
ANANTHI CONSTRUCTIONS LIMITED

15th ANNUAL REPORT
2010 - 2011

**Ananthi
Constructions
Limited**

BOARD OF DIRECTORS

Mr. T.N.T.Raajasekar- Managing Director
Mr. P. Magesh- Director
Mr. P. Prajeesh- Director
Mr. S. Kaliraja- Director
Mr. Rs. Ghanesh- Director

AUDITORS

M/s. Vijayaraghavan & Associates
Chartered Accountants
51, Giri Road, T.Nagar, Chennai-600017

REGISTERED OFFICE

No.41/9, Medavakkam Main Road, Ganesh Nagar, Madipakkam, Chennai-600091
Phone: 044-22478333. E-mail: aclinfo10@gmail.com

REGISTRAR AND SHARE TRANSFER AGENTS

Cameo Corporate Services Limited
Subramanian Building
No.1, Club House Road
Chennai-600002.

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NOTICE

Notice is hereby given that the Annual General Meeting of the Company will be held on Wednesday the 21st September 2011 at 10.00 AM at K.V.G.Thirumana Mandapam, 16A Medavakkam Main Road, Nanmangalam, Chennai-600117 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2011, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. P. Magesh who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. S. Kaliraja who retires by rotation and is eligible for re-appointment.
4. -To appoint auditors of the company and fix their remuneration. The retiring auditors M/s.Vijayaraghavan and Associates are eligible for re-appointment.

Place: Chennai
Board
Date: 12.07.2011

By Order of the

Sd/-
T.N.T.Raajasekar
Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the company.
2. Proxies, in order to be valid, must be lodged at the registered office of the company not later than 48 hours before the commencement of the meeting.
3. Revenue Stamp should be affixed on the proxy form. Forms which are not stamped or not adequately 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.
4. All documents referred to in the Notice and the Explanatory Statement will be available for inspection by the members at the registered office of the Company between 10.00 AM to 05.30 PM on all working days up to the date of the Annual General Meeting.
5. The Share Transfer Register and the Register of Members shall remain closed from 14th September 2011 to 21st September 2011 (both days inclusive).
6. Members holding shares in physical form are requested to notify any change in their address to Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai-600002.
7. The members are requested to bring their Annual Report along with them as extra copies will not be supplied.

Information about Directors seeking appointment/re-appointment in this AGM in respect of item No.2 & 3 above (in accordance with Clause 49 VI of the Listing Agreement)

Name	Age	Qualification	Other Directorship	Committee Directorship
P. Magesh	35	B.A.	NIL	NIL
S. Kaliraja	38	Schooling	NIL	NIL

DIRECTOR'S REPORT

To the Members,

Your directors are pleased to present the Fifteenth Annual Report together with the Audited Accounts for the year ended 31st March 2011.

FINANCIAL RESULTS

	Rs. (in lakhs) Year ended 31.03.2011	Rs. (in lakhs) Year ended 31.03.2010
Profit/Loss before depreciation, Tax	(603010)	(745540)
Add/Less: Depreciation	64892	65967
Profit/Loss after depreciation	(667902)	(811507)
Provision for taxation	0	0
Profit/Loss after Tax	(667902)	(811507)
Previous year's loss transferred	(30694143)	(29882636)
Loss transferred to Balance Sheet	(31362045)	(30694143)

OPERATIONS:

Your Company has been focusing on flat promotion. The rising price of raw materials including the phenomenal increase in the cost of land has had an adverse effect on the Company's financial position.

During the current year the company has started operations again.

DIVIDEND:

The Board of Directors has not recommended any dividend.

DIRECTORS:

Mr. P. Magesh and Mr. S. Kaliraja, Directors are retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS:

The Board of Directors recommends the appointment of M/s. Vijayaraghavan and Associates, Chartered Accountants as the Auditors of the Company for the financial year 2011-12.

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

The Directors, to 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 judgments 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 31st March 2011 and of the 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.

PUBLIC DEPOSITS:

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

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 salary in excess of the 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 2010-11.

INDUSTRIAL RELATIONS:

Industrial relations continued to be cordial.

LISTING:

The securities of the Company are listed on the Bombay Stock Exchange Limited and Madras Stock Exchange Limited.

CORPORATE GOVERNANCE:

The Company has complied with the statutory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company's shares have been listed. A separate Report on Corporate Governance is enclosed as part of this Annual Report. A certificate as to compliance with 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, has been appointed as the Chairman of the Audit 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. A Compliance Certificate by a Company Secretary in whole-time practice, as required by section 383A of the Companies Act, 1956 is also attached to the Directors Report.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, Cash Flow Statement for the year ended 2010-11 is annexed hereto.

ACKNOWLEDGEMENTS:

The Board of Directors place on records its application for the assistance and co-operation received from the Government Authorities.
The Board also places on record its gratitude to the employees at all levels for their commitment and dedicated efforts.
The Directors are also thankful to the shareholders for their continued support to the Company.

Place: Chennai
Date: 21.07.2011

By order of the Board

Sd/-
T.N.T.Raajasekar
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 2011-12 and its outlook for the future. This outlook is based on an 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.

Industry Structure and Developments:

The Indian Construction industry is an integral part of Indian economy and an important part of investment into the development of the Indian economy takes place through the Construction Industry.

Housing Sector:

Very man's dream is to have a house of his own. This was the fuelling power behind the housing sector. However with recession in various parts of the world, one of the sectors to have suffered a severe blow is the housing sector. Foreclosure has become a phenomenon in the US and this has had its own impact on the Indian market as well.

Over view of the Business of the Company:

Your company has been focusing on flat promotion. But due to the huge investment required for this industry the company is currently not able to carry on its construction activities on a large scale

Opportunities:

The directors are of the opinion that the construction industry is likely to bloom in the coming years.

Threats:

- The ongoing recession will adversely affect the construction industry.
- Change in Government policy regarding building activities may affect the industry.
- The increasing cost of inputs like steel, cement and diesel is a major concern for the Company.
- The business witnessed intense competition in the market and the overall margins are under pressure.
- A service tax was also levied on properties that were rented for commercial use.

The changes may impact the retail sector as property cost can be equal to 30 percent of total cost in some cases.

Segmental Analysis:

Your company operates in only one segment viz., constructions.

Internal Controls and their Adequacy:

The company's internal controls are well established. The statutory auditor and the audit committee review these controls regularly. The Company also had an information technology system that supports the organization and ensures adequate information.

Your company attached significant importance to continue upgrading of human resources for sustaining highest levels of customers' satisfaction. The company is providing training as a continuous process to the technical people to cater the needs of various customers.

Future Outlook:

Your company is aware of the risks and threats noted above and have devised its business strategy accordingly.

Cautionary Statement:

Statement in the Management Discussion and Analysis Report describing the Company's objectives and projections are forward looking statements and progressive within in the meaning of applicable security laws and regulations. Actual results may vary depending upon economic conditions, Government policies and other incidental related factors.

REPORT ON CORPORATE GOVERNANCE

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the compliance Report on Corporate Governance (in the prescribed format), along with the Certificate from the Statutory Auditors (Annexure) is given as under.

Philosophy on code of Governance:

Ananthi Construction Ltd. is committed to standards of Corporate Governance in all activities.

A. Board Composition:

1. Size of the Board and independent Directors:

The Board has currently five Members comprising of the Managing Director and four Non-executive Directors. As per the Current by – laws of the Company, the Board can have up to 12 (twelve) Members. The present Board has three independent directors, one Executive director.

2. Board Committee:

Currently, the Board has Three Committees – the Audit Committee, the Investor Relations Committee and Remuneration Committee.

a. Board of Directors

Composition and category of directors as of March 31, 2011 is as follows:

Category	No. of Directors	%
Executive Directors	1	20
Non – Executive Directors	4	80

During the period ended 31.3.2011, 6 Board Meetings were held on the following dates: 5.04.2010, 30.06.2010, 05.07.2010, 04.10.2010, 21.12.2010 and 03.01.2011

Attendance of each of the directors at the Board Meetings and the last AGM is as follows:

Sl. No.	Name of Director	Category	Board Meetings		Attendance in the last AGM on 30.9.2010
			Held Nos.	Attended NOS.	
1.	T.N.T. Raajasekar	ED	5	5	Yes
2.	P. Magesh	NED/ID	5	5	Yes
3.	P. Prajeesh	NED/ID	5	5	Yes
4.	S. Kaliraja	NED/ID	5	5	Yes
5.	Rs. Ghanesh	NED	5	5	Yes

- ED – Executive Director; NED – Non- Executive Director; ID – Independent Director

b. Audit Committee:

As per the requirement of Part II of clause 49 of the Listing Agreement, the Company has formed an Audit Committee. P. Magesh was appointed as Chairman of the Audit Committee.

- Brief Description of terms of reference:

The Committee reviews the quarterly, half-yearly and annual financial statements before they are submitted to the Board.

Overall assessment of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible is undertaken by this committee.

Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services is also reviewed by this committee.

- Composition of Committee:
P. Magesh – Chairman
P. Prajeesh
S. Kaliraja

Meetings and attendance of members thereof during the year is as follows:

Director	Held	Attended
P. Magesh – Chairman	4	4
P. Prajeesh	4	4
Kaliraja	4	4

c. Remuneration Committee:

- Remuneration Policy :

The compensation of the executive directors comprises of a fixed component under a performance incentive by way of commission. The compensation is determined based on levels of responsibility and scales prevailing in the Industry. The commission is determined based on certain pre agreed performance parameters. The executive directors are not paid sitting fees for any board/committee meetings attended by them.

- Role of the Committee:

The main role of the Remuneration Committee is to recommend to the Board the appointment / reappointment of the Executive / Non executive directors. The committee is also vested with the authority to determine the periodic increments in salary and incentives of the executive directors.

- Composition and Meetings of the Committee:

The committee elects one of its members as chairman for each meeting. The committee met twice during the year ended 31st March 2011.

The Composition of the committee and the attendance of each member at these meetings are given below.

Director	Held	Attended
P. Magesh	2	2
P. Prajeesh	2	2
S. Kaliraja	2	2

d. Investor Relations Committee:

It is a Sub – Committee of the Board of Directors of the Company with Mr. Magesh being the Chairman of the Committee.

- Brief Description of terms of reference:

The terms of reference of this Committee compasses the formulation of shareholders/investor's servicing policies, looking into investors' complaints viz., transfer of shares, non receipt of balance sheet, etc., and deciding on any other matter as may be required in connection with the share holders / investors servicing and redress their grievances.

The Board has delegated the power of share transfer to the Registrar and Share Transfer agents, who process the transfers. The committee also looks after the performance of the Registrar and Transfer Agents of the Company.

- Composition of Committee:

The members of the Company's Shareholders' Committee are:

P. Magesh – Chairman
P. Prajeesh
S. Kaliraja

- Number of Shareholders complaints received, number not solved to the satisfaction of the Share holder and number of pending transfers:

(1) As on date of this balance sheet no investor complaint is pending.

(2) Representatives of your company are continuously in touch with Cameo Corporate Services Limited, Share Transfer Agents of the Company and review periodically the outstanding complaints.