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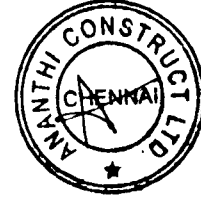
**ANANTHI CONSTRUCTIONS LIMITED**

**ANNUAL REPORT**  
**2011 - 2012**

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**CERTIFIED TRUE COPY**

**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.

**Content**

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Notes forming Part of Profit and Loss Statement  
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**Ananthi  
Constructions  
Limited**

**NOTICE**

Notice is hereby given that the Annual General Meeting of the Company will be held on Friday the 21<sup>st</sup> September 2012 at 10.00 AM at the registered office of the Company at No.41/9, Medavakkam Main Road, Ganesh Nagar, Madipakkam, Chennai-600091 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2012, 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. Prajeesh who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Rs. Ghanesh 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.

**SPECIAL BUSINESS:**

5. To pass the following resolution with or without modification(s) as an Ordinary Resolution:

“RESOLVED THAT Mr. Dhanroop Bethala be and is hereby appointed as a Non-executive Director of the Company”.

Place: Chennai  
Date: 23.08.2012

By Order of the Board

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 14<sup>th</sup> September 2012 to 21<sup>st</sup> September 2012 (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.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO.5:

Mr. Dhanroop Betala was appointed as an Additional Director of the Company, to come into effect on 03.09.2012, at the Board Meeting held on 21.08.2012. As per the provisions of the Companies Act, 1956, an Additional Director can hold office only till the date of the AGM. Hence, it is hereby proposed to appoint Mr. Dhanroop Betala as a Director of the Company at the forthcoming AGM.

Except Mr. Dhanroop Betala, none of the other Directors are interested in this resolution.

## 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. Prajeesh	36	B.A.	NIL	NIL
Rs. Ghanesh	27	M. B. A.	1	NIL

Mr. T. N. T. Raajasekar, Managing Director is interested in the resolution for the appointment of Mr. Rs. Ghanesh



## **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 31<sup>st</sup> March 2012.

### **FINANCIAL RESULTS**

	<b>Rs. Year ended 31.03.2012</b>	<b>Rs. Year ended 31.03.2011</b>
Profit/Loss before depreciation, Tax	(26365)	(603010)
Add/Less: Depreciation	63834	64892
Profit/Loss after depreciation	(90199)	(667902)
Provision for taxation	0	0
Profit/Loss after Tax	(90199)	(667902)
Previous year's loss transferred	(31362045)	(30694143)
Loss transferred to Balance Sheet	(31500594)	(31362045)

### **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. Prajeesh and Mr. Rs. Ghanesh, 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 2012-13.

### **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 31<sup>st</sup> March 2012 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 2011-12.

**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 2011-12 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: 07.05.2012

By order of the Board

T.N.T.Raajasekar  
Managing Director

**NOTE:**

Subsequent to the Board Meeting held on 05.05.2012, Mr. Dhanroop Bethala was appointed as an Additional Director of the Company, to come into effect on 03.09.2012, at the Board Meeting held on 21.08.2012. As per the provisions of the Companies Act, 1956, an Additional Director can hold office only till the date of the AGM. Hence, it is hereby proposed to appoint Mr. Dhanroop Bethala as a Director of the Company at the forthcoming AGM. Except Mr. Dhanroop Bethala, none of the other Directors are interested in this resolution.

## **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 2012-13 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:**

Every man's dream is to have a house of his own. This was the fuelling power behind the housing sector. With recession in various parts of the world, one of the sectors to have suffered a severe blow is the housing sector. However, the sector has started to revive.

### **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:**

- 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 and 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, 2012 is as follows:

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

During the period ended 31.3.2012, 5 Board Meetings were held on the following dates: 05.04.2011, 12.07.2011, 21.09.2011, 03.11.2011 and 21.02.2012.

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.	