

Board of Directors	<p>D.Sudhakara Reddy -Chairman & Managing Director</p> <p>D. Deeptha -Director</p> <p>Balraj Vasudevan -Director</p> <p>(Resigned on 10-06-2011)</p> <p>Viji Joseph -Director</p> <p>(Resigned on 31-10-2011)</p> <p>Rukmini Roy Basu -Director</p>
Annual General Meeting	28-09-2012
Venue	No.138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034.
Compliance Officer	G. Sundaramurthi
Legal Advisor	Mr. George Cherian, No.16/2, 1 st Floor, Pycrafts Garden Road, Chennai – 600 006.
Auditors	M/s. B.B.Naidu & Co., Chartered Accountants Parkway, No.36, Marshalls Road, Egmore, Chennai – 600 008.
Bankers	Indian Bank
Registered Office	No.138, Nungambakkam High Road, 2 nd Floor, Ameen Manor, “A” Block, Nungambakkam, Chennai – 600 034.
Corporate Office	No. 138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034. Ph : 044 – 28331454 / 55 Fax : 044 – 28331453.

E – mail	info@regaliaarealty.com
Website	www.regaliaarealty.com
CIN	L70101TN1994PLC028978
Listing of Equity Shares	Bombay Stock Exchange Ltd., No.25, P.J. Towers, Dalal Street, Mumbai – 400 001
	Madras Stock Exchange Ltd P.O. Box No. 183 No.11, Second Line Beach Chennai – 600 001
Stock Code	530807
ISIN No.	INE098H01011
Share Transfer Agent	Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai – 600 002. Phone Number : 044 2846 0390.

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Friday, the 28th September 2012 at 09.30 a.m. at No. 138, Nungambakkam High Road, Nungambakkam, Chennai – 600 034 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the financial year ended 31st March 2012 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

3. "To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary Resolution:

RESOLVED THAT Ms. Rukmini Roy Basu was appointed as a Director, by the Board of Directors of the Company, in the casual vacancy caused by the resignation of Mr. Balraj Vasudevan, with effect from 01.12.2011 pursuant to Section 262 of the Companies Act, 1956 read with Article-107(b) of the Articles of the Association of the Company, who holds office up to the date of the forthcoming Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company".

For & on behalf of the Board

Place :- Chennai
Date :- 27-08-2012

D. Sudhakara Reddy
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A FORM OF PROXY IS ENCLOSED.
2. The Register of Members and the Transfer Books will remain closed from 23-09-2012 to 28-09-2012 (both days inclusive).
3. As per the provisions of the Companies Act, 1956 facility for making nominations is now available for shareholders in respect of shares held by them. Nomination forms can be obtained from the Corporate Office/Share Transfer Agents of the Company.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting. ONLY MEMBERS/PROXIES WILL BE ADMITTED INTO THE HALL FOR THE MEETING.
5. Members desiring any information on accounts are requested to write to the Compliance Officer at an early date so as to enable the Management to reply.
6. Members are requested to intimate the Company regarding change of address, if any. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General meeting. Shareholders are requested to kindly bring their copies to the meeting.
7. The shares of the Company can also be held in DEMAT Form with NSDL & CDSL. Any shareholder who is desirous of availing the facility, can contact the Registrar and Transfer Agents of the Company, M/s. Cameo Corporate Services Limited at No.1, Subramaniam Building, Club House Road, Chennai- 600002.
8. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment / reappointment at the meeting are annexed.
9. The Company has implemented the "Green Initiative" as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29,2011 issued by the Ministry of Corporate Affairs to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicating in your respective Depository Participant (DP) accounts will be deemed to be your registered email address for serving notices/ documents including those covered under Section 219 of the Companies Act, 1956.

ANNEXURE TO NOTICE:**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)**

Name of the Director	Mrs.Rukmini Roy Basu
Date of Birth	06-04-1978
Date of Appointment	01-12-2011
Expertise in specific functional areas	Marketing
Qualifications	MBA (Marketing)
Details of shares held in the Company	NIL
List of Companies in which outside Directorship held as on 31.03.2012 (including private and foreign companies)	Nil

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 18th Annual Report of the Company together with the audited statement of accounts for the year ending 31st March 2012.

FINANCIAL HIGHLIGHTS:

	31.03.2012	31.03.2011
	(` in lakhs)	
Profit / Loss before depreciation & Interest	(195.08)	167.17
Depreciation	21.56	26.80
Interest	185.07	23.21
Provision for Tax	- -	24.00
Deferred Tax Asset / Liability	(2.56)	(1.76)
Profit / (Loss) After Tax	(399.14)	94.91
Balance carried forward	(275.39)	123.74
Earnings per share	- -	2.59

OPERATIONS:

Though majority of the construction is completed in THE FERNS Project, the balance villas sold to the customers could not be handed over as the connected infrastructure was not ready and hence revenue on this account has not been included. In EKANTHA Project at Perungudi, the apartments could not be handed over for want of Power connection from Tamil Nadu Electricity Board and hence revenue on this account has not been included. The revenue of 1,62,77,323/- is earned from Serviced Apartment Division. The Company has incurred a total loss of Rs.4,01,70,589/- and this is due to higher interest cost and nil income from Property Development Division.

PROPERTY DEVELOPMENT DIVISION

Though our Company has completed the construction of the 1st lot of 29 villas of the THE FERNS project and also EKANTHA apartment projects during the year 2012-13, the Company is now working on taking up the construction of the balance villas.

HOMCOURT – Nungambakkam High Road is doing well and has achieved an occupancy rate of 71%. The occupancy during the first four months of this year has been 62% and it is estimated the same level of occupancy as last year will be maintained for the rest of the year despite adverse market conditions.

HOMCOURT - JUBILEE HILLS, HYDERABAD

Due to the continuous disturbance in the twin cities for separate Telungana, the occupancy levels have gone down and the Company has incurred loss month after months. As there is no sign of recovery, Company has taken a decision to close down the operations to avoid incurring further losses. Hence, the Hyderabad operation was closed from 1st March 2012.

DIVIDEND:

No provision has been made for dividend as the Company has incurred huge losses for the year ended 31st March 2012.

FIXED DEPOSITS:

Liability on account of Fixed Deposit held by the Company as on 31st March 2012 is 47,50,000/-. The Company has not accepted any Fixed Deposits during the year under review.

LISTING:

The Equity shares of your Company are listed on the Bombay Stock Exchange Ltd., Mumbai and Madras Stock Exchange Ltd. Listing fees for the year 2011-12 has been paid to the stock exchanges. The Board would like to inform the shareholders that the shares of the company are also available in DEMAT form and shareholders are requested to make use of this opportunity.

DIRECTORS:

During the year, due to personal commitments Mr. Balraj Vasudevan has resigned from the Board on 10-06-2011 and Mr. Viji Joseph resigned from the Board on 31st October 2011. The Directors wish to place on record their appreciation for the excellent services rendered by them during their tenure as Directors.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm.

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

- 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 of the Company for that period.
- c. That they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That they have prepared the annual accounts on a going concern basis.

AUDITORS:

The Auditors M/s. B.B. Naidu & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and have confirmed that they are eligible for reappointment. Your Directors recommend the re-appointment of M/s. B.B. Naidu & Co., Chartered Accountants, as statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company. The members are requested to authorize the Board to fix their remuneration.

ENERGY CONSERVATION, TECHNOLOGY TRANSFER AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is furnished hereunder:

- A. Details of Conservation of Energy: The Company tries to conserve energy wherever possible. The activity of the Company is not covered under the list of specified industries in the Schedule and rules as stated above.
- B. Research and Development: The Company has not undertaken any R&D activity in any specific area during the year under review and hence no cost has been incurred towards the same.
- C. Technology Absorption: Nil
- D. Foreign Exchange Earnings and Outgo:
Foreign Exchange Earnings – 36,822/- & Outgo – Nil.

SECRETARIAL COMPLIANCE CERTIFICATE:

The Company has obtained a Secretarial Compliance Certificate as required under Section 383A of the Companies Act, 1956 from a Practicing Company Secretary.

PARTICULARS OF EMPLOYEES:

The provisions under Section 217(2A) of the Companies Act, 1956 and the rules framed there under are not applicable since none of the employees were in receipt of remuneration in excess of the limits prescribed therein.

CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditor's certificate on the compliance of Corporate Governance, form part of the Annual Report.

The Directors are taking steps to remit all statutory dues in the current year.

ACKNOWLEDGEMENTS:

Your Directors thank the Company's Customers, Vendors and Investors for their continued support during the year. Your Directors place on record their appreciation of the excellent contribution made by employees at all levels.

For and on behalf of the Board of Directors

D. Sudhakara Reddy
Chairman and Managing Director

Place: Chennai
Date : 27-08-2012

MANAGEMENT DISCUSSION & ANALYSIS

This discussion covers the Financial Results and other developments during April 2011 - March 2012 taking into account the recent few months and the likely economic growth in both Global & Indian Economy.

GLOBAL & INDIAN ECONOMY

The Global Economy has been going through very difficult times due to the crisis in Euro Zone and several countries being compelled to resort the crisis management with other economies.

The BRIC nations have recorded the reasonable growth during the earlier year but however not comparable to the growth by them in the prior years. In fact, the growth has started slowing down in the recent past with no signs of recovery in the immediate future.

Indian Economy, though has recorded a growth of little less than 7% of the GDP during the Financial Year, there has been a short fall in the industrial growth thus bringing down the GDP growth 5.5% during the first quarter.

Due to increasing interest cost and tightening of money flow by the RBI to control inflation, availability of funds at lower cost became impossible and thus has impacted the Realty Industry substantially as there was a drag in the market specially for high end products.

Ministry of Tourism has indicated that there has been a 8.9% increase in foreign tourist arrivals in India during the year 2011 as compared to 2010. However, the growth in Hospitality Industry during the year was static with the overall rates, occupancies being stagnate mainly due to the increasing supply in the market and the general recessionary environment.

FUTURE PROSPECTS :

The country is facing a difficult economic situation due to the tight money policy of RBI, escalating interest rate and inflation. The prospects for the present year do not look bright and it may be the most difficult year for the Realty Industry.

OPPOPRTUNITIES :

The Company is looking at the possibility of developing the next lot of Villas in its Project "The Ferns" considering the fact that all the infrastructure has been completed.

The Govt. of Tamilnadu is working towards improving infrastructure in greater Chennai and expanding the present area to atleast 4,000 sq.kms. , if not, 8,000 sq.kms. Plans are being drawn and this offers immense opportunities for Realty Sector.

THREATS :

The interest rate for Housing Loan steadily increasing and there are signs that the RBI may put fresh restrictions on lending to this sector. The competition is increasing almost every month in the city of Chennai

The competition is increasing almost every month in the city of Chennai with several new Builders coming in from various parts of the country with established brand names.

The CREDAI has been taking up to the Govt. to streamline the approval process and until a systematic approval process is in place, this is a major threat to Realty Industry.

There has been a substantial increase in the cost of labour and material during the last 12 months and the labour cost is expected to go up. Further considering the fact that the availability of migrant labour is becoming more and more difficult.

RISK MANAGEMENT

The Company has in place a risk management policy which lays down a vigorous and active process for identification and mitigation for risks. The Policy has been adopted by the Board of Directors of the Company and the Audit Committee reviews the risk management on the mitigation plan from time to time.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2011-12**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company is committed to enhance the shareholders value by adopting transparent practices and through prudent business decisions.

2. BOARD OF DIRECTORS:

a. Composition and category of Directors

Name of the Director	Category	No. of Board meetings attended during 2011/12	Whether attended last AGM on 23.09.2011	No. of Directorships in other Companies		No. of Audit / Investor Grievance Committee positions held in other Public Companies	
				Indian	Foreign	Chairman	Member
Mr.D.Sudhakara Reddy	Promoter, Chairman & Managing Director	4	YES	3	3	1	-
Mr.Balraj Vasudevan (Resigned on 10-06-2011)	Independent Director	1	NO	3	-	-	4
Mr.Viji Joseph (Resigned on 31-10-2011)	Independent Director	3	YES	-	-	-	-
Ms.D Deeptha	Promoter Director	4	YES	-	-	-	-
Mrs.Rukmini Roy Basu (Joined on 01-12-2011)	Independent Director	1	NA	-	-	-	-

b. Board Meetings:

During the year under review, the Board of Directors of the Company met four times on the following dates:

No.	Date of Meeting	For the Quarter
1	30-05-2011	April to June
2	28-07-2011	July to September
3	29-10-2011	October to December
4	30-01-2012	January to March

3. AUDIT COMMITTEE:Constitution:

The Committee consists of 3 Directors

1. Mr. Viji Joseph - Chairman
2. Mr. D. Sudhakara Reddy - Director
3. Ms. Deeptha Reddy - Director

The Committee is chaired by Mr. Viji Joseph.

Terms of Reference

The charter of the Committee is as prescribed under Clause 49 of the listing agreement with the Stock Exchanges.

Meetings & Attendance

During the year under review four meetings of the Audit Committee were held on 30-05-2011, 28-07-2011, 29-10-2011 & 30-01-2012. Necessary quorum was present for all the meetings.

Name of the Member	Category	No. of meetings attended
Mr. Viji Joseph *	Independent	3
Mr. D Sudhakara Reddy	Promoter	4
Ms. Deeptha Reddy	Promoter	4
Mrs. Rukmini Roy Basu	Independent	1

*Mr. Viji Joseph was on the Board of the Company till 31-10-2011.

4. REMUNERATION COMMITTEE:

- i. The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has in place a Remuneration Committee for the said purpose.
- ii. The Remuneration Committee constituted as per the requirements of the Listing Agreement and the provisions of the Companies Act, 1956, determines the remuneration payable to the Managing Director, with agreed terms of reference and reviews the Company's policy on specific remuneration packages for Managing Director which may include pension rights and compensation payments, on behalf of the Board of Directors and the shareholders of the Company.
- iii. The composition of the Remuneration Committee and particulars of meeting attended by Members of the Committee are as under :

Members	Category	Whether attended the Meetings held on 30-05-2011
Mr.D.Sudhakara Reddy	Promoter	Yes
Mr.Viji Joseph	Independent Director	Yes
Ms.Deeptha Reddy	Promoter	Yes

Remuneration of Mr.D.Sudhakara Reddy, Chairman & Managing Director, for the year 2011-12 Rs. 18,00,000/- (consolidated).

Remuneration to Non-executive Directors:

Name of the Director	Sitting Fees Paid
Mr. Balraj vasudevan	4000.00
Mr. Viji Joseph	12000.00
Total	16,000.00

5. INVESTOR'S GRIEVANCE COMMITTEE:Constitution:

The Committee consists of 2 directors:

- | | | |
|-------------------------|---|----------|
| 1. Mr.D.Sudhakara Reddy | - | Chairman |
| 2. Ms. Deeptha Reddy | - | Director |

*Mr.Viji Joseph was on the Board of the Company till 31-10-2011

Terms of Reference

The Committee has the required powers to carry out the handling of shareholders'/investors' grievances. The brief terms of reference of the Committee include redressing of complaints of shareholders and investors relating to transfer of shares, non-receipt of Annual Report, dividends etc.

Meetings & Attendance

During the year under review the Committee met on 29-10-2011. The composition and the attendance of members of the Committee at the meeting is given below:

Name of the Member	Category	Whether attended the Meeting held on 29-10-2011
Mr. D Sudhakara Reddy	Promoter	Yes
Mr.Viji Joseph	Independent	Yes

The status of complaints received from shareholders during the year 2010-11 is as under:

Complaints outstanding at the beginning of the year	Complaints received during the year	Complaints disposed off during the year	Complaints unresolved at the end of the year
Nil	Nil	Nil	Nil

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer dividends and matured deposits that remain unclaimed for a period of seven years from the date of declaration and from the due date for repayment respectively, to the Investor Education and Protection Fund (IEPF) established and administered by the Government of India.

Contact details of Compliance Officer:

Mr.G.Sundaramurthi, Director – Finance & Admn.

Regaliaa Realty Limited

No. 138, Nungambakkam High Road,

Nungambakkam,

Chennai – 600 034

Phone: (044) 28331454

Fax: (044) 28331453

Email id: info@regaliaarealty.com

Email id designated for investor complaints : info@regaliaarealty.com

Pending Share Transfers: There are no pending share transfers as on 31st March 2012.

All the shares received from the Share Holders are processed, transferred and despatched by the Share Transfer Agent - M/s. Cameo Corporate Services Ltd., within one month from the date of receipt.

6. GENERAL BODY MEETINGS:

The last three Annual General Meetings of the Company were held at the date, time and location metioned below:

Date & Time	Location
1) 11 th September 2009 09.30 A.M.	138, Nungambakkam High Road Nungambakkam Chennai – 600 034
2) 9 th September 2010 09.30 A.M.	138, Nungambakkam High Road Nungambakkam Chennai – 600 034
2) 23 rd September 2011 10.00 A.M.	138, Nungambakkam High Road Nungambakkam Chennai – 600 034

Mr. D Sudhakara Reddy, Chairman and Managing Director chaired the last Annual General Meeting held on 23rd September 2011.

7. DISCLOSURES

a) Related Party Transaction:

There have been no materially significant related party transactions with the Company's Promoters, Directors, and the Management, the subsidiaries or relatives which may have potential conflict with the interest of the Company at large.

b) Compliances of the Company:

There have been no instances of non compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on such matters.

c) Whistle Blower Policy:

The Company is yet to establish a mechanism for Whistle Blower Policy which is a non-mandatory requirement.

d) Access to Audit Committee:

No person has been denied access to the audit committee on any matter related to the Company.

e) Non-mandatory requirements:

- i. The Board: The Company has an Executive Chairman. The composition of the Board of Directors and Committees of the Board are in line with the provisions of the Companies Act, 1956, Listing Agreement and other applicable provisions.
- ii. Remuneration Committee: The Company has set up a Remuneration Committee with specific terms of reference.
- iii. Shareholder rights : The quarterly / annual financial results of the Company are published in one English and one Tamil newspaper. Hence half-yearly financial performance of the Company is not sent individually to the household of shareholders.
- iv. The Directors are taking steps to remit all the statutory dues in the current year.
- v. Training of Board members and Mechanism for evaluating non-executive Board members : The Directors on the Board are from diverse fields and have long standing experience and expertise in their respective fields.

8. COMMUNICATION:

The Board of Directors of the Company approves and takes on record the un-audited/audited financial results and accounts in the proforma prescribed by the Listing Agreement with Stock Exchanges after the financial results were reviewed by the Audit Committee and thereafter, announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The financial results are published in the 'News today' and 'Maalai Sudar'.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date : 28-09-2012

Time : 09:30 A.M.

Venue : No.138, Nungambakkam High Road,
Nungambakkam, Chennai 600 034

Financial year: 1st April to 31st March

Book Closure Date: 23-09-2012 to 28-09-2012 (both days included)

Stock Code (BSE): 530807

ISIN No. INE098H01011

CIN : L70101TN1994PLC028978

Registered Office:

No.138, Nungambakkam High Road,
Nungambakkam,
Chennai : 600 034

Corporate Office:

No.138, Nungambakkam High Road,
Nungambakkam,
Chennai 600 034

Phone No.: 044 – 28331454 / 55

Fax No.: 044 - 28331453

Registrar and Share Transfer Agent:

Cameo Corporate Services Limited,
Subramanian Building,
No.1, Club House Road,
Chennai – 600 002.

Phone Number : 044 2846 0390

STOCK MARKET DATA

MONTH	SENSEX		COMPANY	
	HIGH	LOW	HIGH	LOW
Apr 11	19811.14	18976.19	13.00	12.50
May 11	19253.87	17786.13	-	-
Jun 11	18873.39	17314.38	12.50	9.40
Jul 11	19131.70	18131.86	10.50	10.05
Aug 11	18440.07	15765.53	10.50	10.50
Sep 11	17211.80	15801.01	11.00	11.00
Oct 11	17908.13	15745.43	-	-
Nov 11	17702.26	15478.69	11.00	11.00
Dec 11	17003.71	15135.86	-	-
Jan 12	17258.97	15358.02	13.32	10.05
Feb 12	18523.78	17061.55	13.98	13.98
March 12	18040.69	16920.61	-	-

LISTING

Name and address of Stock Exchange

1. Bombay Stock Exchange Ltd., P.J. Towers, Dalal Street, Mumbai – 400 001
 2. Madras Stock Exchange Ltd., 11, Second Line Beach, Chennai – 600001
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DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2012

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SHAREHOLDING PATTERN AS ON 31ST MARCH 2012:

Shares Held by	No. of Shares	Percentage
Promoters	166670	4.63
Banks	3400	0.09
Bodies Corporate	2211942	61.45
NRI	62300	1.73
Public	1155688	32.10
Total	36,00,000	100.00

Dematerialisation of Shares:

As on 31st March 2012, a total number of 2784600 shares, representing 77.35% are in dematerialised form as compared to 2774500 equity shares 77.07% in the previous year.

Investor Correspondence:

For any queries, shareholders are requested to either write to the Corporate Office of the Company or to the Company's Registrar and Transfer Agents, M/s Cameo Corporate Services Limited.

Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance. A Certificate from the Statutory Auditors of the Company on Corporate Governance is attached as an annexure to this Report.

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT:

All the members of the Board of Directors and Senior Management have affirmed compliance with the code of conduct, laid down by the Board, for the financial year ended 31st March 2012.

For REGALIAA REALTY LTD

Place: Chennai
Date: 27/08/2012

D. Sudhakara Reddy
Chairman & Managing Director

**CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER
CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA**

C E R T I F I C A T E

To
The Members
Regaliaa Realty Limited

We have examined the compliance of conditions of Corporate Governance by **M/s. Regaliaa Realty Limited** for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of 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 complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March 2012, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investor Services 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.

For M/s. B.B. Naidu & Co.
Chartered Accountants

Chennai
Date: 31/05/2012

(A. Sandeep Thiru)
Partner
M.No: 201168

AUDITORS' REPORT

To

The Members,
Regaliaa Realty Limited.

1. We have audited the attached Balance Sheet of **Regaliaa Realty Limited** as at 31st March 2012, the Profit and Loss account and the Cash Flow Statement for the period 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 by the Companies, (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give 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 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 and profit and loss account dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the balance sheet and 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 Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March 2012;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date;

For M/s. B.B. Naidu & Co.
Chartered Accountants
Firm Regn. No: 002291S

Chennai
31-05-2012

(A. Sandeep Thiru)
Partner
M.No: 201168

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in paragraph 3 of our report of even date:

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

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off a major part of the plant and machinery.
2. During the year the Company has not taken any loans, secured or unsecured, from parties listed in the register maintained under section 301 of the Companies Act, 1956 and the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
4. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
5. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 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.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

7. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the company.
8. (a) According to the records of the company, the company has not been regular in depositing the provident fund dues with the appropriate authorities.
- (b) According to the records of the company, there are no dues of sale tax, income-tax, customs tax/wealth-tax, excise duty/cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March 2012 for a period of more than six months from the date they became payable are :

<u>S1.</u> <u>No.</u>	<u>Nature of the statute</u>	<u>Nature of the Dues</u>	<u>Amount</u> (Rs. in lacs)
1.	Income Tax Act, 1961	Income Tax	24.29
2.	Income Tax Act, 1961	TDS	35.04
3.	Employees State Insurance Act, 1948	ESI	0.89
4.	Provident Fund Act, 1952	PF	5.12
5.	Luxuries Act 1987	Luxury Tax	6.08
6.	Chapter V of Finance Act, 1994	Service Tax	1.86
			73.28

9. The Company does not have accumulated losses. The Company has incurred cash loss during the financial year covered by our audit, but has not incurred cash loss in the immediately preceding financial year.
10. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders, in accordance with freshly negotiated terms and conditions of borrowings.
11. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order 2003 is not applicable to the Company.
13. In our opinion and according to the information and explanations given by the management, the company is not dealing or trading in securities.
14. According to the information and explanations given by the management, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
15. The company has obtained term loan during the year and according to the information and explanations given by the management, the Company has put to use the loan for the purpose for which it was taken.
16. In our opinion, the funds raised on short-term basis have not been used for long-term investment and vice-versa.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
18. During the period covered by our audit report, the Company has not issued any debentures.
19. The company has not raised any money by way of public issues during the year.
20. 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.
21. In our opinion, clause (ii) of para 4 of the Companies (Auditors' Report) Order 2003 are not applicable to the Company at present.

For M/s. B.B. Naidu & Co.
Chartered Accountants
Firm Regn. No: 002291S

Chennai
31-05-2012

(A. Sandeep Thiru)
Partner
M.No: 201168





REGALIAA REALTY LTD

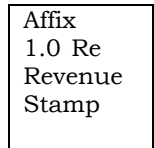
Regd. Office: 138, Ameen Manor, Nungambakkam High Road, Chennai - 600 034.

PROXY FORM

I/We.....
of in the District of
..... being the Member(s) of Regaliaa Realty Ltd., hereby appoint
Mr./Ms.....of in the District of
as my/our Proxy to attend and vote for me/us, on my/our behalf at the 18th Annual General Meeting
of the Company to be held on 28-09-2012 at 09.30 am at "Ameen Manor", No.138, Nungambakkam
High Road, Nungambakkam, Chennai – 600 034 and at any adjournment thereof.

Signed this

The instrument appointing a Proxy must be deposited at the
the Company not less than Forty Eight hours before the time
Meeting.



Registered Office of
of holding the

REGALIAA REALTY LTD

Regd. Office: 138, Ameen Manor, Nungambakkam High Road, Nungambakka, Chennai - 600 034.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full Name of the Member attending (in Block Letters)

Full Name of the First Joint-holder

(To be filled-in if first named joint-holder does not attend the Meeting)

Name of the Proxy

(To be filled-in if the Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 18th Annual General Meeting of the Company on
28-09-2012 at 09:30 am at "Ameen Manor", No.138, Nungambakkam High Road, Nungambakkam,
Chennai – 600 034.

Regd. Folio No.....

No. of Shares held

Member's/Proxy's Signature
(to be signed at the time of handing over this slip)

