



*Anand Credit Limited*

*18th*  
**Annual Report**  

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**2010 - 2011**  

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**LETTER TO SHAREHOLDERS**

Dear Shareholders,

The year that passed by has been marked with lots of twists and turns and events have unfolded at a far greater pace than anticipated. The recent slowdown, especially in the real estate and construction sector, has had an impact on our earnings growth this year. But, I see no cause for concern. There are a couple of reasons for this-both at the economy and our company level.

Real estate in Gujarat has been underperforming in recent times due to a general liquidity crunch, hike in interest rates, increase in Jantri (State government's guideline rates for registering immovable property deals) and a 'wait and watch' mindset of home buyers. But, I would classify all this as temporary stagnancy rather than a prolonged slowdown. A demand like housing is too great to be kept down for long. Soon, I am sure real estate will start picking up again.

We continue to focus on operational improvement so that we are doing things faster and better. We have a more dynamic management on board to spearhead new company initiatives and explore new business avenues. I believe we have the capacity to thrive in both calm seas and choppy waters. Conditions are only temporary; it is performance that is permanent.

Over the coming year, we intend to launch new projects as and when we perceive a latent demand. Anand Group also keeps raising the bar of corporate governance and the Company's keen desire to embrace these norms in addition to the local norms shows its commitment to good practices with a view to create and sustain stakeholder confidence.

I would like to thank, the Board of Directors, Bankers, Employees and Shareholders for their unstinted support, reposing their confidence in the Company and the confidence reposed on us.

Yours sincerely,

**Ramesh L. Shah**  
Managing Director

<p>Shareholders are requested to bring their copies of Annual Report at the Annual General Meeting as the same will not be distributed in the Meeting Hall.</p>
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### **GREEN INITIATIVE**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, M/s Sharepro Services (India) Private Limited.

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## **CORPORATE INFORMATION**

**BOARD OF DIRECTORS :**

**Shri Ramesh L. Shah**

Chairman and Managing Director

**Shri Vipul R. Shah**

Director

**Shri Arun Gajare**

Director

**AUDITORS :**

**A.L. THAKKAR & CO.**

Chartered Accountants

**REGISTERED OFFICE :**

11, Krishna Appartments,  
Bhudarpura Road,  
Ambawadi,  
Ahmedabad – 380 006

**BANKERS :**

**State Bank of India**

Manekbaug Branch,  
Ahmedabad.

**LISTING :**

**The Bombay Stock Exchange Ltd**

**REGISTRAR &**

**SHARE TRASFER AGENT :**

**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED**

416-420, 4<sup>th</sup> Floor,  
Devanandan Mall,  
Opp. Sanyash Ashram,  
Ellisbridge,  
Ahmedabad-380006.

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**NOTICE**

NOTICE is hereby given that Eighteenth Annual General Meeting of ANAND CREDIT LIMITED will be held on 30th September, 2011 at 11.00 a.m. at the registered office of the Company situated at 11, Krishna Apartments, Bhudarpura Road, Ambawadi, Ahmedabad-380 006 to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Shri Arun Gajare, who retires by rotation and being eligible to offer himself for re-appointment.
3. To re-appoint Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, in connection therewith, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s A. L. Thakkar & Co., the Chartered Accountants, Ahmedabad, the retiring Auditors of the Company, be and is hereby re-appointed as Statutory Auditor of the Company to hold office from the conclusion of Eighteenth Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as shall 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** pursuant to section 257 and other applicable provisions of the Companies Act, 1956, Mr. Gunvant Acharya, in respect of whom the company has received a notice from shareholders in writing proposing candidature of Mr. Gunvant Acharya for the office of the Directors be and is hereby appointed as a Director of the company with immediate effect”.

**RESOLVED FURTHER THAT** Mr. Ramesh L. Shah, Director of the Company be and is hereby authorised to sign and submit the necessary form(s) with the Registrar of Companies and to take such other steps as may be necessary in this regard.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date : **September 3, 2011**  
Place : **Ahmedabad**

**(RAMESH L. SHAH)**  
Chairman and Managing Director

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**ANNEXURE TO THE NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING****Explanatory statement as required under section 173(2) of the Companies Act, 1956****Item No. 4 of the Notice :**

The Company received notice from shareholder of the company pursuant to provisions of Section 257 of the Companies Act, 1956 proposing appointment of Mr. Gunvant Acharya as Director of the company. Mr. Gunvant Acharya has also given his to act as Director of the company. In view of the same members are hereby requested to accept his candidature for appointment and pass the resolution at Item No. 4 of the notice appointing him as Director of the company.

Your board of directors recommend to pass the resolution as Ordinary Resolution.

None of the Directors in interested or concerned in the aforesaid resolution.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date : **September 3, 2011**

Place : **Ahmedabad**

**(RAMESH L. SHAH)**

Chairman and Managing Director

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to notify their change of address, if any, in case of shares held in electronic form to the concerned depository participant quoting their id number and in case of Shares held in physical form to the Share Transfer Agent, Sharepro Services (India) Pvt Ltd. 416-420, 4<sup>th</sup> Floor, Devanandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad-380006.
4. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
5. Members who hold Shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio no. in the attendance slip for attending Meeting.
6. Members/Proxies attending the Meeting should bring their copy of the Annual Report for reference at the meeting.
7. The Register of Members and share transfer books of the Company will remain closed from 24<sup>th</sup> September, 2011 and 30<sup>th</sup> September, 2011 (both days inclusive)
8. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.
9. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays between 1.00 p.m. to 3.00 p.m.

**INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING :**

<b>NAME OF DIRECTOR</b>	<b>MR. ARUN GAJARE</b>	<b>MR. GUNVANT ACHARYA</b>
<b>Date of Birth</b>	04.03.1965	01.06.1954
<b>Date of appointment</b>	03.09.2004	30.09.2011
<b>Expertise in specific functional area</b>	Experience of 10 years in the field of accounts, finance and securities market.	Experience of 15 years in the field of accounts, sales and securities market.
<b>Directorship held in other companies (excluding private &amp; foreign companies)</b>	1. Anand Autoride Ltd 2. Anand Property Finance Ltd 3. Speedwell Properties Limited 4. Anand Healthcare Limited	1. Anand Finstock Services Ltd 2. Speedwell Properties Ltd.
<b>Membership/ Chairmanship of committees in other public company</b>	N.A.	N.A.
<b>Shareholding in the company</b>	5100	NIL

None of the Directors is related to each other.

**DIRECTORS REPORT**

To,  
The Members  
Anand Credit Ltd.

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the audited statement of accounts for the period ended on 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS :***(Rs. in Lacs)*

	<b>Particulars</b>	<b>2010-2011</b>	<b>2009-2010</b>
1.	Total Income	20.94	43.85
2.	Total Expenditure	50.65	25.35
3.	Profit/(Loss) before Depreciation & Taxation	(33.68)	18.49
4.	Depreciation	1.98	1.67
5.	Provision for taxation	0.00	6.00
6.	Profit/(loss) after Tax	(31.70)	10.82
7.	Balance of Profit & Loss Account brought forward from P.Y.	46.25	35.43
8.	Amount available for appropriation	14.55	46.25
9.	Balance carried to Balance sheet	14.55	46.25

**DIVIDEND :**

Your Directors have not recommended any dividend on equity shares for the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS :**

A report on Management and Discussion and Analysis as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange forms parts of the Annual Report.

**DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and Article 150 of the Articles of Association, Shri Arun Gajare, Director of the Company retire by rotation at this annual general meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment. Mr. Tushar Joshi and Mr. Gunvant Acharya were appointed as Additional Directors in the month of January, 2011 and were resigned in the month March, 2011 during the financial year under review.

**LISTING :**

The Company's Shares are listed on Bombay Stock Exchange Ltd and the Company has paid the necessary Listing fees. The Custodial fees payable to depositories namely NSDL & CDSL has also been remitted by the Company.

**INSURANCE :**

All the properties and assets of the Company are adequately insured.

**DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Director Responsibility Statement it is hereby confirmed:



1. That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011 the applicable accounting standard had been followed along with proper explanation relating to material departures.
2. That the selected accounting policies were applied consistently and judgements and estimates that are reasonable and prudent were made 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;
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts were prepared for the financial year ended 31<sup>st</sup> March, 2011 on a going concern basis.

**AUDITORS :**

M/s A. L. Thakkar & Co., Auditors of the Company retires at the conclusion of forthcoming Annual General Meeting and being eligible, to offer themselves for reappointment.

**AUDITORS REPORT :**

The Auditors report is self-explanatory and so far, there is no negative remark by the Auditors.

**DELISTING OF EQUITY SHARES:**

Pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, Anand Credit Ltd has completed the process of voluntary delisting of equity shares with the Ahmedabad Stock Exchange Ltd. The equity shares of Anand Credit Ltd have been voluntarily delisted from Ahmedabad Stock Exchange Ltd with effect from 18 January, 2011 as intimated vide their letter No ASEL/2010-11/1331

**CORPORATE GOVERNANCE :**

Your Company is committed to maintain the highest standard of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchanges. As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance together with a certificate from the Company's Auditors confirming compliance there to is set out in the Annexure forming part of this report.

**PARTICULARS OF THE EMPLOYEES :**

The Company has no employee to whom the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 apply and henceforth not applicable to the company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Conservation of energy and technology absorption information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable. There is no Foreign Exchange Earning and Outgo during the year.

**ACKNOWLEDGMENT :**

Your Directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants, and advisors for their continued support throughout the year.

Your Directors sincerely acknowledges the contribution made by all the employees for their dedicated services to the company.

For and on behalf of the Board

Date : **September 3, 2011**  
Place : **Ahmedabad**

**Ramesh L. Shah**  
Chairman and Managing Director

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## ANNEXTURE TO DIRECTOR'S REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India is the second fastest growing economy in the world. The Indian real estate sector is one of the fastest growing economies with free democracy, largest population, huge domestic demand, rapidly growing emerging market and a conduit for a substantial part of its development. Most favored destination for international investors and vibrant capital market are some of the characteristics which describes the Indian economy.

In recent years many progressive reforms are taken place. The real estate sector in India is moving towards organized sectors with regulatory transparency. India's estimated population as per the economic survey 2010-11 was 1.18 billion which is expected to be 1.40 billion by 2025 as per the projections of The Registrar General and Census Commissioner of India. Further during the last few years increase in urban population has been substantial due to migration of people from villages to cities. Increased employment coupled with increased income led to increase in purchasing power and the pattern of leaving has undergone sea change during last decade. All these factors have cumulatively increased the demand.

The real estate market in India witnessed a stupendous growth over the past few years, with average residential capital values more than doubling between 2005 and the first half of 2009. During 2010-11, the Indian real estate and housing sectors received US\$ 1.12 billion in Foreign Direct Investment (FDI), according to the Department of Industrial Policy and Promotion India (DIPP).

In the Union Budget 2011-12, the Government has also presented various initiatives for real estate sector. These factors coupled with a favourable political environment are likely to boost the economy as well as the real estate sector in the coming years.

### (A) Review of Annual Operations:

During the year 2010-11 the total income of the Company was Rs. 2,093,527 as compared to total income Rs. 4,384,772 during the year 2009-10.

#### Capital Structure:

During the year under review, there is no change in the Capital Structure of the Company.

#### Reserve and Surplus:

In 2010-11, the reserve stands at Rs. 2,505,346 against Rs. 5,675,293 in 2009-10.

### (B) Opportunities and Threats :

#### Opportunities :

Keeping in view of the growth construction industry, the Company is striving hard to make its mark in the Industry. The Management is confident of achieving good business in the current year by enhancing the strengths in the areas of core- competency.

#### Threats :

Core to its continued success is the Company's ability to identify and effectively manage its business risks. Many social, political, economic, legal and other factors affect the development of the real estate industry. The Company's performance and growth are dependent on the health of the Indian economy. The economy could be affected by various factors such as political turmoil, social disturbances, natural calamities etc. Any further slowdown in the Indian economy may impact the business and its financial performance.

#### Remedy :

Accordingly, the Company has well defined, rigorous policies and processes designed to identify, mitigate and control risks. The regulatory framework particularly in the real estate space is evolving. The recent years have seen the sector exhibiting a trend towards greater organization and transparency through various regulatory reforms, giving an overall positive boost to the industry. The Management continues to remain optimistic about the future regulatory and policy framework.