
Managing Director

Sd/-
B. Appi Reddy
Director

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b) Proxies to be effective must be received by the company not later than 48 hours before commencement of the meeting.
- c) The register of members and share transfer books of the company will remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive).
- d) Members holding shares in physical form are requested to notify/send any change in their address to the company's share transfer agents, or to the company at its registered office.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For ZR INFRA LIMITED

Date: 02.09.2011
Place: Hyderabad

Sd/-
Zain Ravdjee
Managing Director

Sd/-
B. Appi Reddy
Director

EXPLANATORY STATEMENT

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

Item No. 4:

The members may note that Mr. Ravdjee Zulfi Abdullah was inducted into Board as an Additional Director of the company with effect from 12.03.2011 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

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

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. Ravdjee Zulfi Abdullah may be deemed to be concerned or interested in the resolution.

Item No.5:

The members may note that Mr. Revant Sharan was inducted into Board as an Additional Director of the company with effect from 12.11.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

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

Hence, the Board recommends the resolution for your approval.

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

Item No.6:

The members may note that Mr. V. Venkata Ramanaiah was inducted into Board as an Additional Director of the company with effect from 12.11.2010 pursuant to the provisions of section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from a member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

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

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. V. Venkata Ramanaiah may be deemed to be concerned or interested in the resolution.

Item No.7:

The term of appointment of Mr. Zain Ravdjee as Managing Director of the Company on 12.11.2010 and therefore, the Board of Directors in its meeting held on 02.09.2011, appointed Mr. Zain Ravdjee as Managing Director for a period of five years with effect from 12.11.2010 as per the terms and conditions and remuneration mentioned in the notice at resolution no.7.

As per the provisions of Schedule XIII of the Companies Act, 1956, appointment of Mr. Zain Ravdjee as Managing Director, requires the approval of the members in the General meeting. Hence, the above resolution at item no.7 is submitted to the meeting for ratification by the members of the Company by passing an ordinary Resolution.

He does not hold any committee Memberships in any company.

The notice together with the explanatory statement attached herewith should be treated as an abstract of the terms of the agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956.

The Board of Directors commends the above resolution at item no.7 for the members' approval in the Annual General Meeting

None of the Directors of the Company except Mr. Zain Ravdjee to the extent of his appointment as Managing director is concerned or interested in this resolution.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For ZR INFRA LIMITED

Date: 02.09.2011
Place: Hyderabad

Sd/-
Zain Ravdjee
Managing Director

Sd/-
B. Appi Reddy
Director

DIRECTORS' REPORT

**To
THE MEMBERS
ZR INFRA LIMITED**

The Directors have great pleasure in presenting this **14th Annual Report** together with the audited financial statements of the Company for the financial year ended 31st March, 2011.

OPERATIONAL PERFORMANCE:

The operations during the year were nil. The expenditure of the company is Rs. 3.09 lakhs which incurred a loss of Rs. 3.09 lakhs against the loss incurred in the previous year, i.e, Rs. 3.42 lakhs.

DIVIDEND:

Your directors could not recommend any dividend on the capital during the year.

PUBLIC DEPOSITS:

The Company has not accepted any fixed deposits from the public during the year under the provisions of the sections 58A and 58AA of the Act and the rules framed there under, where applicable.

PARTICULARS OF EMPLOYEES:

There are no employees whose salary exceeds the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

CODE OF CONDUCT:

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

AUDITORS:

M/s. M.M.Reddy & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have expressed their willingness for re-appointment. Your directors propose the appointment of M/s. M.M.Reddy & Co., Chartered Accountants, as statutory auditors to hold office until the conclusion of the next Annual General Meeting of the company.

LISTING AGREEMENT:

The company's Equity shares are listed at the Ahmedabad Stock Exchange Limited.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Company (Disclosures of particulars in the report of Board of Directors) Rules, 1988.

CORPORATE GOVERNANCE:

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, is attached elsewhere in the Annual Report.

FOREIGN EXCHANGE EARNINGS & OUT GO:**Earnings:**

FOB Value of Exports : Rs. Nil

Out Go:

CIF Value of Capital Goods : Rs. Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors, is hereby confirming that:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors had prepared the annual accounts on a going concern basis.

PERSONNEL:

The relations between the management and the staff were very cordial throughout this year.

ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation of the continued co-operation and assistance of the Central Government, State Government of Andhra Pradesh, the Bankers, Customers and the valuable advice and support received from the shareholders.

The Directors thank the shareholders for their continued confidence and trust placed by them with the Company. The Board also records its deep appreciation for the committed services of its employees during the year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For ZR INFRA LIMITED

Date: 02.09.2011
Place: Hyderabad

Sd/-
Zain Ravdjee
Managing Director

Sd/-
B. Appi Reddy
Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure & Development:

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

B. Internal control systems and their Adequacy:

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

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

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

C. Human Resource Development and Industrial Relations:

The Company recognizes the importance and contribution of the employees. Human Resource is viewed to be as one of the most important factor in the growth process with a view to cross further frontiers in business performance, the Company strives to organize training modules for understanding and improving the core skills of the employees. It is the continuous effort by the Company that helps to provide the right environment in order to maximize team efforts while exploiting individual growth potential in the right manner.

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

D. Risks and Concerns:

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

E. Outlook:

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

REPORT ON CORPORATE GOVERNANCE
(Pursuance to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes in providing highest transparency and ethical values in Corporate Governance. Your Company's basic philosophy is to achieve business excellence and enhance shareholder value keeping in view the interests of shareholders. The Company stands by transparency in all its dealings and strict regulatory compliance.

2. BOARD OF DIRECTORS AND COMPOSITION:

(a) Composition:

The Company has 6 Directors comprising of 1 Executive Director and 5 Non Executive Independent Directors.

Attendance at the Board Meetings during the financial year 2010-2011, last Annual General Meeting and Number of other Directorship & Chairmanship/Membership of Committee of each Director in various Companies.

Name of the Director	Category	No. of other Director Ships	No. of Committees in which he is a Member	No. of meetings held during the tenure of the director	No. of Board Meetings attended	Whether attended last AGM
1. Zain Ravdjee	Promoter Executive Director	Nil	Nil	8	8	No
2. B. Appi Reddy	Non Executive Independent Director	Nil	Nil	8	8	Yes
3. Ali Syed Mohd Fazle	Non Executive Independent Director	Nil	Nil	8	8	No
4. Ravdjee Zulfi Abdullah	Promoter Non Executive Director	Nil	Nil	8	8	No
5. Revant Sharan	Non Executive Independent Director	Nil	Nil	8	8	No
6. V. Venkata Ramanaiah	Non Executive Independent Director	Nil	Nil	8	8	No

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS HELD, AND THE DATES ON WHICH HELD:

During this year total 8 Board meetings were held. The dates of the meetings were as follows:

1. 08.05.2010
2. 30.07.2010
3. 01.09.2010

4. 12.11.2010
5. 23.12.2010
6. 06.01.2011
7. 04.02.2011
8. 12.03.2011

3. AUDIT COMMITTEE:

The Audit Committee comprises of the following directors:

Name	Designation	Category
Mr. B. Appi Reddy	Chairman	Independent, non-executive
Mr. Revant Sharan	Member	Independent, non-executive
Mr. Ali Syed Mohd Fazle	Member	Independent, non-executive

The audit committee acts as a link between the Management, the Statutory Auditors and the Board of Directors and oversees the financial operations and reporting process. The quorum for audit committee is two members.

During the year, Audit committee has met 4 times on 08.05.2010, 30.07.2010, 12.11.2010 and 04.02.2011. Mr. B. Appi Reddy, Mr. Revant Sharan & Mr. Ali Syed Mohd Fazle attended all the meetings.

4. REMUNERATION COMMITTEE:

The Company does not have a "Remuneration Committee". Your directors recommend that all such items that may be required to be discussed at a Meeting of the "Remuneration Committee" could be considered at a Meeting of Board of Directors. The quorum of such a Meeting of the Board of Directors of the Company fixed as one-third of the total strength of the Board or two, whichever is more, including at least 2 non executive directors.

Name	Designation	Category
Mr. B. Appi Reddy	Chairman	Independent, non-executive
Mr. Revant Sharan	Member	Independent, non-executive
Mr. Ali Syed Mohd Fazle	Member	Independent, non-executive

Details of remuneration to all the directors for the year:

No remuneration was paid to Managing Director and other non-executive directors of the company.

5. SHAREHOLDERS GRIEVANCE COMMITTEE:

Shareholders / Investors Grievance committee was formed by the Board of Directors in terms of clause 49 of the Listing Agreement.

The Share holders committee constitutes was constituted with the following persons;

Name	Designation	Category
Mr. B. Appi Reddy	Chairman	Independent, non-executive
Mr. Revant Sharan	Member	Independent, non-executive
Mr. Ali Syed Mohd Fazle	Member	Independent, non-executive

The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company, and recommends measures to improve the level of investor services.

The complaints if received is attended within seven days from the date of receipt of the complaint as communicated by our Registrars and Share Transfer Agents M/s. Aarthi Consultants Pvt. Ltd.

The total number of complaints received and resolved during the year was Nil. The outstanding complaints as on 31st March, 2011 were Nil. The number of pending share transfers as on 31st March, 2011 was nil.

6. GENERAL BODY MEETINGS:

Location and time for the last 3 Annual General Meetings:

S. No.	Year	Venue	Date	Time
1.	2009-10	Cellar Floor, Shop No.2 & 3, 3-365 Liberty Plaza, Basheerbagh, Hyderabad-500029.	30.09.2010	2.00 P.M
2.	2008-09	Cellar Floor, Shop No.2 & 3, 3-365 Liberty Plaza, Basheerbagh, Hyderabad-500029.	30.09.2009	11.00 A.M.
3.	2007-08	Cellar Floor, Shop No.2 & 3, 3-365 Liberty Plaza, Basheerbagh, Hyderabad-500029.	30.09.2008	11.00 A.M.

7. DISCLOSURES:

- A. Disclosures on materially significant related transactions i.e. transactions of the Company of material nature with its promoters, the directors or the management, their subsidiaries or relative etc., that may have potential conflict with the interests of the company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company and there are no any related party transactions.

- B. 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.**

There were no instances of non-compliance of any matter related to Capital Market during the last three years.

C. CEO/CFO Certification

The Managing Director of the Company have certified positively to the Board on the matters specified under Clause 49(V) of the Listing Agreement.

8. MEANS OF COMMUNICATION:

As per the listing requirements quarterly, half yearly and yearly financial results of the Company will be published in leading English Newspapers for public information.

9. GENERAL SHAREHOLDER INFORMATION:

1. **Annual General Meeting Date and Time** : 29th September, 2011, 11.00 A.M.
Venue : Office No. 11, 6-3-249/6, 2nd Floor,
Alcazar Plaza & Towers, Road No. 1,
Banjara Hills, Hyderabad – 500034.

2. **Financial Calendar** : April – March

Results for the quarter ending 30th June, 2011: On or before 14.08.2011
Results for the quarter ending 30th Sept, 2011: On or before 14.11.2011
Results for the quarter ending 31st Dec, 2011 : On or before 14.02.2012

Audited Financial results for the year ended
31st March, 2012 : 15.05.2012

3. **Book Closure Dates** : 26.09.2011 to 30.09.2011
(Both days inclusive)

4. Listing of equity shares on stock exchanges:

a) Ahmedabad Stock Exchange Limited

5. Stock Code:

Name of the Stock Exchange : Stock Code.
Ahmedabad Stock Exchange Limited : 68072

6. Demat ISIN numbers in NSDL & CDSL for Equity Shares:

NSDL & CDSL – Fully paid : INE430B01019

NSDL & CDSL – Partly paid : INE430B01019

7. Stock Market Data:

There was no trading in the shares of the company on Ahmedabad Stock Exchange.

8. **Registrar and Share Transfer Agents** : Aarthi Consultants Pvt. Ltd.,
1-2-285, Domalguda,
Hyderabad.

9. Share Transfer System:

The Share transfers are being affected physically by the Company's share transfer agents, Aarthi Consultants Pvt. Ltd., Hyderabad. The Company has entered into an agreement with NSDL and CDSL for dematerialization of its shares.

10. Distribution of Shareholding as on 31st March, 2011:

	Category	Number of shares held	Percentage of shareholding (%)
A.	Promoter's Holding		
1.	Promoter's		
	- Indian Promoters	4961700	74.44
	- Foreign Promoters	Nil	Nil
2.	Persons acting in concert	Nil	Nil
	Sub- Total	4961700	74.44
B.	Non- Promoters holding		
3.	Institutional Investors	Nil	Nil
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central State Gov. Institutions/ Non- Government Institutions)	Nil	Nil
c.	FII's	Nil	Nil
	Sub-Total	Nil	Nil
4.	Others	Nil	Nil
a.	Private Corporate Bodies	274021	4.11
b.	Indian Public	1429979	21.45
c.	NRIs/ OCBs	Nil	Nil
d.	Any other (Please specify) Non Resident Individuals	Nil	Nil
	Sub-Total	1704000	25.56
	Grand Total	6665700	100.00

11. Dematerialization of Shares and liquidity:

Since the Company has entered into an agreement with both the depositories namely NSDL and CDSL for dematerialization of its shares, the shareholders of the company are free to dematerialize their shares and keep them in dematerialized form with any depository participant 92.57 % of shares have been dematerialized up to 31st March, 2011.

12. Outstanding GDR/Warrants and Convertible Bonds, Conversion date and likely impact on the Equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

13. Office Location: : Office No. 11, 6-3-249/6, 2nd Floor,
Alcazar Plaza & Towers, Road No. 1,
Banjara Hills, Hyderabad – 500034.

14. Address for Correspondence : **ZR Infra Limited,**
Office No. 11, 6-3-249/6, 2nd Floor,
Alcazar Plaza & Towers, Road No. 1,
Banjara Hills, Hyderabad – 500034

Dear Shareholder,

Please find below the Managing Director certificate as per Clause 49(V) of the Listing Agreement:

MANAGING DIRECTOR CERTIFICATE

I Zain Ravdjee, Whole Time Director of ZR Infra Limited certify that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
 - (a) Significant changes in internal controls over financial reporting during the year;
 - (b) Significant changes in the accounting policies during the year;
 - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
For ZR INFRA LIMITED

Date: 02.09.2011
Place: Hyderabad

Sd/-
Zain Ravdjee
Managing Director

CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE

**To
The Members of
ZR Infra Limited**

We have reviewed the compliance of conditions of Corporate Governance by M/s. ZR Infra Limited, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. 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 complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For S.S. Reddy & Associates
Company Secretaries**

Date : 02.09.2011
Place : Hyderabad

**Sd/-
S. Sarweswara Reddy
CP No: 7478**

M M REDDY & CO.,
Chartered Accountants

AUDITORS' REPORT

**To The Members of
ZR INFRA LIMITED,**

1. We have audited the attached Balance Sheet of ZR INFRA LIMITED, as at March 31, 2011, and also the related Profit and Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account a dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.

***M M REDDY & CO.,
Chartered Accountants***

- (v) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011; AND
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;

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

Place: Hyderabad
Date: 02.09.2011

(M. Madhusudhana Reddy)
Partner
Membership No.213077

M M REDDY & CO., Chartered Accountants

Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of ZR INFRA LIMITED for the year ended March 31, 2011)

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
 - (c) No substantial part of fixed assets has been disposed off during the year.
2. In our opinion and according to the information and explanations given to us, the Company not having any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable to the Company.
3. As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (b) to (d) of the Order are not applicable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5.
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

M M REDDY & CO., Chartered Accountants

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 in respect of the Company's nature of business.
9. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Wealth Tax, Customs Duty, Excise duty, cess and other material statutory dues applicable at the end of the year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no income tax, wealth tax, sales tax, customs duty and excise duty, which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
10. The company does not have the accumulated losses as at the end of the financial year and it has not incurred any cash losses during the current financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, Banks or Debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not taken term loans from banks.

M M REDDY & CO.,
Chartered Accountants

17. Based on our examination of the balance sheet of the company as at 31.03.2011, the working capital loans obtained from the banks have been applied for the purpose for which they were taken.
18. 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.
19. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

Place: Hyderabad
Date: 02.09.2011

(M. Madhusudhana Reddy)
Partner
Membership No.213077

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500033
BALANCE SHEET AS AT 31st MARCH 2011

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
<u>SOURCES OFFUNDS:</u>			
SHARE HOLDERS FUNDS	1	60,808,500	60,808,500
UNSECURED LOANS	2	1,457,224	457,224
TOTAL		62,265,724	61,265,724
<u>APPLICATION OF FUNDS:</u>			
FIXED ASSETS	3		
GROSS BLOCK		29,887,907	29,887,907
Less:DEPRRECIATION		27,477,086	27,334,799
NET BLOCK		2,410,821	2,553,108
INVESTMENTS	4	2,896,300	2,896,300
CURRENT ASSETS,LOANS& ADVANCES	5		
CURRENT ASSETS:		6,369,836	5,381,036
LOANS & ADVANCES		1,250,000	1,250,000
		12,926,957	12,080,444
Less:CURRENT LIABILITIES & PROVISIONS	6		
CURRENT LIABILITES		99,128	99,128
PROVISIONS		810,619	654,229
NET CURRENT ASSETS		12,017,210	11,327,087
MISCELLANEOUS EXPENDITURE	7		
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
PRELIMINARY EXPENSES		-	-
PROFIT & LOSS ACCOUNT	8	(50,248,513)	(49,938,636)
TOTAL:		62,265,724	61,265,724
NOTES TO ACCOUNTS	10	0	0

The schedules referred to above form an intergral part of the balance sheet

As per our report of even date attached

For M M REDDY & CO.,

Chartered Accountants

(M. Madhusudhana Reddy)

Proprietor

Membership No.213077

Date : 13th July, 2010

Place: Hyderabad

For and on behalf of the board of directors

Zain Ravdjee

Director

B. Appi Reddy

Director

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500033
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
INCOME:			
SOFTWARE INCOME		-	-
TOTAL		-	-
EXPENDITURE:			
ADMINISTRATIVE EXPENSES	9	167590	190790
DEPRECIATION		142287	152209
PRE. & PRE.OP.EXPENSES W/OFF		-	-
TOTAL:		309,877	342,999
PROVISIN FOR FBT			
PROFIT BEFORE TAXATION		(309,877)	(342,999)
PROFIT AFTER TAXATION		(309,877)	(342,999)

As per our report of even date attached
For M M REDDY & CO.,
Chartered Accountants

(M. Madhusudhana Reddy)
Proprietor
Membership No.213077
Date : 13th July, 2010
Place: Hyderabad

For and on behalf of the board of directors

Zain Ravdjee
Director

B. Appi Reddy
Director

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500033
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
SCHEDULE-1:			
<u>AUTHORISED CAPITAL</u>			
7000000 EQUITY SHARES OF RS.10 EACH		70,000,000	70,000,000
<u>ISSUED</u>			
66,70,700 Equity shares of Rs.10- each		66,707,000	66,707,000
<u>SUBSCRIBED & PAID UP</u>			
60,80,850 Equity shares of Rs.10/- each		60,808,500	60,808,500
Share Application Money		60,808,500	60,808,500
<u>CALLS-IN-ARREARS</u>			
		5,898,500	5,898,500
SCHEDULE-2			
<u>UNSECURED LOANS</u>			
From Directors		1000000	-
From Associates		457,224	457,224
		1457224	457224

ZR INFRA LIMITED
3-6-365, LIBERTY PLAZA, BASHEERBAGH, HYDERABAD-500 029
BANJARAHILLS, HYDERABAD-500033
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
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SCHEDULE-4:
INVESTMENTS

UNQUOTED SHARES			
2,88,000 Equity shares of Rs.10/- each of Bharathi E.Com Pvt.Ltd.,		2,880,000	2,880,000
163 Equity shares of Rs.100/- each of Seven Hills Co.operative Bank Ltd.,		16,300	16,300
		2,896,300	2,896,300

SCHEDULE-5
CURRENT ASSETS, LOANS & ADVANCES
CURRENT ASSETS:

a) SUNDRY DEBTORS		4,888,594	4,888,594
b) ADVANCE TAX		190,640	190,640
c) TAX DEDUCTED AT SOURCE		22,685	22,685
d) DEPOSITS		143,653	143,653
e) CASH & BANK BALANCES		1,124,264	135,464
		6,369,836	5,381,036

LOANS & ADVANCES:

a) ADVANCE TO CREDITORS		1,250,000	1,250,000
b) ADVANCE FOR PREMISES		-	-
		1,250,000	1,250,000

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
<u>SCHEDULE-6</u>			
<u>CURRENT LIABILITIES & PROVISIONS</u>			
<u>CURRENT LIABILITIES:</u>			
SUNDRY CREDITORS		99128	99128
		99128	99128
<u>PROVISIONS:</u>			
OUTSTANDING LIABILITIES		810619	654229
		810619	654229
<u>SCHEDULE-7</u>			
<u>MISCELLANEOUS EXPENDITURE</u>			
PRELIMINARY EXPENSES		-	-
<u>SCHEDULE-8</u>			
<u>PROFIT & LOSS ACCOUNT</u>			
PROFIT BROUGHT FORWARD		(49,938,636)	(49,595,637)
PROFIT DURING THE YEAR		(309,877)	(342,999)
		(50,248,513)	(49,938,636)

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
<u>SCHEDULE-10:</u>			
<u>ADMINISTRATIVE EXPENSES</u>			
AUDIT FEE		10000	8000
ADVERTISEMENT CHARGES		11200	9800
CONSULTANCY CHARGES		23400	50000
CDSL		56790	56790
FILING FEES		10800	10800
STOCK EXCHANGE FEES		55400	55400
	TOTAL:	167590	190790

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
CURRENT ASSETS:			
SUNDRY DEBTORS			
ATLAS BUILDERS		4,700,000	4,700,000
ANDHRA BANK HSG FINANCE LTD		41,069	41,069
PNB HSG FINANCE LIMITED		49,525	49,525
ZULFI RAVDJEE		98,000	98,000
		4,888,594	4,888,594
DEPOSITS			
OTHER DEPOSITS		12,000	12,000
RENT DEPOSIT		100,000	100,000
SALES TAX DEPOSIT		6,000	6,000
ELECTRICITY DEPOSIT		24,253	24,253
GAS DEPOSIT		1,400	1,400
		143,653	143,653
CASH & BANK BALANCES			
BANK BALANCE		1,018,114	19,114
CASH BALANCE		106,150	116,350
		1,124,264	135,464

ZR INFRA LIMITED
NO:11, 6-3-249/6, ALCAZAR PLAZA & TOWERS, ROAD NO:1
BANJARAHILLS, HYDERABAD-500
SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	SCH NO	2010-11 AMOUNT (Rs.)	2009-10 AMOUNT (Rs.)
<u>SUNDRY, CREDITORS</u>			
AARTHI CONSULTANTS		93,128	93,128
IMPULZ SYSTEMS PVT.LTD		6,000	6,000
		99,128	99,128
<u>PROVISIONS:</u>			
APGST PAYABLE		32,706	32,706
AUDIT FEE - PAYABLE		18,000	8,000
CST - PAYABLE		66,384	66,384
PROFESSIONAL TAX PAYABLE		21,818	21,818
PROVISION FOR TAXATION		460,000	460,000
TDS ON CONSULTANTS PAYABLE		5,570	5,570
TDS ON SALARIES		59,001	59,001
SERVICE TAX PAYABLE		750	750
NSDL, CDSL & Stock Exchange Payable		122,990	-
CONSULTANCY PAYABLE		23,400	-
		810,619	654,229

SCHEDULE- 3: FIXED ASSETS:

ZR INFRA LIMITED

3-6-365, LIBERTY PLAZA, BASHEERBAGH, HYDERABAD - 500 029

DEPRECIATION STATEMENT AS PER COMPANIES ACT, FOR THE F/Y: 2010-11

S.No	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		01.04.2010	Additions	Deletions	31.03.2011	01.04.10	for year	31.03.2011	31.03.2011	31.03.2010
1	FURNITURE&FIXTURES	1682434	0	0	1682434	1016787	42135	1058922	623512	665647
2	ELECTRIFICATION	790677	0	0	790677	469007	20362	489369	301308	321670
3	OFFICE EQUIPMENTS	1246883	0	0	1246883	762475	30663	793138	453745	484408
4	AIR CONDITIONING	752658	0	0	752658	451738	19048	470786	281872	300920
5	COMPUTERS&SOFTWARE	23984715	0	0	23984715	23984715	0	23984715	0	0
6	BUILDINGS	666865	0	0	666865	109425	9086	118511	548354	557440
7	FIRE EXTINGUISHERS	14250	0	0	14250	8099	389	8488	5762	6151
8	CAR	749425	0	0	749425	532554	20603	553157	196268	216871
	TOTAL:	29887907	0	0	29887907	27334799	142287	27477086	2410821	2553108

SCHEDULE: 10

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of financial statements:

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the basis of a going concern basis, while revenue, expenses, assets and Liabilities accounted/recognized on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956. Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Management evaluates all recently issued or revised accounting standards on an ongoing basis. The financial statements are prepared under the historical cost convention. Recognition of income and expenses, accrual basis of accounting is followed.

2. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Management periodically assessed using external and internal sources whether there is an indication that an asset may be impaired. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from those estimates.

3. Revenue Recognition:

Revenue from fixed price construction contracts is recognized by reference to the work certified as completed by the contractee.

Variations by way of escalation in price and quantum of work are recognized as revenue in the year in which claims are admitted as per the terms of contract. Other claims are recognized as revenue from contracts in the financial statements only upon final acceptance by the customer.

4. Expenditure:

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

5. Fixed Assets, intangible assets and capital work-in-progress:

Fixed Assets are stated at cost, less accumulated depreciation. All direct costs are capitalized until fixed assets are ready for use including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the balance sheet date. Intangible assets are recorded at the consideration paid for acquisition.

6. Depreciation and amortization:

Depreciation on fixed assets is applied on straight-line method, pro-rata for the period of usage, in accordance with the rates prescribed under schedule XIV of the Companies Act, 1956.

7. Income tax:

Income taxes are computed using the tax effect accounting method, in accordance with the Accounting Standard (AS 22) "Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred income taxes reflect the impact if current year timing differences between taxable income and accounting income for the year and the relevant of timing difference of earlier years. Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

8. Contract expenses:

The expenses incurred under natural head of accounts for execution of works are charged to Construction expenses.

9. Employee Benefits:

Liability for employee benefits, both short term and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) 15 (revised) "Employee Benefits " issued by the Institute of Chartered Accountants of India.

Contribution to Provident Fund (a defined contribution plan) made to Regional Provident Fund Commissioner is recognized as expenses.

II. NOTES ON ACCOUNTS:

All amounts in the financial statements are presented in Rupees and as otherwise stated.

1. **Contingent Liabilities:** Nil

2. **Quantitative details:**

The Company is engaged in the business of development & maintenance of Infrastructure development and other related services. as required under paragraph 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956. The details of Conversation of Energy, Technology absorption are given in Directors Report. R&D expenditure is not separately accounted for.

3. **Foreign Exchange earned and outgo:**

Earnings:

FOB Value of Exports : Rs. Nil

Out Go:

CIF Value of Capital Goods : Rs. Nil

4. **Dues to micro and small-scale industrial undertakings:**

As at March 31, 2011 as per available information with the company, there are no dues to small scale Industrial Undertakings.

5. The previous year figures have been recast / restated, wherever necessary, to the current year's classification.

6. Financial figures have been rounded off to nearest rupee.

7. Schedules 1 to 10 form part of Balance Sheet and have been authenticated.

As per our report of even date attached

For M M REEDY & CO.,

Chartered Accountants

Firm Reg. No.010371S

(M. Madhusudhana Reddy)

Partner

Membership No.213077

For and on behalf of the board of directors

ZR INFRA LIMITED

Zain Ravdjee

Managing Director

B. Appi Reddy

Director

Place: Hyderabad.

Date: 02.09.2011