



# **GWL PROPERTIES LIMITED**



**Annual Report 2009 - 2010**

## **GWL PROPERTIES LIMITED**

### **Board of Directors**

Ashok Kumar Kapur	Director
Sanjeev Jain	Director
Ravindra K Raje	Wholetime Director

### **Company Secretary**

Ninad Junnarkar (w.e.f. 29<sup>th</sup> September, 2009)

### **Registered Office**

36, Rajaji Salai, Chennai 600 001

### **Auditors**

M/s. Lodha & Co,  
Chartered Accountants  
Chennai

### **Bankers**

HDFC Bank Limited

### **Registrar & Share Transfer Agents**

M/s. GNSA Infotech (P) Ltd.  
G R Mansion; No.11, Srinivasa Road,  
Pondy Bazar, T. Nagar,  
Chennai 600 017  
Email : sta@gnsaindia.com

**Notice of Eighty Fifth Annual General Meeting**

Notice is hereby given that the Eighty Fifth Annual General Meeting of the Company will be held on Thursday, the 23<sup>rd</sup> September, 2010 at 10.00 a.m. at "Sri Reddiapatti Swamigal Thirumana Mandapam", 251, Kali Amman Koil Street, Natesan Nagar, Virugambakkam, Chennai - 600 092 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and also the Report of the Auditors thereon.
2. To re-appoint Mr. Sanjeev Jain as a Director who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

**SPECIAL BUSINESS:**

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

"**RESOLVED THAT**, pursuant to the provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force, the Company hereby approves of the re-appointment of Mr. Ravindra K. Raje as a Whole-Time Director of the Company for a period of three years with effect from September 26, 2010, without remuneration on terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Ravindra K. Raje."

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special resolution**:

"**RESOLVED THAT**, subject to the provisions of the Companies Act, 1956, the Register of Members commencing from the date of the Registration of the Company, the Index of Members be kept at the office of the Registrar and Share Transfer Agents, viz. M/s. GNSA Infotech (P) Limited, G. R. Mansion No.11, Srinivasa Road, Pondy Bazar, T. Nagar, Chennai - 600 017 instead of the registered office address of the Company.

**RESOLVED FURTHER THAT**, any Director of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary to complete the formalities of the same and meet the requirements of the provisions of the Companies Act, 1956, in this regard."

**By the Order of the Board of Directors,**

Place : Chennai  
Date : 23<sup>rd</sup> August, 2010

**Sanjeev Jain**  
Director

**Registered Office:**  
36, Rajaji Salai, Chennai - 600 001.



## **GWL PROPERTIES LIMITED**

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### **NOTES:**

1. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, relating to Item 4 and Item 5 of Special Business to be conducted at the Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED MUST BE SENT SO AS TO REACH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Members who hold shares in physical form are requested to notify any change in their address, ECS mandate and bank details to the Company's Registrar and Share Transfer Agents, M/s. GNSA Infotech (P) Limited, G. R. Mansion No.11, Srinivasa Road, Pondy Bazar, T. Nagar, Chennai - 600 017. Members who hold shares in dematerialised form are requested to notify any change with respect to their address, ECS mandate and bank details to their concerned Depository Participant and not to the Company or the Company's Registrar and Share Transfer Agents.
4. Members/Proxies may kindly bring the Attendance Slip duly filled in for the Meeting.
5. Members desirous of obtaining any information pertaining to accounts may forward such queries to the Registered Office of the Company at least 7 days prior to the date of meeting in order to keep the information ready to the extent possible.
6. The Register of Members/Beneficial Owners and the Share Transfer Registers relating to the shares of the Company will remain closed from 16<sup>th</sup> September, 2010 to 23<sup>rd</sup> September, 2010 (both days inclusive) for the purpose of the Annual General Meeting.
7. Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agents, M/s. GNSA Infotech (P) Limited.
8. Members/Beneficial Owners or their Authorised Representatives/Proxies are requested to bring their copies of Annual Report at the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4**

The Board of Directors of the Company at its meeting held on 9<sup>th</sup> August, 2010, has subject to the approval of the members, re-appointed Mr. Ravindra K. Raje as a Wholetime Director for a further period of three years from the expiry of his present term which will expire on 25<sup>th</sup> September, 2010 without remuneration, as approved by the Board. Mr. Ravindra K. Raje, aged 55 years, is a Chartered Accountant, Law Graduate and Licentiate Member of ICSI and has 34 years' experience at various levels in private sector companies. He is also on the Board of various Jumbo Group Companies.

The main terms and conditions of the re-appointment of Mr. Ravindra K. Raje are as follows:

- A. **Tenure of Agreement** : The re-appointment of Mr. Ravindra K. Raje is for a period of three years effective from September 26, 2010.
- B. **Nature of Duties** : The Appointee shall devote his time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and /or its subsidiary.
- C. **Remuneration** : No remuneration will be paid to Mr. Ravindra K. Raje.
- D. **Other Terms of Appointment** :
  - (i) The terms and conditions of the appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, subject to such approvals as may be required.
  - (ii) The terms and conditions of the appointment of Mr. Ravindra K. Raje also include clauses pertaining to adherence with the Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.

The Board is of the opinion that continuation of Mr. Ravindra K. Raje as Wholetime Director will be beneficial to the company and recommends his appointment by the shareholders.

In compliance with the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956, the terms of the appointment of Mr. Ravindra K. Raje, are now placed before the Members in the Annual General Meeting for their approval.

Except Mr. Ravindra K. Raje, none of the other Directors is concerned or interested in this resolution.

**Item No. 5**

As per Section 163 of the Companies Act, 1956, the Register of Members commencing from the date of the registration of the Company, the Index of Members, the copies of all annual returns prepared under Sections 159 and 160, together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 have to be kept at the registered office of the Company. However, all or any of the same can be kept at any other place within the city in which the registered office of the Company is situated provided that such other place has been approved by a special resolution passed by the Company in the General Meeting and the Registrar has been given in advance a copy of the proposed special resolution.

Your Directors at the meeting held on 9<sup>th</sup> August, 2010 decided to keep the Register of Members commencing from the date of the registration of the Company and the Index of Members at the office of the Registrar and Share Transfer Agent of the Company viz. M/s. GNSA Infotech (P) Limited, G. R. Mansion No.11, Srinivasa Road, Pondy Bazar, T. Nagar, Chennai - 600 017, subject to the approval of the shareholders at this Annual General Meeting by a special resolution and after completion of necessary formalities in this regard.

The Directors recommend that the Resolution as set out at Item No. 5 be adopted.

None of the Directors of the Company, directly or indirectly, is concerned or interested in this Resolution.

**By the Order of the Board of Directors,**

Place : Chennai  
Date : 23<sup>rd</sup> August, 2010

**Sanjeev Jain**  
Director.

**Registered Office:**  
36, Rajaji Salai, Chennai - 600 001.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 85<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2010.

<b>FINANCIAL RESULTS</b>		
<b>PARTICULARS</b>	<b>(Rs. in '000s)</b>	
	<b>YEAR ENDED 31.03.2010</b>	<b>YEAR ENDED 31.03.2009</b>
Profit before Interest and Depreciation	7,558	11,169
Interest	1	3
Depreciation	63	3
Profit before Tax	7,494	11,163
Current Year Tax and Deferred Tax	2,400	4,344
Profit after Tax	5,094	6,819
Balance brought forward from previous year	55,409	48,590
Transfer to Capital Redemption Reserve	278	—
Balance carried to Balance Sheet	60,225	55,409

The Company proposes to transfer Rs. 2.78 lacs to Capital Redemption Reserve out of the amount available for appropriation.

### REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year under review, the Company earned a profit of Rs.50.94 lacs compared to Rs. 68.19 lacs in the previous year.

### DIVIDEND

The Directors do not recommend any dividend for the year under review.

### FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from the public during the year. The Company does not have any fixed deposits as at the date of the Balance Sheet.

### 9% REDEEMABLE CUMULATIVE PREFERENCE SHARES

The Company's 4,99,441 9% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid up, issued on 14.09.1999 were due for redemption at the end of the 10th year from the date of allotment i.e. before the end of the 10<sup>th</sup> year, viz., on 13.09.2009. In view of the interim injunction against the Company granted by The High Court of Madras, the Company was unable to redeem the said Preference Shares on due date. The Company had filed an Application with The High Court of Madras, seeking appropriate orders of the Court with regard to redemption of the said Preference Shares. The Hon'ble Court has extended the time for redeeming the said Preference Shares.

### AUDITORS' REPORT

In respect of the observations/remarks in the Auditors' Report, the relevant notes to the accounts are self-explanatory.

### SUBSIDIARY COMPANY

The Audited Accounts of SMN Engineers Limited for the financial year ended 31<sup>st</sup> March, 2010 together with the Director's Report and the Auditor's Report are attached to this report, in accordance with Section 212 of the Companies Act, 1956.

### DIRECTORS

Mrs. Vidya M. Chhabria and Mrs. Komal C. Wazir resigned as Directors on 27<sup>th</sup> January, 2010. The Directors place on record their appreciation of the services rendered by them during their tenure as Directors of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sanjeev Jain, Director of the Company, retires by rotation, and being eligible, offers himself for reappointment.

Mr. Ravindra K. Raje's term of three years as a Wholetime Director is expiring on 25<sup>th</sup> September, 2010. In view of Mr. Raje's vast experience and wide knowledge in Finance and Management, the Board has recommended his continuity with the Company and accordingly recommended his reappointment as a Whole-time director w.e.f. 26<sup>th</sup> September, 2010, without any remuneration subject to the approval of the shareholders. Resolution seeking approval of the Members for re-appointment of Mr. Raje as a Whole-time director have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief details about him.

All the appointments of the Directors of the Company are in compliance with the provisions of Section 274(1)(g) of the Companies Act, 1956.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (b) the Directors had 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 the Company at the end of the financial year ended 31<sup>st</sup> March, 2010 and of the profit of the Company for that year;
- (c) the Directors had, as far as possible, 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 the Company and for preventing and detecting fraud and other irregularities, to the best of their knowledge and ability;
- (d) the Directors had prepared the Annual Accounts on a going concern basis.

#### **AUDITORS**

M/s. Lodha & Company, Chartered Accountants, who hold office upto the conclusion of ensuing Annual General Meeting, have signified their willingness to be reappointed as Statutory Auditors and have confirmed that their reappointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment/reappointment within the meaning of Section 226 of the said Act.

#### **CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, ETC.**

The provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption do not apply to the Company. The Company does not have any manufacturing operations.

#### **PARTICULARS OF EMPLOYEES**

None of the employees of the Company is in receipt of remuneration exceeding the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Therefore, the information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable to the Company.

#### **ACKNOWLEDGEMENT**

Your Directors would like to express their gratitude to various government authorities, banks, shareholders and employees for their continued support.

**For and on behalf of the Board of Directors,**

**Sanjeev Jain**  
Director

**Ravindra K. Raje**  
Wholetime Director

Place : Mumbai  
Date : 9<sup>th</sup> August, 2010



## AUDITORS' REPORT

TO  
THE MEMBERS  
GWL PROPERTIES LIMITED  
Chennai

1. We have audited the attached Balance Sheet of **GWL PROPERTIES LIMITED** as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. **Attention is invited to note number B (ii) of Notes on Accounts regarding non-obtaining of the deed of conveyance in respect of land included under stock in trade and note number B(iv) of Notes on Accounts on injunction order regarding restraining the Company from alienating its assets and consequently non redemption of certain preference shares which have fallen due during the year.**
4. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
5. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
6. In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards issued by the Institute of Chartered Accountants of India referred to in sub section (3C) of Section 211 of the Act, to the extent applicable.
7. On the basis of written representations received from directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with "Significant Accounting Policies contingent liabilities and Notes to Accounts" appearing in Schedule 12 and subject to Para 3 mentioned above, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and;
  - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
9. As required by the Companies [Auditors' Report] Order 2003 and other amendments to the order, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and information and explanations given to us, we further report that:
  - (i)
    - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
    - (b) We were informed that the physical verification of assets was carried out during the year, and no material discrepancies between book records and physical inventory have been noticed on such verification and in our opinion the frequency of verification is reasonable.
    - (c) During the year the Company has not disposed of any property.
  - (ii) As informed to us, the inventories lying with the company were physically verified by the management at reasonable intervals.
  - (iii) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
  - (iv) The company is maintaining proper records of inventory. In our opinion, no material discrepancies have been noticed during the verification.
  - (v) The Company has not granted or taken, any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) (b), (c), (d), (e), (f) and (g) of the order, regarding the rate of interest and terms and conditions, regularity of the receipt of principal and interest thereon and over due amount are not applicable.
  - (vi) There are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale / supply of services. We have neither come across nor have we been informed of any major weakness in internal control procedures.
  - (vii) According to the information and explanations given to us, the contracts or arrangements referred to in Section 301 of the Act, have been entered in the register maintained under that Section.

- (viii) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register maintained in pursuance of Section 301 of the Act and exceeding the value of Rupees five lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits under the provisions of the Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (x) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (xi) (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues in respect of Sales Tax, Income Tax, Customs duty, Wealth Tax, Service Tax, Excise duty, Cess which have not been deposited on account of any dispute except Rs. 723.53 lakhs as detailed below pending before the concerned authorities.

Sr. No.	Name of Statute	Nature of Dues	Amount (Rs.in lacs)	Pending before
1.	Wealth Tax Act, 1957	Wealth tax	28.23	ITAT, Chennai
2.	Income Tax Act, 1961	Income tax	2.25	ITAT, Kolkata
3.	Income Tax Act, 1961	Income tax	83.59	ITAT Kolkata
4.	Income Tax Act, 1961	Income tax	609.46	CIT, Chennai

- (xii) The Company has no accumulated losses as at 31-03-2010 and has not incurred cash losses both in the current financial year as well as in the immediately preceding financial year.
- (xiii) In our opinion and according to the information and explanations given to us, the Company has not taken any loan from banks/ financial institutions.
- (xiv) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xv) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of paragraph 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other securities. The investments shown in the accounts are held in the name of the company except to the extent of the exemption granted under Section 49 of the Act.
- (xvii) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xviii) According to the information and explanations given to us, the company has not availed of any term loans from any bank or financial institution during the year.
- (xix) On the basis of the overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investments.
- (xx) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xxi) The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Act for the company.
- (xxii) According to the information and explanations given to us, the Company has not issued any debentures and hence the question of creating any security does not arise.
- (xxiii) According to the information and explanations given to us, the Company has not raised any money through public issues.
- (xxiv) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices and according to the information and explanations given to us, we have neither come across any fraud on or by the Company nor have we been informed of any such case by the management.

**For LODHA & COMPANY**  
Chartered Accountants  
Firm Regn. No. 301051E

**G. SUBRAMANIA SARMA**  
Partner, [M. No 21756]  
Chennai, 9<sup>th</sup> August, 2010