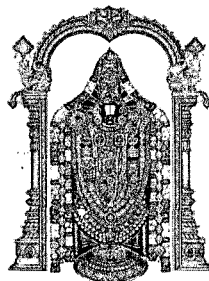


# **TWELFTH ANNUAL REPORT**

## **2006 - 2007**

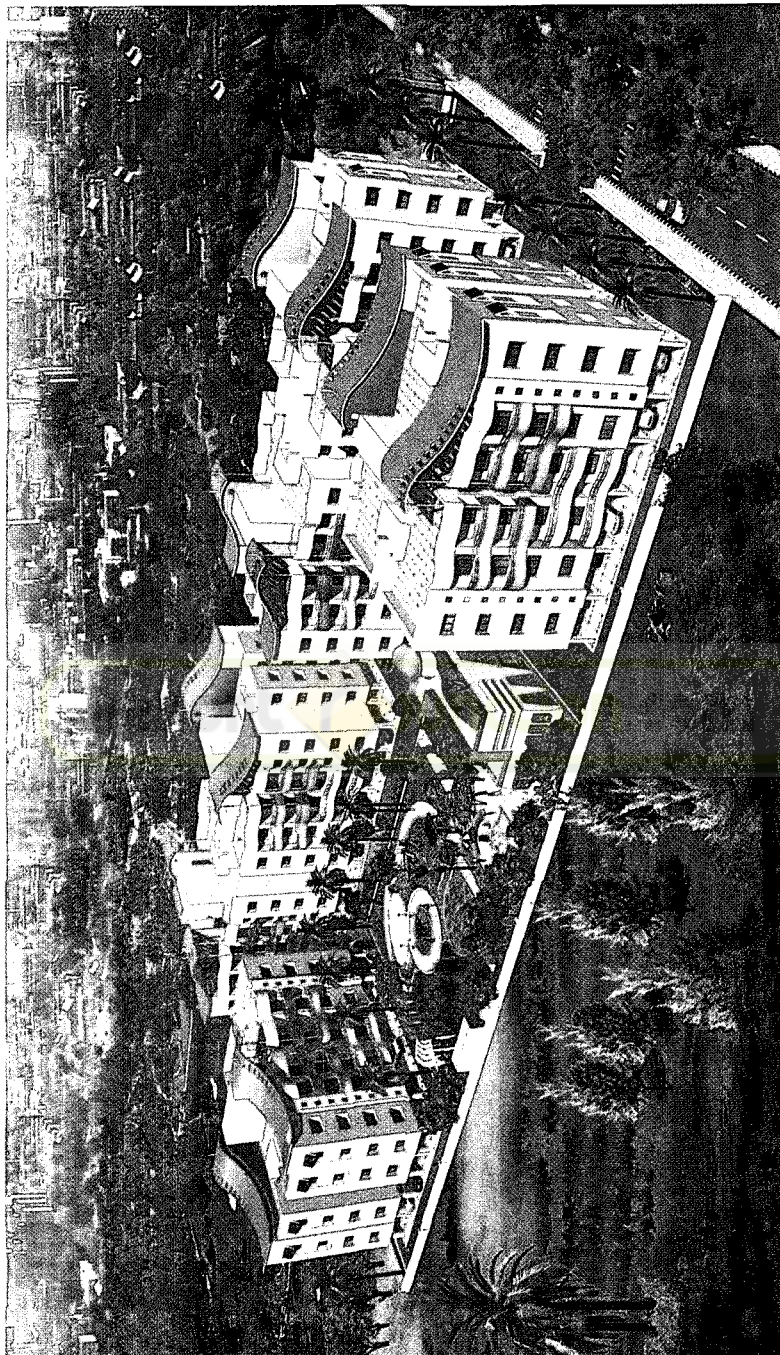


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# **NPL**

## **NARENDRA PROPERTIES LIMITED**

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



NPL SEATTLE SQUARE, Kelambakkam



## 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. SUBRAHMANIAN

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***

The Shareholders,

**NOTICE** is hereby given that the Twelfth Annual General Meeting of the Company will be held at No.111, Lattice Bridge Road, Chennai-600041 at 9.00 AM on Thursday, the 27<sup>th</sup> September 2007 to transact the following business.

***ORDINARY BUSINESS***

01. To receive, consider and adopt the Balance Sheet as on 31st March 2007 and the Profit and Loss Account for the year ended 31st March 2007 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. John K. John, who retires by rotation and being eligible is offering himself for reappointment.
04. To appoint a Director in the place of the Director Mr.Narendra Sakariya, who retires by rotation and being eligible is offering himself for reappointment.
05. To appoint a Director in the place of the Director Mrs. Meena Sakariya, who retires by rotation and being eligible is offering herself 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.

By order of the Board  
for NARENDRA PROPERTIES LIMITED

Place : Chennai  
Dated : 27.06.2007

**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 bring their copies of the Annual Report with them to the meeting.
05. The Register of members and Share Transfer books shall remain closed from Wednesday, the 12<sup>th</sup> September 2007, to Thursday, the 27<sup>th</sup> September 2007 (both days inclusive). The payment of dividend that may be declared by the shareholders at the 12<sup>th</sup> AGM will be made on or after 28<sup>th</sup> September 2007 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 11<sup>th</sup> September 2007;
  - 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 11<sup>th</sup> September 2007.



## NARENDRA PROPERTIES LIMITED

06. 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.
07. 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.
08. 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:

<b>Name of the Director</b>	<b>Mr. John K. John</b>	<b>Mr. Narendra Sakariya</b>	<b>Mrs. Meena Sakariya</b>
<b>Qualification</b>	B.E. (Electrical)	B.Com.	B.A.
<b>Age &amp; Date of Birth</b>	53 years 23.09.1954	44 years 06.06.1963	43 years 04.05.1964
<b>Nature of Expertise in Specific Functional Areas</b>	He has around 30 years of experience in areas spanning manufacturing, marketing and finance. More particularly, he has wide experience in manufacturing, marketing and servicing of elevators	He is having experience spanning about 20 years in the field of manufacturing and trading of metals and in the area of finance	She is having experience spanning about 20 years in the field of manufacturing and trading of metals and in the area of finance.
<b>Names of other Companies in which they are Directors</b>	Johnson Lifts Pvt. Ltd.	Mahalaxmi Seamless Ltd. - Joint Managing Director Sakariya Finance Pvt. Ltd. - Director	Nil
<b>Names of other Companies in which they are Members of Committees of the Board</b>	Nil	Nil	Nil
<b>Number of shares held in the Company</b>	1,000	9,60,000	1,49,300





## NARENDRA PROPERTIES LIMITED

### ***DIRECTORS' REPORT***

Dear Shareholder,

Your Directors have pleasure in submitting the Twelfth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2007.

### ***FINANCIAL RESULTS***

The Audited Results for the year ended 31st March 2007 are given below.

S.No.	Details	Year ended 31.03.2007 (Rs.)	Year ended 31.03.2006 (Rs.)
1.	Contract receipts	—	46,704
2.	Sales	6,88,36,363	11,74,09,894
3.1.	Income from operations	37,19,601	80,43,109
3.2.	Other income	7,464	10,82,283
	Total	7,25,63,428	12,65,81,990
4.	Total expenditure	3,07,53,065	7,82,14,672
5.	Interest & finance expenses	1,032	2,331
6.	Depreciation	2,00,586	1,23,328
7.	Preliminary/Share issue expenses written off	—	—
8.	Profit before tax	4,16,08,745	4,82,41,659
9.	Provision for Tax		
	— Current Year	(50,60,000)	(39,40,000)
	— Deferred Tax (Asset)	(21,746)	18,881
	— Fringe Benefit Tax	(30,152)	(12,590)
10.	Taxation Adjustments of Previous Year	—	(5,86,107)
	Excess provision reverted back	35,00,000	—
11.	Profit after Tax	3,99,96,847	4,37,21,843
12.	Add: Surplus from Previous Year	8,20,70,862	5,78,55,164
13.	Amount available for appropriations	12,20,67,709	10,15,77,007
14.	Transfer to General Reserve	(33,00,000)	(33,00,000)
15.	Proposed Dividend & Dividend Tax	(1,66,28,265)	(1,62,06,145)
		10,21,39,444	8,20,70,862

### ***DIVIDEND***

Your Directors are pleased to recommend a dividend @ 20% (previous year 20%) for the year ended 31<sup>st</sup> March 2007.

**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 demand for residential flats has remained buoyant throughout the year and it is expected that demand will continue to be intense for some more years.

**B. Performance**

Your Company reported a total income of Rs. 725.63 lakhs during the year ended 31st March 2007 as against Rs. 1265.35 lakhs during the previous year. The profit after tax was Rs. 444.60 lakhs for the year ended 31.3.2007 as against Rs. 437.22 lakhs achieved during the previous year. The variation in the total income is due to the reason that the Company follows the completion method of accounting for the contracts.

**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 herein below:

- i. The construction at 'Anjli' project at Villivakkam has been fully completed during the year. The company has a few unsold flats in the project as at the end of the year.
- ii. The construction contract for the commercial project at LB Road, Adyar, Chennai, has also progressed substantially and it is expected to be completed during the course of current year.
- iii. The Company has launched a residential project 'NPL Redmond Square' at Sholinganallur during the year. It is expected to be completed during the course of the current year. 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 has already obtained sanction for its project at Kelambakkam and it will be launched during the year. The Company has already applied for sanction for the project at Sholinganallur. 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 availability of land within the city for development is very scarce. The cost of land has also increased substantially during the year. The Company has procured land in the southern suburbs of Chennai which is fast becoming popular as the chosen location for residence due to its close proximity to the several IT Companies and MNCs who have established their facilities.

The escalating cost of input materials like cement, steel and sand is also a cause for concern. The increase in the cost of land and materials has resulted increase in the cost of flats.

**NARENDRA PROPERTIES LIMITED****E. Outlook**

The favourable demographics and increasing disposable income of the customers has improved the prospects 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.

***DIRECTORS***

The Directors Mr. John K. John, Mr. Narendra Sakariya and Mrs. Meena Sakariya 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.

***CONSERVATION OF ENERGY, ETC.***

As the Company is basically a construction company, the provisions of Sec. 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.



**NARENDRA PROPERTIES LIMITED**



- (ii) 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 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 Bank of Baroda, Union Bank of India, Tamilnadu Mercantile Bank Limited and all 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.

Report



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

Place : Chennai  
Dated : 27.06.2007

**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 2007 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.

No investor grievance is pending as at 31.3.2007 for a period exceeding one month against the Company as per the records maintained by the Company.

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 : 27.06.2007

**SANJAY BHANDARI**  
Partner

***REPORT ON CORPORATE GOVERNANCE***  
***(As required under Clause 49 of the Listing Agreement)***

**I. 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.

**II. BOARD OF DIRECTORS**

- i. The Company has a Non-Executive Chairman. The Company's Board comprises nine Directors of whom four are Independent Directors (44%) and five are Non-Independent Directors (56%). The number of Non-Executive Directors is seven (78%). The composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- ii. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he/she is a Director. Necessary disclosures regarding Directorship / Committee positions held by the Directors in other public companies as at 31<sup>st</sup> March 2007, have been made by the Directors.