

# Anand Credit Limited



19<sup>th</sup>

Annual Report

2011-2012

Dear Shareholders,

In a challenging global business environment and in a difficult year for the Indian real sector, predictability is passing. As a result, businesses are finding it increasingly difficult to assess and mitigate risks, realize their true potential and create value for stakeholders. The year has been a challenging one for the Indian economy. High inflation, elevated interest rates and a lack of economic reform have led to weak economic sentiment and the lowest GDP growth in last nine years. The real estate sector has been especially impacted by these factors.

The prevailing macro-economic scenario looks grim. China and fellow Asian emerging economies face slower economic growth in FY 2012-13 on weak external demand. According to IMF India is forecasted to expand 6.9% in 2012 and 7.3% in 2013, growing slightly below the revised forecasts of January as result of weak demand and higher interest rates. The primary reasons for the economic slowdown including rising inflation, coupled with banks getting stricter on housing loans and high interest rates.

Against the backdrop of such a volatile environment. Your Company naturally had its own set of challenges. The double whammy of plunging sales and rising costs took their toll on the profitability of real estate majors. Also, banks turned cautious towards rescheduling debt or issuing fresh loans to real estate companies. Upward spiraling cost of construction materials has put great pressure on project execution, in turn leading to project delays. This year truly tested our stability and agility. Prices of steel, cement and labour have risen substantially since 2009.

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 you 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

**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.**

#### **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.

## **FORWARD LOOKING STATEMENTS**

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements-written and oral-that we periodically make contain forward looking statements that set out anticipated results based on the managements Plans and Assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believes', 'estimate', 'expects', 'projects', 'intends', 'plans', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that there forwards looking statements will be realized, although we believe we gave been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate. Actual results could vary materially from those anticipated estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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## **C O R P O R A T E   I N F O R M A T I O N**

### **BOARD OF DIRECTORS**

Shri Ramesh L. Shah	Chairman & Managing Director
Shri Vipul R. Shah	Director
Shri Arun N. Gajare	Director

### **AUDITORS**

A.L. THAKKAR & CO.  
Chartered Accountants, Ahmedabad

### **BANKERS**

State Bank of India  
Manekbaug Branch,  
Ahmedabad.

### **REGISTERED OFFICE**

11, Krishna Appartments,  
Bhudarpura Road, Ambawadi,  
Ahmedabad – 380 006  
Ph: 079 2646 0358  
E-mail: anandcredit@yahoo.co.in

### **LISTING**

The Bombay Stock Exchange Ltd

### **REGISTRAR & TRANSFER AGENT**

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED  
416-420, 4th Floor,  
Devanandan Mall,  
Opp. Sanyash Ashram,  
Ellisbridge, Ahmedabad-380006  
Ph: 079 2658 2381  
E-mail: sharepro.ahmedabad@shareproservices.com

## **ANAND CREDIT LIMITED**

### **NOTICE**

NOTICE is hereby given that NINETEENTH ANNUAL GENERAL MEETING of Members of ANAND CREDIT LIMITED will be held on 22<sup>nd</sup> September, 2012 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, 2012, the Statement of Profit and Loss for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Shri Ramesh Shah, who retires by rotation and being eligible to offer himself for re-appointment.
3. To 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.

#### **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

Date : August 13, 2012

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 LESS 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, Devnandan 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 16<sup>th</sup> September, 2012 and 22<sup>nd</sup> September, 2012 (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.

<b>INFORMATION AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING</b>	
<b>Name of Director</b>	<b>Ramesh L Shah</b>
Date of Birth	31.07.1958
Date of Appointment	03.08.2004
Qualifications	B.Com.; LL.B.
Expertise in Specific Functional Areas	15 years of experience in the field of accounts, finance and securities market.
Directorships held in other Companies	1. Anand Property Finance Ltd 2. Speedwell Properties Ltd
Memberships/Chairmanships of Committees of other Companies	NIL
Number of Shares held in the Company	16619
Disclosure of relationship	NIL

None of the Directors are related to each other.

## ANAND CREDIT LIMITED

### DIRECTORS' REPORT

To,

#### THE MEMBERS OF THE COMPANY

Your Directors have pleasure in presenting the **Nineteenth** Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2012.

#### FINANCIAL RESULTS:

The summary of financial results for the year under review along with the figures for previous year are as follows:-

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
1. Net Sales / Income from Operations	5.70	20.94
2. Total Expenditure	24.03	50.64
3. Operating Profit/(Loss) before Finance Cost, Depreciation & Taxation (1-2)	(18.33)	(29.70)
4. Finance Cost	0.05	0.02
5. Depreciation	2.40	1.98
6. Profit before Tax (3-4-5)	(20.78)	(31.70)
7. Provision for taxation	0.00	0.00
8. Profit/(loss) after Tax (6-7)	(20.78)	(31.70)
9. Balance of Profit & Loss Account brought forward from P.Y.	13.77	45.47
10. Amount available for appropriation (8-9)	(7.01)	13.77
11. Balance carried to Balance sheet	(7.01)	13.77

#### DIVIDEND:

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

**PUBLIC DEPOSITS:**

The company has not accepted any deposits from the public.

**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 Ramesh Shah, Director of the Company retire by rotation at this annual general meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment. Shri Gunvant M. Acharya was appointed as Director on 30<sup>th</sup> September, 2011 and has resigned on 7<sup>th</sup> November, 2011.

**INSURANCE:**

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

**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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of section 217(2AA) of the Companies (amendment) Act, 2000 the Directors confirm that :-

1. In the preparation of accounts, the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent Judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of 31st March, 2012 and the profit of the Company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. The Annual Accounts of the company have been prepared on a going concern basis.

**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.



**LISTING OF SHARES:**

The equity shares of the Company are listed at the Bombay Stock Exchange Limited (BSE). The Company has paid the applicable listing fees up to the date. The Company's shares are also traded in dematerialised segment and the Company had entered into agreements with CDSL and NSDL for custodian services.

**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 wish to place on record their appreciation and sincere thanks to the state government, government agencies, banks, customers, financial institutions, shareholders, vendors and other related organizations, who through their continued support and co-operation, have helped, as partners, in your company's progress.

Your Directors also acknowledge the hard work, dedication and commitment of the employees.

Date : August 13, 2012

**For and on behalf of the Board**

Place: Ahmedabad

**Ramesh L. Shah**

**Chairman and Managing Director**

## **ANNEXURE TO DIRECTOR'S REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **Global and Indian economy and realty sector in India in FY 2011-12**

The infrastructure development story in India has been plagued with issues of implementation. As a result, the pace of growth has simply been much slower than the needs of an economy intending to maintain a sustained growth rate of close to 9%. And in 2011-12, there has been a considerable slowdown in development in the infrastructure sector.

The Planning Commission's XIth Five-Year Plan (2007- 2012) had already identified that inadequate infrastructure was a major constraint on the country's rapid growth. The Plan had, therefore, emphasized the need for massive expansion in investment in infrastructure based on a combination of public and private investment, the latter through various forms of public-private partnerships (PPP). In the last few years, substantial progress has been made in this respect. The total investment in infrastructure, which includes roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation, is estimated to have increased from 5.7% of GDP in 2007 to around 8.0% by 2012.

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. In the Union Budget 2011-12, the Government has also presented various initiatives for real estate sector. These factors coupled with a favorable political environment are likely to boost the economy as well as the real estate sector in the coming years. Your company has sustained growth and aspires to do so in the coming years.

#### **(A) Review of Annual Operations:**

During the year 2011-12 the total income of the Company was Rs. 569,632 as compared to total income Rs. 2,093,527 during the year 2010-11.

##### **Capital Structure:**

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

##### **Reserve and Surplus:**

In 2011-12, the reserve stands at Rs. 426,863 against Rs. 2,505,346 in 2010-11.

#### **(B) Opportunities and Threats:**

##### **Opportunities:**

Urbanisation has emerged as a key policy and governance challenge in India in recent years. Cities and towns contribute to more than 60 percent of GDP. Urbanisation is concomitant to economic growth. The strong correlation between urbanization and economic development is well-known. While urbanization can be an engine of economic development and inclusion, unless managed properly, it can create serious socio-economic consequences and disastrous outcomes which would be difficult or impossible to fix. With the rapid growth of urban population, expected to occur as the structural transformation of the Indian economy matures and as India moves to double-digit growth, the backlog, current and growth needs of urbanization need to be addressed comprehensively. We have to not only arrest the deteriorating conditions in cities, but also take advance action for accommodating urbanisation in a planned manner as India moves from a level of 31 percent to more than 50 percent urbanisation in the next few decades.