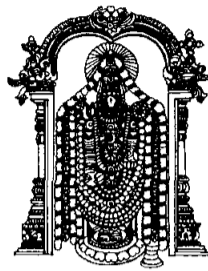


SEVENTH ANNUAL REPORT 2001-2002



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NARENDRA PROPERTIES LIMITED

2A, 3rd Floor, Wellington Estate
24, Commander-in-Chief Road, Chennai - 600 105.

NPL ANJLI



264 M.T.H. Road, Chennai - 600 049.

NPL PARAS TOWERS



2,3,4, Thiru-Vi-Ka Road, Chennai - 600 002.

NARENDRA PROPERTIES LIMITED



BOARD OF DIRECTORS : SRI S. RAMALINGAM
Chairman

SRI NARENDRA C. MAHER
Managing Director

SRI MAHENDRA K. MAHER

SRI JOHN K. JOHN

AUDITORS : SANJAY BHANDARI & CO.
Chartered Accountants
824, Poonamallee High Road
Chennai - 600 010.

BANKERS : UNION BANK OF INDIA
Broadway, Chennai - 600 108.

TAMILNAD MERCANTILE BANK LTD.
Chennai - 600 001.

BANK OF BARODA
Egmore, Chennai - 600 008.

REGISTERED OFFICE : 2A, 3rd Floor, Wellington Estate
24, Commander-in-Chief Road
Chennai - 600 105.

*(Members are requested to bring their copies of the Annual Report to the meeting.)
(No gifts or compliments will be given to the members attending the meeting.)*



NARENDRA PROPERTIES LIMITED

NOTICE

To,
The Shareholders,

NOTICE is hereby given that the Seventh Annual General Meeting of the Company will be held at No.264, MTH Road, Chennai - 600 049 at 9.30 AM on Monday, the 2nd September 2002 to transact the following business.

ORDINARY BUSINESS

01. To receive, consider and adopt the Balance Sheet as on 31st March 2002 and the Profit and Loss Account for the year ended 31st March 2002 along with the Directors' and Auditors' reports thereon.
02. To appoint a Director in the place of the Director Mr. S. Ramalingam who retires by rotation and being eligible, is offering himself for reappointment.
03. To appoint a Director in the place of the Director Mr. John K. John, who retires by rotation and being eligible, is offering himself for reappointment.
04. To appoint an Auditor in the place of the retiring Auditors M/s. Sanjay Bhandari & Co., Chartered Accountants, Chennai, who being eligible, are offering themselves for reappointment, and to fix their remuneration.

By order of the Board
for NARENDRA PROPERTIES LIMITED

Place : Chennai
Dated : 29.06.2002

NARENDRA C. MAHER
Managing Director

NOTES:

01. A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the Company.
02. The instrument appointing a proxy, duly stamped and executed for use at the meeting, must be lodged at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
03. Members seeking any information with regard to Accounts are requested to write to the Company at least 7 days in advance of the meeting so as to enable the management to keep the information ready.
04. Members are requested to notify any change in the address to the Company.
05. Members are requested to bring their copies of the Annual Report with them to the meeting.
06. The register of members and share transfer books shall remain closed from 27th AUGUST 2002 TO 2nd SEPTEMBER 2002 (both days inclusive).

NARENDRA PROPERTIES LIMITED***DIRECTORS' REPORT***

Dear Shareholder,

Your Directors have pleasure in submitting the Seventh Annual Report of your Company together with the Audited Accounts for the period ended 31st March 2002.

FINANCIAL RESULTS

The Audited Results for the year ended 31st March 2002 are given below.

	Year ended 31.3.2002 (Rs.)	Year ended 31.3.2001 (Rs.)
1. Contract receipts	8,10,26,432	1,48,19,200
2.1. Income from operations	4,75,182	8,03,410
2.2. Rental income	5,86,379	Nil
Total	8,20,87,993	1,56,22,610
3. Total expenditure	7,99,99,123	1,22,65,566
4. Interest & finance expenses	16,45,007	22,54,863
5. Depreciation	1,00,380	91,548
6. Preliminary & share issue expenses written off	1,79,591	1,79,591
7. Profit before tax	1,63,892	8,31,042
8. Provision for tax	58,500	3,69,200
9. Net profit (+) / loss (-)	1,05,392	4,61,842

DIVIDEND

Due to inadequacy of profits, your Directors feel constrained to refrain from recommending payment of any dividend for the year under report.

MANAGEMENT DISCUSSION AND ANALYSIS**A. Industry Structure and Developments**

Your Company is in the business of construction of buildings for residential and commercial purposes. The industry was facing recession for the past few years. However, it has now shown signs of bottoming out, especially in the residential sector due to housing loans available at concessional terms. The commercial sector suffers from surplus availability of built space lying unsold and demand for commercial space is not showing any signs of picking up.

B. Performance

Your Company reported a total income of Rs.820.88 lakhs during the year ended 31st March 2002 as against Rs.156.23 lakhs during the previous year. The profit after tax was Rs.1.64 lakhs for the year ended 31.3.2002 as



NARENDRA PROPERTIES LIMITED

against Rs.8.31 lakhs achieved during the previous year. The profit for the year under report has come down due to bad debts written off to the extent of Rs.96.45 lakhs.

C. Segmentwise Performance

Your Company has executed constructions projects mainly in Chennai. The various projects which the Company has executed and which are still in progress are given herein below:

- i. Your Company has completed 'Pushpanjali' project at Villivakkam and will be shortly commencing the construction at 'Anjli' project at Villivakkam.
- ii. The construction has commenced at 'NPL Mangalram' project at Barnaby Road which is expected to be completed on schedule.
- iii. The construction at 'NPL Agasthya' at the Thiruvottiur High Road is also progressing on schedule.
- iv. The commercial property 'Paras Towers' built by your Company has been rented out to M/s. Tata Teleservices Limited. The renting out of the commercial space has enhanced the prospects for eventual sale of this property.

D. Concerns

The Company is able to sell the residential flats due to pick up in demand. The commercial spaces built by the company are yet to attract buyers, resulting in blockage of resources.

E. Outlook

The prospects for residential flats are becoming more and more encouraging due to availability of long term loans and fiscal concessions to the customers. Your Company proposes to focus on this segment for future growth.

F. Internal Control Systems

Your Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition.

G. Human Resources and Industrial Relations

Your Company has well qualified and experienced technical, financial and administrative staff to cater to its business requirements. The relations with the employees of the Company remained cordial throughout the year.

None of the employees is in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS

The Directors Mr. S. Ramalingam and Mr. John K. John will be retiring by rotation at the ensuing Annual General Meeting and they, being eligible, are offering themselves for reappointment.

NARENDRA PROPERTIES LIMITED

The Director Mr. Parasmull Chordia and the Director - Finance Mr. R. Subrahmanian resigned during the year due to their other personal preoccupations. Your Directors would like to place on record the valuable services rendered by them during their tenure as Directors on the Board of this Company.

AUDITORS

M/s. Sanjay Bhandari & Co., Chartered Accountants, Chennai will be retiring at the ensuing Annual General Meeting and, being eligible, are offering themselves for reappointment.

CONSERVATION OF ENERGY, ETC.

As the Company is basically a construction company, the Provisions of Section 217 (1) (e) of the Companies Act, 1956, so far as the information relating to conservation of energy and technology absorption, is not applicable to the Company. The Company has not earned any revenue in foreign exchange and it has also not incurred any expenditure in foreign currency.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- (ii) The Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and the profit and loss account of the Company for that period.
- (iii) The Directors had 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.
- (iv) The Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the various Governmental authorities, the Company's Bankers, Union Bank of India, Tamilnadu Mercantile Bank Limited and Bank of Baroda and the customers, suppliers and contractors who have supported the efforts of the Company at every critical stage.

Your Directors also wish to place on record the dedicated services rendered by the employees of the Company at all levels.

By order of the Board
for and on behalf of the Board of Directors

Place : Chennai
Dated : 29.06.2002

S. RAMALINGAM
Chairman


NARENDRA PROPERTIES LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **M/s. Narendra Properties Limited**

We have examined the compliance of the conditions of corporate governance by M/s. Narendra Properties Limited for the year ended on 31st March 2002 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **SANJAY BHANDARI & CO.,**
Chartered Accountants

Place : Chennai
Dated : 29.06.2002

SANJAY BHANDARI
Partner

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

The Securities and Exchange Board of India has introduced a code of Corporate Governance for implementation according to prescribed Schedule, by Companies listed with Stock Exchanges. The paid-up capital of the Company is Rs.720 lakhs and as such, your Company is required to implement the code within the financial year 2002-03 but not later than March 31st, 2003. Your Company has already started to implement the code, step by step, during the current financial year 2002-03.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is in the business of building construction for residential/commercial purposes. As a public listed company in India, it scrupulously adheres to the requirements of the listing agreements executed with the Stock Exchanges. The Company has complied in all material respects with the requirements of Corporate Governance as specified in the listing agreement.

2. BOARD OF DIRECTORS

The Company functions under the overall supervision and control of the Board of Directors. The Board of Directors formulates the overall strategy and periodically reviews implementation of the strategy.

The composition of and attendance at the Board Meetings and at the Annual General Meetings during the year were as follows: