

| | | | | |
|-----|----|---|-----|----|
| MD | ✓ | | BKC | ✓ |
| CS | NA | | DPY | NA |
| ED | ✓ | | DIV | NA |
| TRA | NA | | AC | ✓ |
| AGM | ✓ | ✓ | SH | ✓ |
| SE | ✓ | ✓ | | |



**Ananthi
Constructions
Limited**

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**ANNUAL REPORT
1997 - 1998**

BOARD OF DIRECTORS

Mr.T.N.T.Raajasekar-Managing Director

Mrs.R.Ananthi

Mr.A.Narayanamurthy

Mr.K.Perarulan

Dr. T.R.Sitaraman

BANKERS

State Bank of India,Nanganallur,Chennai-61.

AUDITORS

M/S Vijayaraghavan & Associates,Chartered Accountants,

EMELEM Complex, 620/51, North Usman Road Extension,

Mahalingapuram, Chennai - 600 034. Phone : 8264273 Fax : 8232666.

LEGAL ADVISOR

Mr. P.B. Ramanujam,

31, Bhagirathi Ammal Street, T.Nagar, Chennai -17. Phone : 8269803

REGISTERED OFFICE

'Ananthis Rajendra Centre',

No-1,Fourth Main Road,Nanganallur,Chennai-61.

Phone : 2336333 / 2346333 / 2347333.

Marketing : 2333555 Fax : 2341777.

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ANANTHI CONSTRUCTIONS LIMITED

NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Company will be held on Wednesday the second September 1998, at Shree Kamakshi Thirumana Mandapam, No.1, V.O.C. Street, Gandhi Nagar, Mangaladurai, Chennai - 600 061 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account for the year ended 31st March 1998 and the Balance Sheet as on that date.
2. To appoint a director in place of Mr. K. Perarulan who retires by rotation.
3. To appoint the Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :

1. To consider and if thought fit to pass the following resolution with or without modification as a special resolution

RESOLVED that pursuant to section 17 and other applicable provisions of the Companies Act, 1956 and subject to confirmation by the authorities if any prescribed under the Act, the Memorandum of Association of the Company be and is hereby altered by adding the following clause after III (A) (2) of the objects of the Memorandum of Association of the Company.

To carry on the business of Hotelier, restaurateur to provide lodging and boarding catering houses, bar, swimming pool, rest houses, amusement park, holiday resort, motels and other facilities and to own, construct, run, render technical advice in constructing, furnishing and managing the Hotel, Restaurant and clubs both in India or any other part of the world.

Registered Office :

Ananth's Rajendra Centre
No.1, Fourth Main Road,
Mangaladurai, Chennai - 600 061
Tamil Nadu

By order of the Board
T.N.T. Rajasekar
Managing Director

NOTES:

1. The relative explanatory statement pursuant to section 173 of the companies act, 1956 is annexed.
2. The share transfer register and the register of members shall remain closed from 25th August 1998 to 2nd September 1998 (both days inclusive)
3. Members are requested to notify any change in their address to the Company's Registered Office.
4. Members are also requested to bring their Annual Report along with them as extra copies will not be supplied.
5. A member entitled to attend and vote is entitled to appoint one (or) more proxies to attend and vote instead of himself. Such proxy (or) proxies should be lodged with the company not later than 48 hours before the commencement of the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

The activity of the company engaging in promotion of apartments is facing severe downward trend due to depressed market. Even though the company is not much afflicted, there may be certain difficulties which the company may have to face in future if the same trend continues. The Directors had decided to diversify in to hotel and hospitality industry as the said industry has some promising future. Both the activities being in the servicing sector can weave themselves well and contribute substantially towards profit. This requires amendment to Memorandum of Association by adding the involvement of Hotel industry in the object clause. The amendment has to be approved by the members as special resolution. The same is placed before you for approval.

To the Members

Your Directors have pleasure in presenting their Fifth Annual Report together with the Audited Accounts for the year ended 31st March 1998.

FINANCIAL RESULTS:

| | Rs. in Lacs |
|--------------------------------------|-------------|
| Profit before depreciation and Taxes | 2.20 |
| LESS: Depreciation | 2.07 |
| Profit after Depreciation | 0.13 |
| LESS : Provision for tax | 0.05 |
| Profit after tax | 0.08 |
| Surplus of previous year | 32.39 |
| Transfer to Surplus Account | 32.47 |

OPERATIONS

The depressed trend prevailed in the earlier years continued to affect the company this year also. The demand for the Flats was not spontaneous and the company had to resort to vigorous marketing. The competition was hotting up during the year under report due to many leading builders shifted their focus on suburban market. Your company having established very well in this sector was not much affected by this trend. Anyhow the company had slowed down their activity not to block the funds in constructions. The enquiries from prospective buyers are very encouraging and indicates a healthy feature. These factors had adversely affected the projections made by the company in the offer document. The company projected to develop 335000 sq. ft. in this year. Whereas an area of approx. 20,000 sq was actually developed. The sale of the company for the year under report was Rs.176.96 lakhs as against Rs1675 lakhs projected in the prospectus. The profit after tax was Rs. 0.08 as against projected profit of Rs. 260.70 lakhs

The Directors are hopeful of better performance in the years to come in view of the various concessions offered by the Government to boost the investment in housing. In any case the Directors are contemplating to diversify the activities to more productive and profitable ventures. They are advised to diversify into hotel and hospitality industry, where the future is very encouraging. The Directors are exploring the potentiality of the same.

DIVIDENDS

The Directors have not recommended any dividend for the year to strengthen the financial base of the company.

DIRECTORS

Mir K. FERARULALAN, Director of the company retires at this meeting and offers himself for re-election.

AUDITORS

Messrs. VIJAVARAGHAVAN & ASSOCIATES, the present Auditors retire at this meeting. They have furnished a certificate under section 224(1) of the Companies Act, 1956 of their eligibility for re-appointment.

DISCLOSURE OF PARTICULARS

There were no inflow and outflow of Foreign Exchange during the year under report. The company is not listed in the Schedule to furnish information as required under the companies (Disclosure of particulars in the Report of Directors) rule 1988.

There were no unclaimed or overdue deposits.

The particulars of employees who were in receipt of remuneration of Rs.3,00,000 or more per annum or Rs. 25000 or more per month

| Name | Age | Qualification | Date of Empl. | Design. | Remuneration | Experience | Past Empl |
|------------------|-----|---------------|---------------|-------------------|----------------------|------------|-------------|
| T.N.T.Raajasekar | 38 | S.S.L.C. | Since incorp. | Managing Director | 3.46 Lakhs per Annum | 20 yrs. | First empl. |

INDUSTRIAL RELATION

The Directors wish to place on record their sincere appreciation for the co-operation given by the employees of the company and the industrial community.

Place : Chennai.
 Date : 30-05-1998

for and on behalf of the Board
T.N.T. Raajasekar
 Managing Director