



Report  junction.com

ANNUAL REPORT

2005 - 2006

CONTENTS

Notice to members	3
Directors Report	6
Management Discussion & Analysis Report	9
Report on Corporate Governance	13
Auditors Report	26
Balance Sheet as on 31 st March 2006	31
Profit & Loss Account for the year ended 31 st March 2006	32
Schedule forming part of Balance Sheet	33
Schedule forming part of Profit & Loss Account	36
Notes on Accounts	37
Cash Flow Statement	38
Balance Sheet Abstract	40



BOARD OF DIRECTORS

Mr. T.N.T. Raajasekar – Managing Director
Mr. P. Prajesh – Director
Mr. R. Mahesh – Director
Mr. S. Kaliraja - Director

BANKERS

Dhanalakshmi Bank Ltd., T. Nagar, Chennai – 600 017
State Bank of India, Prakasam Road, T. Nagar, Chennai – 600 017.

AUDITORS

M/s. Vijayaraghavan & Associates
Chartered Accountants
Phone: 2834 0273 Fax : 2834 5223

LEGAL ADVISOR

Mr. P.B. Ramanujam
No.22 Bhagirathi Ammal street, T. Nagar, Chennai – 600 017
Phone:28340150

REGISTERED OFFICE

No. 14, 1st Main Road, Ganesh Nagar, Madipakkam, Chennai - 600 091.
Phone : 6566 9570



NOTICE TO THE MEMBERS

Notice is hereby given that the Annual General Meeting of the Shareholders of the company will be held on Saturday the 30th September 2006 at 9.30 a.m. at K.V.G. Thirumana Mandapam, 16A, Medavakkam Main Road, Nanmangalam, Chennai - 600 117 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the Profit & Loss Account for the year ended 31st March 2006 and the Balance Sheet as at the date and the Auditor's Report there on.
2. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

RESOLVED that in pursuant to the provisions of Sections 255, 257 and other applicable provisions, if any, of the Companies Act, 1956 Mr. Prajesh retiring Additional Director be and is hereby appointed as a Director of the Company liable to retire by rotation.

4. To consider and if thought fit, to pass with or without modification, the following Resolution as a Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 255, 257 and other applicable provisions, if any, of the Companies Act, 1956 Mr. S. Kaliraja, retiring Additional Director be and is hereby appointed as a Director of the Company liable to retire by rotation.

Place : Chennai
Date : 31-7-2006

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



NOTES

1. **A Member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the company. Proxy should be lodged with the company at least Forty Eight Hours before the scheduled commencement of the meeting.**

Revenue Stamp for 15 paise should be affixed on the Proxy Form. Forms which are not stamped or inadequately stamped are liable to be considered invalid. Further, for identification purposes etc., it is advisable that the proxy holder's signature may also be furnished in the Proxy Form.

2. **Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed.**
3. **All documents referred to in the Notice and Explanatory Statement will be available for inspection by the members at the registered office of the Company between 10.00 a.m. to 5.30 p.m. on all working days upto the date of Annual General Meeting.**
4. **The Registrar of members and Share Transfer Books of the Company will remain closed from Tuesday 26th September 2006 to Saturday 30th September 2006 (both days are inclusive)**
5. **Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar and Transfer Agent, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai - 600 002.**



EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.3

Mr. P. Prajesh, was appointed as an additional Director on the Board of the Company with effect from 31.10.2005 pursuant to the provisions of section 260 and Article of Association of the Company, he will hold office only upto the date of this Annual General Meeting. The Company has received a Notice in writing from a member in accordance with Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr Prajesh as a Director of the Company. The information relating to the Directors containing requisite disclosures are given at the end of the notice.

Mr. P. Prajesh It will be in the best interest of the Company to appoint him as a Director, The appointment of Mr. P.Prajesh, as a Director of the Company, is recommended for approval by the members.

None of the Directors, except the appointee himself, who is interested in the respective resolution relating to his appointment, is concerned or interested in the resolution.

Item No.4

Mr. S. Kaliraja, was appointed as an additional Director on the Board of the Company with effect from 31.10.2005 pursuant to the provisions of section 260 and Article of Association of the Company, he will hold office only upto the date of this Annual General Meeting. The Company has received a Notice in writing from a member in accordance with Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Mr. S. Kaliraja, as a Director of the Company. The information relating to the Directors containing requisite disclosures are given at the end of the notice. It will be in the best interest of the Company to appoint him as a director.

The appointment of Mr. S. Kaliraja, as a Director of the Company, is recommended for approval by the members.

None of the Directors, except Mr. T.N.T. Raajasekar and the appointee himself, who is interested in the respective resolution relating to his appointment, is concerned or interested in the resolution.

Information about directors seeking appointment/reappointment in this AGM in respect of resolution no. 3 & 4 above (in accordance with clause 49 VI of the listing agreement)

Name	Age	Qualification	Other Directorship	Committee Directorship
P. Prajesh	30	B.A.	NIL	NIL
S. Kaliraja	33	Schooling	NIL	NIL

Place : Chennai .
Date : 31-7-2006

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



DIRECTOR'S REPORT

To the Members

Your directors are pleased to present the Thirteenth Annual Report together with the Audited Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS :	Rs. in lakhs	Rs. in lakhs
	31/03/2006	31/03/2005
Profit/Loss before depreciation & taxes	-75.72	18.34
Add/Less : Depreciation	1.66	1.80
Profit/Loss after depreciation	-77.38	16.54
Less : Provision for tax	NIL	0.83
Profit / Loss	-77.38	15.71
Previous year's loss transferred	56.33	72.04
Loss transferred to Balance Sheet	-133.71	56.33

OPERATIONS :

Your Company has been focusing of flat promotion. The growth and progress of the Company depends on the potential buyers. In the opinion of the Directors, the growth in the industry is fairly good and the demand for housing sector is expected to grow.

Besides, the Company also has expertise in Civil & Structural work.

The market for building activities is growing steadily while competition also increases by many folds. The market acceptance of our product and the creation of Brand Equity have provided good credibility.

DIVIDEND :

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

DIRECTORS

Messers. Mr. Prajesh and Kaliraja have been co-opted as Additional Directors by the Board of Directors at their meeting held on 30.10.2005 and hold office upto the date of this AGM. Notice have been received from members proposing each one of them as Director.

Messers. Ananthi Raajasekar and T.S.R. Dhanasshekhar registered from the Board of Directors of the Company with effect from 13.7.2006 and 31.10.2005 respectively. In



the casual vacancy so caused, Mr. Prajesh and Mr. Kaliraja were appointed as Directors of the company with effect from 31.10.2005. The Directors place on record the appreciation for the valuable advices given by Messers. Ananthi Raajasekar, and T.S.R. Dhanasshekhhar during their tenure of office as Directors of the company.

AUDITORS

Messrs. Vijayaraghavan & Associates the present auditors of the company retire at this meeting. They have furnished a certificate under section 224(1) of the Companies Act, 1956 of their eligibility for reappointment.

CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

There were no inflow and outflow of foreign exchange during the year. The company is not listed in the Schedule to furnish information as required under the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988.

PUBLIC DEPOSITS

During the year under review, the company has neither invited nor received any deposits from the public.

PARTICULARS OF EMPLOYEES

No employee is covered under Section 217(2A) of the Companies Act, 1956.

AUDITORS REPORT

The Report of the Auditors being self explanatory needs no further comments.

CHANGE IN REGISTERED OFFICE OF THE COMPANY

The registered office of the company has been shifted to the following address with effect from 01/10/2005.

No. 14, 1st Main Road,
Ganesh Nagar, Madipakkam,
Chennai - 600 091.
Phone : 6566 9674

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2M) OF THE COMPANIES ACT, 1956 :

The directors hereby confirm :

1. That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;



2. That the directors had selected such accounting policies and applied them consistently and made judgment 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 the period.
3. That the directors had taken proper and, sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS :

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 : 31-7-2006

By Order of the Board

T.N.T. Raajasekar
Managing Director

Registered Office :
No. 14, 1st Main Road,
Ganesh Nagar, Madipakkam,
Chennai - 600 091.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Ananthi Constructions Limited presents the Industry Overview, Opportunities and Threats, Initiatives by the Company and overall strategy of Ananthi Constructions Limited for the year 2005-2006 and its outlook for the future. This outlook is based on assessment on the current business environment; it may vary due to future economic and other developments.

This Management Discussion and Analysis statement of the Annual Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India.

Macro-Economic and Industry Development

The Indian Economy registered another year of impressive growth during 2005-2006, with GDP growth climbing to 8.4% from 7.5% in 2004-2005, owing largely to sustained growth in the industry and services sectors and a growing world economy, despite record high crude oil prices. Another positive feature was that the growth was accompanied by continued maintenance of relative price stability. Agricultural growth has been estimated at 3.9%, reviving from a low of 0.7% in 2004-2005, thanks to a near normal monsoon. Industrial output improved during 2005-2006 mainly due to acceleration of growth in the manufacturing sector, which has been estimated at 9%. Sustained expansion in domestic as well as export demand, increased capacity utilization and improved confidence were some of the key factors for the improvement in the manufacturing sector. The services sector continued to perform impressively, clocking a growth of 10.1%.

Industry Structure and Developments

The Indian Construction Industry is an integral part of Indian Economy and an important part of investment into development of the Indian Economy takes place through the construction industry. The construction industry is expected to grow with further economic development, industrialization, urbanization and improvements in the standard of living. A report by the Confederation of International Contractors' Association and the United Nations Environment Programme in 2002 estimated the annual output for the construction sector worldwide at US\$ 3,400 billion. Currently India ranks 12th and accounts for 1.75% of world construction sector output.