

# 19th

# Annual Report

## 2011-2012



# RANDER

CORPORATION LIMITED

BUILDING TRUST  
BUILDING TRUST





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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Chairman and Managing Director  
Mr. Amarchand Rander

### **DIRECTORS**

Mr. Ashok Kumar Agrawal  
Mr. S. K. Baldwa  
Mr. Dinesh Kumar Rander (from 29-5-2012)  
Mr. Amit Rander (from 29-5-2012)  
Mr. Pramodkumar Tiwari (from 29-5-2012 Till 23-7-2012)  
Mr. Anil Kumar Dhoot (upto 28-5-2012)

### **AUDITORS**

Ishwarlal & Co.  
Chartered Accountants

### **COMPANY SECRETARY**

Sangeeta Joshi & Associates

### **LEGAL ADVISOR**

R. D. Kewat

### **BANKERS**

Dena Bank  
Vasai Janata Sahakari Bank Limited  
Bank of Baroda

### **REGISTERED OFFICE**

14/15, Madhav-Kripa, Boisar Palghar Road,  
Boisar, Thane, Maharashtra 401 501, India

### **CORPORATE OFFICE**

35/B Unit, Ganjawala Co-op. Hsg. Soc. Ltd.,  
S. V. P. Road, Borivali (West),  
Mumbai, Maharashtra 400 092, India

### **REGISTRAR AND SHARE TRANSFER AGENT**

Sharex Dynamic India Ltd.  
Unit -1, Luthra Ind, Premises, Andheri Kurla Road,  
Safed Pool, Andheri (E), Mumbai 400 072.

### **LISTING OF SHARES**

Bombay Stock Exchange Limited, Mumbai.  
(BSE Code : 531228)

### **WEBSITE**

[www.randergroup.com](http://www.randergroup.com)



## **VISION, MISSION, VALUES**

### **VISION**

- n To Build a global enterprise which adds value to the country and our shareholders
- n To Maintain a legacy which could be synonymous with trust
- n To Provide the best in class services value propositions to our customers

### **MISSION**

- n To continuously improve construction services exceeding our customers' expectations.
- n Extend real estate footprints in Mumbai and other suburban regions
- n Expand the Securities Trading and Financing Business under the NBFC license
- n Diversify into manufacturing sector by establishing roller flour mills

### **VALUES**

Our values include Customer focus, Integrity, Teamwork, Passion for Excellence and Customer Satisfaction

## **MESSAGE FROM CHAIRMAN TO SHAREHOLDERS**

Dear Shareholders,

It is a matter of great honour and pride to present our company's performance for the year 2011-12 amidst a not so cheerful real estate environment. We have managed to better our results than the last year which was the best in its 18 year long history. Even in a hostile real estate environment, we have managed to fast track our construction activities while simultaneously executing new project. As a result of or passion for excellence and continuous improvement we have also managed to successfully diversify ourselves into financing and the manufacturing sector

### **THE REALITY SECTOR IN INDIA**

Though the real estate sector contributed only 5% of India's overall GDP in 2011-12 as compared to a contribution of 10.6% in FY 2010-11, India still leads the pack of top real estate investment markets in Asia. The contribution is expected to increase to 6% in the current year as per the economic survey. Increased hiring momentum in many IT companies would see increased demand for housing space. My personal opinion is that even though the demand for offices might see a downside, the demand for residential housing especially in Mumbai and its surrounding regions would continue to go north.

### **SIGNIFICANT ACHIEVEMENTS AT GLANCE**

- n The Company registered a whopping YoY 37.88% growth in the net income from the construction sector vis-a-vis the previous fiscal year
- n The company's project in South Mumbai in the office hub Dadar has seen steady progress. The company has finalized its negotiations with the tenants and constructions is expected to start in mid 2013. The company expects ownership of approx. 20,000 sq ft which it could sell upon successful completion. The project would significantly contribute to its bottom lines of the company in the coming years.
- n The company has seen substantial progress in its journey to foray into the manufacturing sector. It has witnessed success in taking all the necessary clearances for establishing a wheat roller flour mill in the outskirts of Mumbai. On commission, the flour mill would have wheat milling operating capacity of 150 Tons Per Day (TPD). We strongly believe that this segment could be of great value addition in the future years.
- n As a part of our long term vision to add value to the exiting shareholders funds, the company has also decided to actively pursue for investment opportunity in equity and other secondary market. The Company has there fore diversified in to new segment ie Securities trading and financing business. Total income from the same is Rs.103.15 lacs in current year as compared to Rs. 107.63 lacs in previous year
- n **GREEN INITIATIVE** : In a bid to minimize the electric consumption by its tenants, the company has installed solar panels in all the new buildings in the current complex. This would reduce the consumption of electricity via geysers.

### **PRESENT OPERATIONS AND FUTURE PLANS**

The company continues to enjoy dominant positions in the housing sector in the Boisar-Tarapur Belt. The company is looking to increase the housing output by more than 50% next year and the sales should also follow suit as demand continues to increase in this belt.

The company expects to commission its flour mill project by the 2nd quarter of 2013. It strongly believes that it has the required sources of finance and a strong capital structure to ensure sustainability of working capital required to run this project.



## PERFORMANCE HIGHLIGHTS

(Rupees in lacs)

## Particulars

## Key Performance Indicators

Total Income  
Total net assets value  
Profit/(loss) before tax ('PBT')  
Earning per share  
Total Income as % of total net assets value  
Cash and cash equivalents  
Share price<sup>1</sup>

Year ended  
31 March, 2012

Rupees

185.59  
1756.15  
158.72  
1.02  
10.56%  
2.14  
59.55

Year ended  
31 March, 2011

Rupees

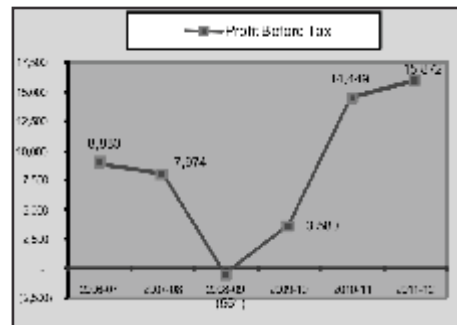
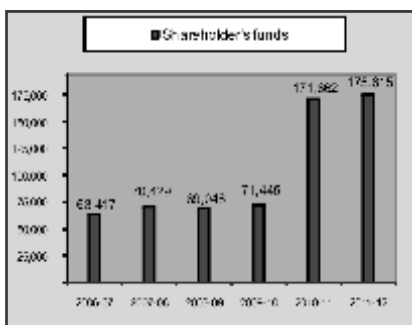
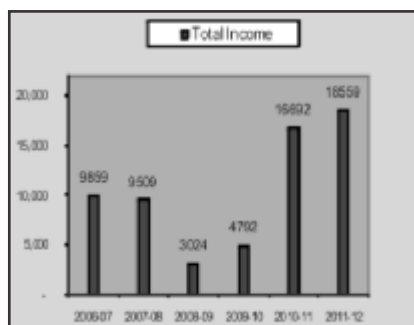
166.92  
1716.62  
144.49  
2.06  
9.72%  
33.68  
72.30

<sup>1</sup> as at Balance sheet date - source Bombay Stock Exchange Limited, Mumbai ('BSE')

## COMPARATIVE FINANCIAL INFORMATION FOR LAST 5 YEARS

(Rupees in 000's)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Total Income	9,859	9,509	3,024	4,792	16,692	18,559
Profit Before Tax	8,880	7,974	(551)	3,580	14,449	15,872
Shareholder's funds	63,417	70,429	69,046	71,445	171,662	1,75,615
PBT on Shareholders funds	14%	11.3%	-0.8%	5.0%	8.4%	9.3%



Your company has a great presence in real estate segment in Boisar. The Company has witnessed significant growth in both operating revenues and margins during this year in spite of sluggish economic conditions. Your Company is positioned well for the future on account of its financial strength and proven business strategy that has helped your company to succeed in strong and weak economic environment and most importantly a dedicated and well trained team of people working together to achieve company's business goals.

## GEOGRAPHIC PRESENCE:

3 cities in Maharashtra state

Cities: Boisar (Tarapur), Mumbai, Thane.

## PROJECTS

Krishna Nagar (ongoing project)

Balaramnivas Dadar (upcoming project)

Wheat Roller Flour Mill (Under Manufacturing Trading business segment)

## OUTLOOK

Rander Corporation is on an accelerated growth path. With a solid foundation and sound business strategy, the Company has embarked on the second phase of growth. We will continue to focus on timely completion of our projects which will further strengthen our cash flows. We will also add to our bank of land parcels and be on the lookout for more land at the right price.

In conclusion, I'd like to thank you and the Board of Directors of your Company for believing in the management team and supporting us to surmount the challenges of turbulent environment and remain competitive. We are confident of delivering higher value to our customers and shareholders and look forward to your continued support.

**NOTICE**

NOTICE is hereby given that the 19<sup>th</sup> Annual General meeting of the members of **RANDER CORPORATION LIMITED** will be held on Saturday, 29th September, 2012 at 11.30 A.M. at the registered office of the company at 14/15, Madhav-Kripa, Boisar Palghar Road, Boisar, District Thane, Maharashtra 401 501, India to transact the following business:

**ORDINARY BUSINESS :**

1. To received consider and adopt the audited balance sheet as at 31st March, 2012 and statement of Profit and Loss for the year ended on 31st March 2012 together with Directors' and Auditors' Report thereon.
2. To declare dividend on equity share capital of the Company.
3. To appoint a director in place of Mr. Ashok Kumar Agrawal who retires by rotation & being eligible offers himself for reappointment.
4. To appoint auditors, to hold the office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as and Ordinary Resolution :  
**"RESOLVED THAT** Mr. Dineshkumar Rander appointed under Section 260 of the Companies Act, 1956 as additional director of the Company and is eligible to hold office upto this Annual General Meeting be and is hereby appointed as director of the company under section 257 of the Companies Act, 1956 subject to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:  
**"RESOLVED THAT** Mr. Amit Rander appointed under Section 260 of the Companies Act, 1956 as additional director of the Company and is eligible to hold office upto this Annual General Meeting be and is hereby appointed as director of the company under section 257 of the Companies Act, 1956 subject to retire by rotation."

**Notes**

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
- An Instrument appointing proxy should be deposited at the Registered office of the Company not less than forty eight hours before the time fixed for the meeting.
- The Register of members and share Transfer books of the Company will remain closed from 25<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (Both Days Inclusive).
- The relative explanatory statements pursuant to section 173 of the companies Act, 1956 in respect of the business under item nos 5 & 6 as set out above is annexed hereto
- Members are requested to notify immediately any change of address.
- All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days except Saturday, between 3.00 P.M. and 5.00 P.M. upto the date of annual general meeting.

**Explanatory statement :**

- Mr. Dineshkumar Rander has wide experience of construction business. He has technical and administrative knowledge of all fields of construction business. His experience and knowledge will benefit the Company. He was appointed as Additional Director of the Company w.e.f. 29th May, 2012 and is eligible to hold office up to this Annual General Meeting. As per provisions of section 257 of the Companies Act, a notice has been received from a shareholder to appoint him as Director of the Company.

The Board commends the resolution at item No. 5 for approval of members. No Directors other than Mr. Amarchand Rander, Mr. Amit Rander and Mr. Dineshkumar Rander and are in any manner concerned or interested in the said resolution.

- Mr. Amit Rander has completed his graduations from Mumbai in the year 2008 from Sardar Patel College of Engineering in Information Technology sector. Subsequently he worked for an American giant J. P. Morgan as a analyst in the Investment Banking domain (sub domain : Real Estate). He then joined IIT Delhi to Complete his MBA in finance and is involved in setting up the Roller Flour mill now Division. His experience and knowledge will benefit the Company. He was appointed as Additional Director of the Company w.e.f. 29th May, 2012 and is eligible to hold office up to this Annual General Meeting. As per provisions of section 257 of the Companies Act, a notice has been received from a shareholder to appoint him as Director of the Company.

The Board commends the resolution at item No. 6 for approval of members. No Directors other than Mr. Amarchand Rander, Mr. Dineshkumar Rander and Mr. Amit Rander are in any manner concerned or interested in the said resolution.

Place: Mumbai  
Date: 13 August, 2012

For and behalf of the Board

**Amarchand Rander**  
(Chairman and Managing Director)

**DIRECTORS' REPORT**

Dear Members,

The Directors have pleasure in presenting their 19th Annual Report and the Audited Accounts for the year ended 31st March, 2012 together with the Auditor's Report thereon.

**PRINCIPAL ACTIVITY**

The principal activity of Rander Corporation Limited ('the Company') is 'Construction and real estate development', 'Securities trading and financing business' and 'Manufacturing and trading business'.

**BUSINESS REVIEW, RESULTS AND PERFORMANCE****BUSINESS REVIEW**

Your company has a great presence in real estate segment in Boisar. The Company has witnessed significant growth in both operating revenues and margins during this year in spite of sluggish economic conditions. Your Company is positioned well for the future on account of its financial strength and proven business strategy that has helped your company to succeed in strong and weak economic environment and most importantly a dedicated and well trained team of people working together to achieve company's business goals.

**FINANCIAL SNAPSHOT**

Total income has registered a significant growth of 11.18% and has increased significantly from Rs. 166.92 Lacs in year 2010-11 (Previous year) to Rs. 185.59 Lacs in year 2011-12 (Current year).

Total Income comprises of income from operations and other income. Income from operations includes income from real estate and construction business of Rs. 81.75 lacs in current financial year as compared to Rs 59.29 lacs in previous financial year. The construction operations have registered a satisfactory growth and expected to grow faster due to acquisition of new projects and fast tracking of current projects on hand.

Other Income includes Interest income of Rs. 50.59 Lacs and Investment income from sale of investments in equity shares of Rs. 52.04 Lacs. As a part of its long term strategy to invest part of its surplus funds in capital markets and other available opportunities, the Company could enhance shareholders' funds. Proceeds from issue of equity shares on preferential basis was used to provide loans and advances to various individuals and generated total interest income of INR 50.59lacs.

The Company during the current financial year earned profit before tax of Rs 158.72lacs as against the profit before tax of Rs 144.49 lacs in the previous financial year. The profit after tax for the year is Rs 125.56 lacs (previous year Rs 117.78 lacs). The Shareholders' funds at the Balance Sheet date were Rs 1756.15 lacs (previous year Rs 1716.62 lacs).

**Financial results for the year ended****Particulars**

	Year ended 31 March, 2012	(Rupees in lacs) Year ended 31 March, 2011
	Rupees	Rupees
Total income	185.59	166.92
Expenditure	24.79	19.92
Profit/(loss) before depreciation and tax	160.79	147.00
Depreciation	2.07	2.51
Profit/(loss) before taxation	158.72	144.49
Profit/(loss) after tax	125.56	117.78
Shareholders' funds	1756.15	1716.62
Return on Capital	9.25%	8.42%
Earnings per share	1.02	2.06

**DIVIDEND**

The Board of Directors have recommended dividend of Re. 0.60/- per equity share of Rs. 10/- each for the year ended 31st March, 2012, (Re. 0.50% dividend was proposed for previous financial year 2010-11)

The dividend will be free of tax in the hands of the shareholders. Total cash outflow on account of the dividend payment together with dividend distribution tax will be Rs. 86.03 lacs (PY Rs. 71.11 lacs)

**FUTURE DEVELOPMENTS**

The Company's main focus is on to complete existing projects on hand and make opportunistic investments in new real estate projects. The Company also plans to venture into new commercial projects and to diversify its real estate business operations into 'Trading segment' under recently obtained import export license and setting up of wheat flour mill. The proceeds from preferential issue will also be used for diversifying the current funds into 'Securities trading and financing business' under Non-Banking Financial Company ('NBFC') license.



**FIXED DEPOSITS**

The Company does not accept or hold any fixed deposits and, as such, no amount of principal or interest on fixed deposits was outstanding on the date of the Balance Sheet.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required to be disclosed pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the Annexure 'A' to this report.

Total foreign currency expenditure for import of trading goods is Rs. 604,517.

**CORPORATE GOVERNANCE**

The Board of directors reaffirm their continued commitment to good corporate governance practices. The Company adheres to all major stipulations laid down in this regard, as provided in Clause 49 of the listing agreement with the Bombay stock exchange limited ('BSE') which relates to corporate governance. A detailed report on corporate governance, together with, a certificate from statutory auditors is given as Annexure 'B' to this report.

**CORPORATE SOCIAL RESPONSIBILITY**

Education, welfare of tribal section of the society and marriages of poor girls have been the primary focus of the company's corporate social responsibility. The company understands its responsibility towards society and has made voluntary charitable contributions to various charitable and religious institutions. The donation for current financial year Rs. 1,30,001 (previous year Rs.13602).

The company will continue to take such measures to make positive and significant contribution for welfare of the society.

**PARTICULARS OF EMPLOYEES**

The particulars of employees as required under section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, is not required to be furnished as no employees of the Company falls within the purview of above mentioned provisions and hence has not been annexed herewith.

**EMPLOYEE RELATIONS**

The Company continued to have cordial relations with its employees.

**BOARD OF DIRECTORS**

Mr.Ashok Kumar Agrawal, the Director of the Company retires by rotation and being eligible to offer himself for reappointment.

**AUDITORS**

M/s Ishwarlal & Co., Chartered Accountants retires as Statutory Auditors of the Company at the conclusion of the ensuing Annual General Meeting ('AGM'). The Statutory auditors have confirmed their eligibility and willingness to accept the office on reappointment in accordance with provision of section 224A of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

- I) in the preparation of the Annual Accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed with proper explanation relating to material departures, if any.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- iv) the Directors have prepared the Annual Accounts for the financial year ended March 31, 2012 on a going concern basis.

**APPRECIATIONS/ ACKNOWLEDGEMENTS**

The directors are thankful for the co-operation, support and assistance received from suppliers, lenders, banks, Central, State and Local Government Body and would like to convey their grateful appreciation to all of them.

**EVENTS AFTER BALANCE SHEET DATE**

There is no significant event occurred after the balance sheet date.

Place: Mumbai  
Date: 29th May 2012

For and or behalf of the Board

Amarchand Rander  
(Chairman and Managing Director)

**ANNEXURE 'A' TO THE DIRECTORS REPORT**

The particulars as required to be disclosed pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**CONSERVATION OF ENERGY, TECHNOLOGY EXCHANGE EARNINGS AND OUTGO**

The Company's operations are not energy intensive. As good corporate governance, the Company is also taking possible initiatives to support environment. It has taken initiatives to implement rain water harvesting in new upcoming residential projects and is also planning to optimise use of water through recycling and effective waste management techniques. The Company explores and evaluates new investment avenues in real estate and infrastructure developments. However, the Company has neither incurred any expenditure on research and development as a part of the technology absorption nor it is practicable to identify R & D expenditure out of total expenditure incurred during the year. The Company is focused on innovation but no imported technology is put to use by the Company. In respect of foreign exchange earnings and outgo, the Company's primary and functional currency is Indian Rupees.

Please refer note 23 on foreign currency expenditure for earnings or expenditure incurred during the year (Previous year Nil).

**ANNEXURE 'B' TO THE DIRECTORS REPORT****CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

**1. Company's Philosophy on Corporate Governance**

The Company's philosophy on corporate governance lays strong emphasis on transparency, accountability and integrity. The Company is committed to the adaption of best governance practices and its adherence in the true spirit at all times in order to protect the interest of its stakeholders, including shareholders, government and lenders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming the India's valuable real estate company, while upholding the core values of excellence, integrity, responsibility, quality and customer services and satisfaction.

The compliance report of the Company vis-a-vis the Stock exchange listing agreement is presented below.

**2. Board of Directors****a) Composition of Board**

The Company's board has an optimum combination of executive and non executive directors to ensure independent functioning. The Board consisted of four directors as on March 31, 2012, comprising of chairman, one executive director and two non-executive directors with considerable experience in their respective fields. The composition of the board is in conformity with clause 49 of the listing agreement entered with the stock exchange. None of the directors on the Board is a member of more than 10 committees or a chairman of more than 5 committees across all companies in which he is a director.

Necessary disclosures regarding committee positions in other public companies have been made by the directors.

The name and the categories of the directors on the Board, their attendance at the board meeting held during the year and the number of directorship and committee chairmanship/membership held by them in other companies are given herein below.

Name of Director	Executive / Non Executive / Independent	No. of board meetings attended	Attendance at last AGM	No. of directorship in other Public Companies	Committee Membership / Chairmanship as at balance sheet date	
Mr. Amarchand Rander	Chairman	5	Yes	Nil	Member	Chairman
Mr. Anilkumar Dhoot*	Director Executive	3	Yes	Nil	Member	-
Mr. S. K. Bladwa	Director Non Executive/Independent	5	Yes	Nil	Member	-
Mr. Ashok Kumar Agrawal	Director Non Executive/Independent	4	No	Nil	-	-

The Board meeting were conducted five times during the year on 30<sup>th</sup> June 2011, 12<sup>th</sup> Aug 2011, 2011, 9<sup>th</sup> Nov. 2011, 7<sup>th</sup> Feb. 2012 & 22<sup>nd</sup> Feb. 2012.

\*Resigned w.e.f. 28th May, 2012