

**Ananthi
Constructions
Limited**

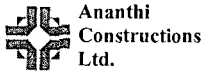
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ANNUAL REPORT

2006 - 2007



CONTENTS	Pg.No.
Notice to members	3
Director's Report	5
Management Discussions & Analysis Report	9
Report on Corporate Governance	13
Auditors Report	25
Balance Sheet as on 31 st March 2007	30
Profit & Loss Account for the year ended 31 st March 2007	31
Schedule forming part of Balance Sheet	32
Schedule forming part of Profit & Loss Account	35
Notes on Accounts	36
Cash Flow Statements	37
Balance Sheet Abstract	39



BOARD OF DIRECTORS

Mr. T. N. T. Raajasekar – Managing Director
Mr. P. Prajesh – Director
Mr. P. Magesh – 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

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 Tuesday the 31st July 2007 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 Director's Report, the Profit & Loss Account for the year ended 31st March 2007 and the Balance Sheet as at the date and the Auditor's Report there on.
2. To elect a director in place of Mr. P. Magesh who retired by rotation and being eligible offers himself for reappointment.
3. 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.

Place : Chennai
Date : 05.05.2007

By order of the Board

T.N.T. Raajasekar
Managing Director



**Ananthi
Constructions
Ltd.**

NOTES

1. A member is 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. The Registration of members and Share Transfer Books of the Company will remain closed from Wednesday 25th July 2007 to Tuesday 31st July 2007 (both days are inclusive)
3. Members holding shares in physical form are requested to notify and 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.

Information about Directors seeking appointment/reappointment in this AGM in respect of resolution No. 2 above (in accordance with clause 49 VI of the listing agreement)

Name	Age	Qualification	Other Directorship	Committee Directorship
P. Magesh	32	BA	NIL	NIL

Place : Chennai
Date : 05.05.2007

By order of the Board

T.N.T. Raajasekar
Managing Director



DIRECTOR'S REPORT

To the Members,

Your directors are pleased to present the Fourteenth Annual Report together with the Audited Accounts for the year ended 31st March 2007.

FINANCIAL RESULTS	Rs. in Lakhs Year ended 31/03/2007	Rs. in Lakhs Year ended 31/03/2006
Profit / Loss before depreciation		
Taxes & Loss on contract	-75.18	-75.72
Add / Less : Depreciation	-0.88	-1.66
Loss on Contracts	-77.75	0
Profit / Loss after depreciation		
& Loss on contract	-153.81	-77.38
Provision for taxation	NIL	NIL
Profit / Loss after Tax	-153.81	-77.38
Previous year's loss transferred	-133.71	-56.33
Loss transferred to Balance Sheet	-287.52	-133.71

OPERATIONS :

Your Company has been focusing on 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 increased by many folds. The market acceptance of our product and the creation of Brand Equity have provided good credibility.

DIVIDEND :

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

OUTLOOK :

The big potential still unfolding is in the construction sector. Though marked by intense competition and concomitant squeeze in profit margins, domestic construction companies face a bright future, as Government steps up its infrastructure expenditure. Infrastructure is the backbone of economic development and the Governments at the Centre and the State, working in tandem, are giving utmost priority to this sector.



The initiatives are intensified by the Central and the State Governments for inviting private sector to develop infrastructure and to provide management of the infrastructure so that the quality of service delivery is assured and price-performed is maintained to the satisfaction of general public.

In the year to come, your company has initiated major cost effective measures to improve the margins. Sustainable medium and long term goals are envisaged and pursued. Your director's foresee that, the performance of the Company will be better.

DIRECTORS

Mr. P. Magesh retired by rotation at the ensuring annual general meeting and is eligible for re-appointment.

PUBLIC DEPOSITS

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

AUDITORS

M/s. Vijayaraghavan & Associates, Chartered Accountant, retired at the ensuring annual general meeting and is eligible for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) of the COMPANIES ACT, 1956 :

The directors, to the best of their knowledge and belief, confirm that :

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
2. That the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2007 and of the profit/loss of the Company for the year ended on that date :
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions 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 have been prepared on a going concern basis.

AUDITORS REPORT

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



FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings Rs. Nil
(Previous Year Rs. Nil /-)

Foreign Exchange outgo Rs. NIL
(Previous Year Rs. Nil)

INFORMATION AS PER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The Company has no activity relating to conservation of energy or technology absorption.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of monetary ceiling prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year 2006-2007.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial.

LISTING

The securities of the Company are listed on the Bombay Stock Exchange Limited, Madras Stock Exchange Limited, Coimbatore Stock Exchange Limited, Bangalore Stock Exchange Limited.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges, with which the Company's shares have been enlisted. A separate Report on Corporate Governance is enclosed as a part of this Annual Report. A certificate as to Compliance of the conditions of Corporate Governance as stipulated under Clause-49 of the Listing Agreement is annexed to the Report on Corporate Governance.

AUDIT COMMITTEE

In consonance with Corporate Governance norms, Mr. P. Magesh Independent Director of the Board was appointed Chairman of the Committee.

COMPLIANCE CERTIFICATE

A certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.



CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the listing agreement with Stock Exchanges, the cash flow statement for the year 2006-2007 is annexed hereto.

ACKNOWLEDGEMENTS

The Board placed on records its appreciation for the assistance and co-operation received from the Government Authorities.

The Board also placed on record its gratitude to the employees at the levels for their commitment and dedicated efforts. The Directors are also thankful to the shareholders for their continued support to the Company.

Chennai
05.05.2007
Board

By order of the

T.N.T. Raajaseakar
Managing Director



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 2006-2007 and its outlook for the future. This outlook is based on assessment of 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 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 2006-2007, with GDP growth climbing to 9.2% from 8.4% in 2005-2006, owing largely to sustained growth in the industry and services sectors and growing world economy. Another positive feature was that the growth was accompanied by continued maintenance of relative price stability. 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.

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.

Housing Sector

Few Investments have been as lucrative as home ownership over the last three to four years. And the story of this boom is not restricted to one area. It's happening across metros and big cities. And it's spreading to newer and newer areas as the economy is cruising at an 8% rate. With millions still eager to get into the housing bandwagon (India is estimated to have a shortage of 20 million houses), signs of overheading have popped up all around.