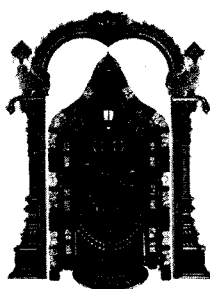


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2005 - 2006



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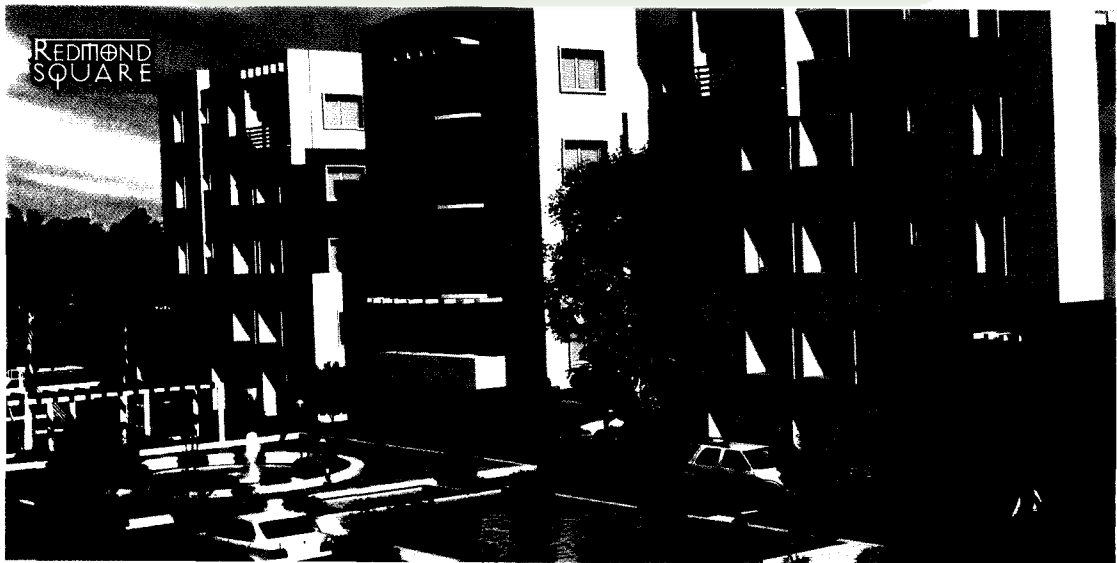
NARENDRA PROPERTIES LIMITED

2A, 3rd Floor, Wellington Estate
53, (old No.24), Ethiraj Salai, Chennai - 600 105.



NPL - REDMOND SQUARE , Shollinganallur

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NARENDRA PROPERTIES LIMITED



BOARD OF DIRECTORS :

SRI S. RAMALINGAM
Chairman

SRI NARENDRA C. MAHER
Managing Director

SRI MAHENDRA K. MAHER

SRI JOHN K. JOHN

SRI R. SUBRAHMANYAN

SRI CHIRAG N. MAHER
Director - Operations

SRI NARENDRA SAKARIYA

SMT. MEENA SAKARIYA

SRI CHANDRAKANT UDANI

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
53 (Old No.24), Ethiraj Salai
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 Eleventh Annual General Meeting of the Company will be held at No.111, Lattice Bridge Road, Chennai-600041 at 9.00 AM on Wednesday, the 27th September 2006 to transact the following business.

ORDINARY BUSINESS

01. To receive, consider and adopt the Balance Sheet as on 31st March 2006 and the Profit and Loss Account for the year ended 31st March 2006 along with the Directors' and Auditors report thereon.
02. To declare a dividend on equity shares.
03. 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.
04. To appoint a Director in the place of the Director Mr. Mahendra K. Maher, who retires by rotation and being eligible is offering himself for reappointment.
05. To appoint a Director in the place of the Director Mr. Chandrakant Udani, who retires by rotation and being eligible is offering himself for reappointment.
06. 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.

SPECIAL BUSINESS

07. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 163 (1) of the Companies Act, 1956, approval be and is hereby accorded for keeping and maintaining the Register and Index of Members and Register of Share Transfers and Dematerialisation of Shares at the premises of the Registrar and Transfer Agents viz., M/s Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai-600002."

08. To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956, an amount of Rs 33,000 (Rupees thirty three thousand paid as remuneration to the Director Mr. Chandrakant C. Udani for the period from 1.1.2006 to 31.3.2006 being in excess of Rs 10,000 per month be and is hereby approved."

"RESOLVED FURTHER THAT pursuant to Section 314 of the Companies Act, 1956, approval be and is hereby accorded for payment of an amount of Rs 11,000 (Rupees eleven thousand only) per month with

NARENDRA PROPERTIES LIMITED



effect from 1st April 2006 with power to the Board of Directors to increase or decrease the said remuneration such that it does not exceed the maximum limits prescribed under the said Section 314 of the Companies Act, 1956."

By order of the Board
for NARENDRA PROPERTIES LIMITED

Place : Chennai
Dated : 27.06.2006

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. An Explanatory Statement that is required to be annexed pursuant to the requirements of section 173(2) of the Companies Act, 1956, in respect of the special business proposed in the notice is enclosed.
04. 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.
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 Thursday, the 14th September 2006, to Wednesday, the 27th September 2006 (both days inclusive). The payment of dividend that may be declared by the shareholders at the 11th AGM will be made on or after 28th September 2006 as under:
 - To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited as of the close of the business hours on 13th September 2006;
 - To all shareholders in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 13th September 2006.
07. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.



NARENDRA PROPERTIES LIMITED

08. Shareholders holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Transfer Agents M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai-600002. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository Participants and not to the Company.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE CONVENING THE 11TH ANNUAL GENERAL MEETING PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Items 3, 4 & 5

The particulars required to be furnished under Clause 49 of the Listing Agreement relating to Directors retiring by rotation and seeking re-election are provided below:

Name of the Director	Mr. S. Ramalingam	Mr. Mahendra K. Maher	Mr. Chandrakant C. Udani
Qualification	B.E (Electrical)	Under Graduate	B. Sc.
Age & Date of Birth	68 years	58 years	53 years 13.04.1953
Nature of Expertise in Specific Functional Areas	<p>He was formerly the Chairman & Managing Director of Madras Refineries Limited and former Chairman of Indian Additives Limited, National Aromatics and Petrochemicals Corpn. Limited.</p> <p>He has multi- disciplinary experience in petroleum and refining, mining, fertilizer, Chemical and Power industries.</p>	<p>He has extensive experience in marketing of consumer durables, electronics items and marketing of flats.</p>	<p>He has extensive experience of about 31 years in administration, trading and marketing of various building materials.</p>
Names of other Public Companies in which they are Directors	Nil	Nil	Nil

NARENDRA PROPERTIES LIMITED



Name of the Director	Mr. S. Ramalingam	Mr. Mahendra K. Maher	Mr. Chandrakant C. Udani
Names of other Companies in which they are Members of Committees of the Board	Nil	Nil	Nil
Number of Shares held in the Company	100	236600	Nil

Item 7

As per the requirements of SEBI Regulations, your Company has appointed M/s Cameo Corporate Services Limited as the common agency for handling all share transfers and dematerialisation and investor related activities. The statutory registers such as the Register of Members, the Index of Members, the Register of Share Transfers and Dematerialisation will henceforth be maintained by M/s. Cameo Corporate Services Limited at their premises at Subramaniam Building, No.1, Club House Road, Chennai-600002. As per the requirements of section 163(1) of the Companies Act, 1956, approval of the shareholders is now sought for keeping and maintaining the above mentioned registers and records at the premises other than the registered office of the Company.

None of the Directors are deemed to be concerned or interested in the resolution.

Item 8

The Director Mr. Chandrakant C. Udani is rendering specialized services to the Company from time to time in sourcing and procuring the materials required by the Company for its various construction activities. He has specialized experience in procurement and purchase of construction materials for the past twelve years and it was deemed fit by the Board of Directors to utilize the expertise of Mr. Chandrakant C. Udani for the benefit of the Company. As per the requirements of section 314 of the Companies Act, 1956, remuneration payable to Mr. Chandrakant C. Udani exceeding Rs 10,000 per month but not exceeding Rs 50,000 per month shall require approval of the members of the Company.

None of the Directors other than Mr. Chandrakant C. Udani is deemed to be concerned or interested in the resolution.

By order of the Board
for NARENDRA PROPERTIES LIMITED

NARENDRA C. MAHER
Managing Director

Place : Chennai
Dated : 27.06.2006



NARENDRA PROPERTIES LIMITED

DIRECTORS' REPORT

Dear Shareholder,

Your Directors have pleasure in submitting the Eleventh Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2006.

FINANCIAL RESULTS

The Audited Results for the year ended 31st March 2006 are given below.

	Year ended 31.3.2006 (Rs.)	Year ended 31.3.2005 (Rs.)
1. Contract receipts	46,704	—
2. Sales	11,74,09,894	9,13,78,696
3.1. Income from operations	80,43,109	55,40,562
3.2. Other income	10,82,283	40,00,000
Total	12,65,81,990	10,09,19,258
4. Total expenditure	7,82,14,672	6,52,20,859
5. Interest & finance expenses	2,331	3,64,793
6. Depreciation	1,23,328	1,19,804
7. Preliminary/Share issue expenses written off	—	90,408
8. Profit before tax	4,82,41,659	3,51,23,394
9. Provision for Tax		
– Current Year	(39,40,000)	(27,54,115)
– Deferred Tax (Asset)	18,881	29,534
– Fringe Benefit Tax	(12,590)	—
10. Taxation Adjustments of Previous Year	(5,86,107)	3,11,213
11. Profit after Tax	4,37,21,843	3,27,10,026
12. Add: Surplus from Previous Year	5,78,55,164	2,57,67,564
13. Amount available for appropriations	10,15,77,007	5,84,77,590
14. Transfer to General Reserve	(33,00,000)	—
15. Proposed Dividend & Dividend Tax	(1,62,06,145)	—
	<u>8,20,70,862</u>	<u>5,84,77,590</u>

DIVIDEND

Your Directors are pleased to recommend a dividend @ 20% (previous year nil) for the year ended 31st March 2006.

NARENDRA PROPERTIES LIMITED**MANAGEMENT DISCUSSION AND ANALYSIS****A. Industry Structure and Developments**

Your company is in the business of construction of buildings for residential and commercial purposes. Your Company undertakes construction projects mainly at Chennai city. The prospects for residential flats has improved considerably in the Chennai city.

B. Performance

Your Company reported a total income of Rs 1265.82 lakhs during the year ended 31st March 2006 as against Rs 1009.19 lakhs during the previous year. The profit after tax was Rs 437.22 lakhs for the year ended 31.3.2006 as against Rs 327.10 lakhs achieved during the previous year.

Your Company's income has increased by 25.43% during the year under report. The profitability has also increased by 33.66% during the year.

C. Segmentwise Performance

Your Company undertakes construction projects at Chennai and its suburb. The activities of your Company falls under single segment namely Construction of Buildings (Residential & Commercial).

The various projects which the company has executed and which is still in progress is given hereinbelow:

- i. The construction at 'Anjli' project at Villivakkam has been completed except for some finishing work.
- ii. The Company will be executing a construction contract for a commercial project at L.B. Road, Adyar, Chennai. The plan approval from the concerned authorities is being obtained and the Company will be commencing construction work shortly.
- iii. The Company will be launching a residential project 'NPL Redmond Square' at Sholinganallur shortly. Application has been made for plan approval and necessary plan approval for the project will be received shortly. This project is in the vicinity of the Chennai IT Corridor. The Company proposes to build luxury flats which are designed to cater to the requirement of HNI's.
- iv. The Company has procured land at Kelambakkam and Sholinganallur for promoting residential / commercial projects. The Company is in the process of seeking necessary approvals from the appropriate authorities. These projects are in the vicinity of the Chennai IT Corridor and they are expected to fetch good response from the buyers.

D. Concerns

The cost of basic materials used for construction like sand, cement, steel, etc, are on an escalating trend. The Company's margin are likely to be impacted if they are not fully passed on to buyers. The escalating cost of construction is also likely to have an impact on the overall demand for housing. Securing land for Company's project at prime locations at Chennai is also a concern.

**NARENDRA PROPERTIES LIMITED**

E. Outlook

The growing economy and the increasing disposable income has improved the prospect for the construction industry. Your Company is proactive and it is fully prepared to take full advantage of the emerging opportunities.

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 are in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company is fully compliant with the requirements of Corporate Governance Code as prescribed under the revised Clause 49 of the Listing Agreement. A report on Corporate Governance is annexed and it forms part of this report.

FORFEITURE OF SHARES

Your Company has forfeited 93,600 equity shares on 28.10.2005 due to non-payment of call money. Your Company has diligently observed the procedure prescribed for forfeiture including notifying the concerned shareholders by registered post. As a result of this forfeiture, the number of shares listed and paid up has reduced from 7200000 to 7106400. The Bombay Stock Exchange Limited have, vide their letter ref: List/Rbg/2006 dated 8.2.2006, informed the Company that the forfeiture of shares made by the Company have been notified to the trading members vide their Notice No.20060208-6 dated 8.2.2006. Your Directors have also decided not to re-issue these forfeited shares.

DIRECTORS

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

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.