

---

<b>BOARD OF DIRECTORS</b>	:	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
		SRI NISHANK SAKARIYA
		SRI CHANDRAKANT UDANI
<b>AUDITORS</b>	:	SANJAY BHANDARI & CO. Chartered Accountants 824, Poonamallee High Road Chennai - 600 010.
<b>BANKERS</b>	:	TAMILNAD MERCANTILE BANK LTD. Chennai - 600 001.
		BANK OF BARODA Egmore, Chennai - 600 008.
		HDFC Bank Limited Anna Salai, Chennai - 600 002.
<b>REGISTERED OFFICE</b>	:	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)*

**NOTICE**

The Shareholders,

**NOTICE** is hereby given that the Fifteenth Annual General Meeting of the Company will be held at No.111, Lattice Bridge Road, Chennai-600041 at 9.00 AM on WEDNESDAY, the 29th September 2010 to transact the following business.

**ORDINARY BUSINESS :**

01. To receive, consider and adopt the Balance Sheet as on 31st March 2010 and the Profit and Loss Account for the year ended 31st March 2010 along with the Directors' and Auditors report thereon.
02. 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.
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 R Subrahmanian, who retires by rotation and being eligible is offering himself for reappointment.
05. 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:**

06. To consider, and if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Sections 269, 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, Mr NARENDRA C MAHER be and is hereby reappointed as the MANAGING DIRECTOR of the Company on a whole time basis for a period of five years from 16th August 2010 to 15th August 2015."

"RESOLVED FURTHER THAT MR NARENDRA C MAHER, MANAGING DIRECTOR shall be paid the following remuneration" :-

**SALARY**

1. Mr Narendra C Maher, Managing Director, be paid a salary of Rs 75,000/- (Rupees Seventy five thousand only) per month in the time scale of Rs 75000-3000-90000

**PERQUISITES**

2. Mr Narendra C Maher, Managing Director, shall also be entitled to the following perquisites.

**CATEGORY A :**

**i) HOUSING**

Mr Narendra C Maher shall be entitled for a free furnished accommodation in which case the expenditure incurred by the Company on hiring furnished accommodation shall be subject to a ceiling of sixty percent of the salary over and above ten percent payable by him.

In case the accommodation is owned by the Company, ten percent of his salary shall be deducted by the Company.

In case no accommodation is provided to him by the Company he shall be entitled to house rent allowance subject to a ceiling of 60% of the salary, over and above 10% payable by him.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax rules 1962 which shall however be subject to a ceiling of ten percent of his salary.

**ii) MEDICAL REIMBURSEMENT**

He shall be entitled for reimbursement of medical expenses incurred for him and his family subject to a ceiling of one month salary in a year or three month's salary over a period of three years.

**iii) LEAVE TRAVEL CONCESSION**

He and his family shall be entitled for Leave Travel Concession for travel to any place within India or outside India at his option once in a year incurred in accordance with any rules specified by the Company.

**iv) CLUB FEES**

He shall be entitled for payment of fees of clubs subject to a maximum of two clubs which shall not include admission and life membership fees.

**v) PERSONAL ACCIDENT INSURANCE**

He shall be entitled for payment of premium on Personal Accident Insurance for an amount not exceeding Rs 4000/- per annum.

**CATEGORY B**

Mr Narendra C Maher, Managing Director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified in Paragraph 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956, in the event of absence or inadequacy of profits :-

- a. Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

**CATEGORY C**

He shall be entitled for provision of a car with a driver for use on Company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

"RESOLVED FURTHER THAT if in any financial year during the currency of the tenure of Mr Narendra C Maher as the Managing Director of the Company, the Company has not made any profits or its profits are inadequate, the Company shall pay to him the remuneration comprising of Salary and Perquisites as detailed above subject to the over all limit laid down under Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER to note that the appointment of Mr Narendra C Maher, as Managing Director, and the remuneration payable to him are in accordance with the Schedule XIII to the Companies Act, 1956 and as such the Company need not have to seek the approval of the Central Government."

By order of the Board  
for NARENDRA PROPERTIES LIMITED

**NARENDRA C. MAHER**  
*Managing Director*

Place : Chennai  
Dated : 30.07.2010

**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 Wednesday, the 15th September 2010, to Wednesday, the 29th September 2010 (both days inclusive) for the purpose of the 15th AGM.
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.

***EXPLANATORY STATEMENT ANNEXED TO THE NOTICE CONVENING THE 15TH ANNUAL GENERAL MEETING PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.***

**ITEMS 2,3& 4:**

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

<b>Name of the Director</b>	<b>Mr Mahendra K Maher</b>	<b>Mr John K John</b>	<b>Mr R Subrahmanian</b>
<b>Qualification</b>	Undergraduate	B.E. (Electrical)	B.Com., CAIIB., AIB (London)
<b>Age &amp; Date of Birth</b>	63 years, 13.12.1946	56 years, 23.09.1954	77 years, 19.05.1933
<b>Nature of expertise in specific functional areas</b>	He has extensive experience in marketing of consumer durables, electronic items and marketing of flats.	He has around 33 years of experience in areas spanning manufacturing, marketing and finance. More particularly, he has wide experience in manufacturing marketing and maintenance of elevators.	He has retired as DGM from Bank of Baroda. He has diverse experience in areas of banking and finance.
<b>Names of other public companies in which they are Directors</b>	Nil	Nil	Nil

Names of other Companies in which they are Members of Committees of the Board	Nil	Nil	Nil
Number of shares held in the Company	236600	1000	2600

**ITEM 6:**

Mr Narendra C Maher was appointed as the Managing Director of the Company for a period of five years effective from 16th August 2005 by the shareholders of the Company. His tenure of appointment as the Managing Director of the company ceases on 15th August 2010.

The Board of Directors of your company have, based on the recommendation of the Remuneration Committee of Directors, re-appointed Mr Narendra C Maher as the Managing Director of the company for a further period of five years from 16th August 2010 to 15th August 2015 at a remuneration as set out in the resolution. As required u/s 269 read along with Schedule XIII of the Companies Act, 1956, the appointment Mr Narendra C Maher as the Managing Director and the remuneration payable to him requires the approval of the share-holders at their general meeting.

Mr Narendra C Maher, B.Com., is aged about 70 years. He is the Promoter Director of your Company. He has pioneering experience in the field of building construction and property development.

The Board commends the acceptance of the resolution. Mr Narendra C Maher and Mr Chirag N Maher are deemed to be interested in the resolution.

By order of the Board  
for NARENDRA PROPERTIES LIMITED  
**NARENDRA C. MAHER**  
*Managing Director*

Place : Chennai  
Dated : 30.07.2010

## ***DIRECTORS' REPORT***

Dear Shareholder,

Your Directors have pleasure in submitting the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2010.

### ***FINANCIAL RESULTS***

The Audited Results for the year ended 31st March 2010 are given below :

S.No.	Details	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
1	Contract receipts	—	—
2	Sales	8,25,27,549	14,43,81,278
3.1	Income from operations	1,65,17,597	7,46,508
3.2	Other income	—	—
	Total	<b>9,90,45,146</b>	14,51,27,786
4	Total expenditure	7,62,52,576	13,18,31,754
5	Interest & finance expenses	2,23,171	7,96,241
6	Depreciation	2,20,937	2,65,298
7	Profit before tax	<b>2,23,48,462</b>	1,22,34,493
8	Provision for tax		
	- Current year	(37,39,471)	(13,89,031)
	- Deferred Tax (Asset)	6,657	17,405
	- Fringe Benefit Tax	—	(48,763)
9	Taxation adjustments of Previous Year	(16,456)	—
	Excess provision reverted back	—	—
10	Profit after tax	<b>1,85,99,192</b>	1,08,14,104
11	Add: Surplus from previous year	<u>12,81,43,055</u>	<u>11,73,28,951</u>
12	Amount available for appropriations	<b>14,67,42,247</b>	12,81,43,055
13	Transfer to General Reserve	Nil	Nil
14	Proposed Dividend & Dividend Tax	Nil	Nil
		<u><b>14,67,42,247</b></u>	<u>12,81,43,055</u>

### ***DIVIDEND***

In order to conserve resources for use for acquisition of land and for working capital, your Directors are not recommending any dividend for the year ended 31st March 2010 (previous year dividend paid is nil)

---

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **A. Industry Structure and Developments**

Your Company is a building construction company. It purchases and develops large tracts of land into residential houses, complexes and flats. It also undertakes construction of commercial complexes on a selective basis. The operations of the Company are presently confined to localities in and around Chennai and its suburbs.

The building construction industry serves the requirements of residential houses and apartments by consumers in need of such apartments. Since it is a significant purchase, the prospect of the industry is dependent upon the general economic conditions prevalent at any point of time and availability of disposable income of liquidity in the hands of the buyers.

The economic situation has started stabilizing even during the first half of the fiscal year 2009-10. The turbulent events affecting external economy did not have much impact on the domestic economy. The customers who have been postponing their home buying decisions have also returned back to the market and were able to take committed decision to purchase. All these developments had a positive impact on the business of your company.

### **B. Performance**

Your Company reported a total income of Rs 990.45 lakhs during the year ended 31st March 2010 as against Rs 1451.28 lakhs during the previous year. The profit after tax was Rs 185.99 lakhs for the year ended 31.3.2010 as against Rs 108.14 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 are still in progress is given herein below:

- i. The Residential Project 'NPL Redmond Square' at Sholinganallur have been completed and sold out during the year except for a few flats remaining in stock.
- ii. The Company is owning lands 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 depending upon the market conditions. The Company has also obtained sanction for the one of the project at Sholinganallur which will be launched in due course. These projects are in the vicinity of the Chennai IT Corridor and they are expected to fetch good response from the buyers.

### **D. Concerns**

Land availability within the city limits remains a cause for concern. Your Company has adopted the conscious policy of developing residential projects at suburbs close to the IT Corridor to the south of Chennai. Your Company was able to market the flats aided by positive sentiments.

The prices of essential raw materials like cement, steel, blue metal etc., are still ruling high.

The demand for flats is also dependent to a large extent on the interest rate applicable on housing loans. The interest rate was stable throughout the year. However, any volatility in the interest rates will have a direct impact on the demand for the flats.

#### **E. Outlook**

In view of the large extent of unmet demand for residential units amongst the large section of working class population, the demand for residential units is bound to be always there. Your Company is conscious of this and it has devised plans to capitalize on the situation by constantly striving to balance its operations and costs so that it could offer its products at a competitive price affordable to the buyers.

#### **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 Director Mr Nishank Sakariya was appointed as a Director on the Board of the Company u/s 255 of the Companies Act, 1956 liable for retirement by rotation by the shareholders at the 14th AGM held during the year in the place of the Director Mrs Meena Sakariya who retired at the 14th AGM and did not opt for re-election..

The Directors Mr Mahendra K Maher, Mr John K John and Mr R Subrahmanian 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.

Your Company believes in adopting and implementing best practices relating to energy conservation at each of the building units which it constructs. The buildings are designed for ensuring optimum use of electrical power for cooling, heating and lighting of the interior and exteriors. Your Company is taking active steps to adopt the energy conservation measures prescribed under Energy Conservation Building Code (ECBC) issued by Bureau of Energy Efficiency (BEE).

### ***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 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, HDFC Bank Limited, 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.

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

**NARENDRA C. MAHER**

*Managing Director*

**MAHENDRA K. MAHER**

*Director*

Place : Chennai  
Dated : 28.05.2010

## ***AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE***

Certificate of Compliance

To the Members of M/s. Narendra Properties Limited

We have examined the compliance of conditions of Corporate Governance by Narendra Properties Limited ( "the Company" ), for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of 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 as stipulated in the said Clause. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement.

We 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 : 28.05.2010

**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 31st March 2010, have been made by the Directors.