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<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 be 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>	Mr Mahendra K Maher	Mr John K John	Mr R Subrahmanian
<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
		<b><u>14,67,42,247</u></b>	<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)

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## ***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 its 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

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***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.

- iii. The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below.

S. No.	Name of the Director	Promoter/ Non-promoter	Relationship with other Directors	Executive/ Non-executive/ Independent	No. of Board Meetings attended	Last AGM attended (Yes/No)	No. of outside Director-ship(s) held	Member of Committee
1.	Mr. S. Ramalingam	Non-promoter	Not related	Non-executive/ Independent	5	Yes	1	Nil
2.	Mr. Narendra C. Maher	Promoter	Related to Mr. Chirag N Maher as his father	Executive/ Non-independent	5	Yes	1	Nil
3.	Mr. Mahendra K. Maher	Promoter	Not related	Non-executive/ Non-independent	5	Yes	1	Nil
4.	Mr. John K. John	Non-promoter	Not related	Non-executive/ Independent	2	Yes	1	Nil
5.	Mr. R. Subrahmanian	Non-promoter	Not related	Non-executive/ Independent	4	Yes	Nil	Nil
6.	Mr. Chirag N. Maher	Promoter	Related to Mr. Narendra C Maher as his Son	Executive/ Non-independent	4	Yes	Nil	Nil
7.	Mr. Narendra Sakariya	Promoter	Related to Mr. Nishank Sakariya as his Father & Mrs. Meena Sakariya as her Husband	Non-executive/ Non-independent	4	Yes	1	Nil
8.	Mrs. Meena Sakariya (Director upto 24-09-2009)	Promoter	Related to Mr. Narendra Sakariya as his Wife & to Mr. Nishank Sakariya as his Mother	Non-executive/ Non-independent	2	Yes	1	Nil
9.	Mr. Chandrakant Udani	Non-promoter	Not related	Non-executive/ Independent	5	Yes	Nil	Nil
10.	Mr. Nishank Sakariya (Director w.e.f. 24-09-2009)	Promoter	Related to Mr. Narendra Sakariya & Mrs. Meena Sakariya as their Son	Non-executive/ Non-Independent	2	Yes	2	Nil

- iv. During the year ended 31st March 2010, 5 (Five) Board Meetings were held on 11th May 2009, 24th June 2009, 30th July 2009, 30th October 2009 and 29th January 2010.

- v. The Notice and Agenda for the Board Meeting is sent to each of the Director at least a week in advance. The Managing Director as the Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. The Board reviews all the mandatory matters as prescribed under Clause 49 of the Listing Agreement every quarter.

### III. AUDIT COMMITTEE

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with section 292A of the Companies Act, 1956.
- ii. The terms of reference of the Audit Committee are in line with the one prescribed under Clause 49 of the Listing Agreement.
- iii. In its meetings, the Audit Committee considered and reviewed matters relating to operational, financial and other business areas and also reviewed the quarterly results and annual results of the Company.
- iv. The previous Annual General Meeting was held on 24th September 2009 and it was attended by the Chairman of the Audit Committee.
- v. The Audit Committee of Directors met 5 times during the year on 11th May 2009, 24th June 2009, 30th July 2009, 30th October 2009 and 29th January 2010.
- vi. The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

S. No.	Name of the Director	Category	No. of Meetings held	No. of Meetings Attended
1.	Mr John K John	Chairman, Independent, Non-Executive	5	2
2.	Mr Mahendra K Maher	Non-Independent, Non-Executive	5	5
3.	Mr S Ramalingam	Independent, Non-Executive	5	5

### IV. REMUNERATION COMMITTEE

- i. The Remuneration Committee of Directors comprises of the following Directors as its Members:

S. No.	Name of the Director	Category	No. of Meetings held	No. of Meetings Attended
1.	Mr S Ramalingam	Chairman, Independent, Non-Executive	1	1
2.	Mr Mahendra K Maher	Non-Independent, Non-Executive	1	1
3.	Mr Narendra C Maher	Non-Independent, Executive	1	1

- ii. The Remuneration Committee met once during the year on 24th June 2009.
- iii. The terms of reference of the Remuneration Committee to review and recommend the remuneration payable to Executive and Non-Executive Directors.
- iv. The Company does not have any Employee Stock Option Scheme.

v. Details of the remuneration paid to the Directors for the year ended 31st March 2010 is given below:

S. No.	Name	Designation	Remuneration paid to Executive Directors (Rs.)	Remuneration paid to Non-Executive Directors (Rs.)	Sitting fees paid to Directors (Rs.)
1.	Mr S Ramalingam	Chairman	Nil	Nil	5000
2.	Mr Narendra C Maher	Managing Director	900000	Nil	Nil
3.	Mr Mahendra K Maher	Director	Nil	Nil	5000
4.	Mr John K John	Director	Nil	Nil	2000
5.	Mr R Subrahmanian	Director	Nil	Nil	Nil
6.	Mr Chirag N Maher	Director -Operations	600000	Nil	Nil
7.	Mr Narendra Sakariya	Director	Nil	Nil	4000
8.	Mrs Meena Sakariya	Director	Nil	Nil	2000
9.	Mr Chandrakant Udani	Director	Nil	214500	5000
10.	Mr Nishank Sakariya	Director	Nil	Nil	2000

vi. Details of shares of the Company held by Directors as on 31st March 2010 are as follows.

S.No.	Name of the Director	Designation	Equity Shares held
1.	Mr S Ramalingam	Chairman	100
2.	Mr Narendra C Maher	Managing Director	467200
3.	Mr Mahendra K Maher	Director	236600
4.	Mr John K John	Director	1000
5.	Mr R Subrahmanian	Director	100
6.	Mr Chirag N Maher	Director -Operations	47600
7.	Mr Narendra Sakariya	Director	960000
8.	Mr Chandrakant Udani	Director	Nil
9.	Mr Nishank Sakariya	Director	1400

vii. The Company has not issued any convertible debentures.

#### V. SHARE TRANSFER AND INVESTORS SHAREHOLDERS' GRIEVANCE COMMITTEE

i. The composition of the Share Transfer and Investor / Shareholders Grievance Committee and the details of meetings held and attended by the members of the Committee are given below:

S. No.	Name of the Director	Category	No. of Meetings held	No. of Meetings Attended
1.	Mr Mahendra K Maher	Chairman, Non-Executive, Non-independent	8	8
2.	Mr Narendra C Maher	Executive, Non- Independent	8	8
3.	Mr Chandrakant Udani	Non-Executive, Independent	8	8

ii. During the year ended 31st March 2010, 8 (Eight) meetings were held on 24th June 2009, 30th July 2009, 31st August 2009, 24th September 2009, 30th October 2009, 15th December 2009, 29th January 2010 and 15th February 2010.

iii. The terms of reference of the Committee are to approve the Share Transfers / Transmission, to take on record dematerialization of shares, to approve splits, consolidation of share certificates, and to review the complaints from shareholders and investors and take on record the steps taken to resolve the same.

- iv. Name, Designation and address of Compliance Officer is given below:

Mr Narendra C Maher, Managing Director  
Narendra Properties Limited  
Regd Off: 2A, Wellington Estate, III Floor,  
53, (Old No. 24), Ethiraj Salai,  
Chennai-600105. Tel: 044-28267171; 28269933

- v. Details of complaints received and redressed are given below:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	7	7	Nil

## VI. GENERAL BODY MEETINGS

- i. The location, date and time where last three AGMs held are furnished below:

Year	Location	Date	Time
2008-09	111, Lattice Bridge Road, Chennai-600041	24.09.2009	9.00 A.M.
2007-08	111, Lattice Bridge Road, Chennai-600041	26.09.2008	9.00 A.M.
2006-07	111, Lattice Bridge Road, Chennai-600041	27.09.2007	9.00 A.M.

- ii. The details of Special Resolutions passed at the previous three AGMs are furnished below:

AGM held on	Details of Special Resolution passed	Reference to provisions of Companies Act, 1956
24.09.2009	Nil	N.A.
26.09.2008	Nil	N.A.
27.09.2007	Nil	N.A.

- iii. No resolution was passed through postal ballot during the year ended 31st March 2010.

- iv. No resolution is proposed to be passed through postal ballot during the year ending 31st March 2011.

## VII. DISCLOSURES

- i. Disclosures on materially significant related party transactions i.e Transaction of the company of material nature with its promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

The disclosures relating to related party transactions as per AS18 is given in Notes on Accounts - Note No.: 11.

- ii. Details of non compliance by the company, penalties, strictures imposed on the Company by Stock exchange or SEBI or any statutory authority, on any matter related to capital market during the last three years :

None

- iii. The Board of Directors of the Company have adopted a suitable Code of Conduct to be adhered to by its Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31st March 2010 and the Certificate furnished by the Managing Director in his capacity as the Chief Executive Officer of the Company is annexed to this report.
- iv. The Board of Directors have also laid down a comprehensive Code of Conduct for Prevention of Insider Trading applicable to its Board of Directors and Senior Management Personnel. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct during the year ended 31st March 2010.
- v. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of Annexure ID to Clause 49 of the Listing Agreement, for employees to report concerns about unethical behaviour. No person has been denied access to the Audit Committee.
- vi. The risk assessment and minimization procedures are in existence and the Board of Directors reviews the same at their quarterly meetings.
- vii. All the mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- viii. The Company has not fulfilled any of the non-mandatory requirements (other than constitution of Remuneration Committee) as prescribed in Annexure ID to Clause 49 of the Listing Agreement.

#### VIII. MEANS OF COMMUNICATION

- i. The quarterly and annual results are communicated to the Stock Exchange immediately after the Board Meeting where in it is approved.
- ii. The quarterly and annual results are also published in the news papers "Trinity Mirror" and "Makkal Kural".
- iii. A Management discussion and Analysis Statement is furnished in the Directors' Report which forms part of the Company's Annual Report.

#### IX. GENERAL SHAREHOLDER INFORMATION

- i. Annual General Meeting : Fifteenth Annual General Meeting
  - Date : 29th September 2010 (Wednesday)
  - Time : 9.00 A.M.
  - Venue : 111, Lattice Bridge Road, Chennai-600041
- ii. Financial year:
  - Year ending : 31st March 2010
  - AGM on : 29th September 2010
  - Dividend payment : The Board has not recommended any dividend for the year ended 31st March 2010
- iii. Date of book closure : From Wednesday, the 15th September 2010 to Wednesday, the 29th September 2010 (both days inclusive)
- iv. Listing on Stock Exchanges : Bombay Stock Exchange Limited
- v. Stock code : 531416
  - ISIN No. : INE603F01012

- vi. Market price data : The details of share prices as traded on the Bombay Stock Exchange is furnished below:

Month	High (Rs.)	Low (Rs.)	No.of Shares	No.of Trades	Net T/O (Rs.)
April 2009	16.95	14.20	3328	30	50692
May 2009	24.63	13.95	6039	56	106874
June 2009	30.00	20.50	11974	124	315596
July 2009	23.00	18.50	8628	68	179455
Aug 2009	24.25	20.00	11562	108	250142
Sept 2009	27.95	20.20	25322	233	594502
Oct 2009	26.40	23.30	17360	148	423059
Nov 2009	25.00	19.65	7071	121	159941
Dece 2009	28.40	21.60	13014	216	321840
Jan 2010	35.40	25.00	44078	456	1360438
Feb 2010	44.90	30.20	162066	1206	6316712
Mar 2010	32.00	21.70	42526	316	1104874

Source: Website of The Stock Exchange, Mumbai (i.e. www.bseindia.com)

- vii. Registrar & Transfer Agent : The Company has appointed the following RTA as common agency for handling all share transfer and dematerialization operations:  
M/s. Cameo Corporate Services Limited  
Subramanian Building  
No.1, Club House Road,  
Chennai-600002  
Tel: 044-28460390-91-92
- viii. Share Transfer System : A total of 6805800 equity shares representing 95.77% of the paid up share capital of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company.  
  
The shares in the physical form are normally transferred within a period of 15-30 days from the date of receipt if the documents are complete in all respects.



ix. Distribution of Shareholding

a. Distribution of shareholding as on 31st March 2010 is furnished below:

Category	No. of Shareholders	% of Total	Nominal Amount (Rs.)	% of Total
Less than Rs 5,000	1418	78.30	2873100	4.04
Rs 5,001 - 10,000	206	11.37	1648740	2.32
Rs 10,001 - 20,000	70	3.87	1034090	1.46
Rs 20,001 - 30,000	28	1.55	722370	1.02
Rs 30,001 - 40,000	16	0.88	585980	0.82
Rs 40,001 - 50,000	10	0.55	465010	0.65
Rs 50,001 - 1,00,000	19	1.05	1432950	2.02
Above Rs 1,00,000	44	2.43	62301760	87.67
<b>Total</b>	<b>1811</b>	<b>100.00</b>	<b>71064000</b>	<b>100.00</b>

b. Categories of shareholders as on 31st March 2010 is furnished below:

Category	No. of Shares	%
Promoters holdings	4975000	70.007
Corporate Bodies	97206	1.368
Indian Public	2034194	28.625
<b>Total</b>	<b>7106400</b>	<b>100.000</b>

- x. Dematerialisation of shares and liquidity : The Company's shares are traded in dematerialized form and are available for dematerialisation through National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL). A total of 6805800 Equity shares of the Company representing 95.77% of the Company's share capital are dematerialized as on March 31, 2010. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 603F01012
- xi Outstanding GDRs/ADRs : The Company has so far not issued any GDRs/ADRs/Warrants or any convertible instruments.
- xii. Plant locations : The Company being a construction company does not have any plant or manufacturing facilities.
- xiii. Address for correspondence : Registered Office:  
2A, III Floor, Wellingdon Estate,  
53, (Old No.24), Ethiraj Salai, Chennai-600105  
For transfer of shares , dematerialisation, change of address, etc., to:  
CAMEO CORPORATE SERVICES LIMITED  
Subramanian Building, No.1, Club House Road, Chennai-600002

**CEO CERTIFICATION:**

I, NARENDRA C MAHER, Managing Director, hereby certify that:

- (a) I had reviewed the financial statements and the cash flow statement for the year ended 31st March 2010 and that to the best my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and I had evaluated the effectiveness of the internal control system of the company and I had disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation for internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I had indicated to the Auditors and the Audit Committee:
  - 1. Significant change in internal control during the year, wherever applicable;
  - 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements wherever applicable: and
  - 3. Instances of significant fraud of which we became aware or the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

**NARENDRA C MAHER**  
*MANAGING DIRECTOR*  
CHENNAI  
DATED: 28TH MAY 2010

**MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

As required by Clause 49 of the Listing Agreement the Managing Director's Declaration on compliance of the Code of Conduct is given below:

To

The Members of  
NARENDRA PROPERTIES LIMITED

I, Narendra C Maher, Managing Director of the Company, hereby declare that all Board Members and Senior Managerial Personnel have affirmed their compliance with the Code of Conduct.

**NARENDRA C MAHER**  
*MANAGING DIRECTOR*  
CHENNAI  
DATED: 28TH MAY 2010

SANJAY BHANDARI & CO.  
*Chartered Accountants*

824, E.V.R. Periyar Road,  
Chennai - 600 010.

**AUDITORS' REPORT**

**TO THE MEMBERS OF M/S. NARENDRA PROPERTIES LIMITED**

1. We have audited the attached balance sheet of **NARENDRA PROPERTIES LIMITED** ('the Company') as at **31st March, 2010** and also the profit and loss account and the cash flow statement 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 conducted our audit in accordance with 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. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. 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;
  - ii. 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;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31st, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31st, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2010;
    - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

Place : Chennai  
Dated : 28th May, 2010

**SANJAY BHANDARI**  
*Partner, Membership No.200/28112*

**ANNEXURE TO THE AUDITORS' REPORT**

[Referred to in Paragraph 3 of the Auditors' Report of even date to the members of Narendra Properties Limited on the financial statements for the year ended March 31, 2010]

**1. FIXED ASSETS :**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. There was no substantial disposal of fixed assets during the year.

**2. INVENTORIES :**

- a. The inventory has been physically verified by the management in a phased manner during the year. In our opinion, the frequency of such verification is reasonable.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

**3. LOANS :**

- a. As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- b. As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable. Furthermore, the company has been regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, having promptly repaid the amounts outstanding at the beginning of the year with interest.

**4. INTERNAL CONTROL :**

In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

**5. CONTRACTS & ARRANGEMENTS :**

- a. In our opinion and based on the examination of the records of the Company, the particulars of the contracts / arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.

**6. PUBLIC DEPOSITS :**

The Company has not accepted deposits from the Public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the Rules framed there under.

**7. INTERNAL AUDIT SYSTEM :**

In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

**8. COST RECORDS :**

To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products / services of the Company.

**9. STATUTORY DUES :**

- a. As per the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues such as Income Tax, Sales Tax, Service Tax and Wealth Tax. The provisions relating to excise and customs duty are not applicable to the company.
- b. According to the records of the company, and the information and explanations given to us, undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, service tax and other undisputed statutory dues outstanding, at the year end, for a period of more than six months from the date they became payable are as under:

Name of Statute	Nature of Dues	Year to which Amount relates	Estimated Amount (in Rs.)
Service Tax Act	Service Tax	2009-2010	3,55,484

**10. ACCUMULATED LOSSES :**

The Company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

**11. LIABILITY TO BANKS & FINANCIAL INSTITUTIONS :**

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

**12. LOANS ON PLEDGING OF SHARES ETC. :**

Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not taken any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. APPLICABILITY OF PROVISIONS OF SPECIAL STATUTE OF CHIT FUNDS :**

The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

**14. DEALING IN SHARES & SECURITIES :**

In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company. However, investments are made out of Surplus funds available with the company as part of its Treasury operations from time to time.

**15. GUARANTEE :**

Based on our audit procedures and as per the information and explanations given by the management, the Company has not given any guarantee for loans taken by others, from banks or financial institutions during the year.

**16. LONG TERM LOANS :**

The Company did not have any outstanding term loans at the beginning of the year and has not taken any fresh term loans during the year covered by our audit.

**17. FUNDS UTILISATION :**

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

**18. PREFERENTIAL ALLOTMENT OF SHARES :**

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.

**19. DEBENTURES :**

The Company has not issued any debentures during the year.

**20. PUBLIC ISSUE :**

The company has not made any public issue of shares during the year.

**21. FRAUDS :**

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Chennai  
Dated : 28th May, 2010

**SANJAY BHANDARI**  
*Partner, Membership No.200/28112*

**BALANCE SHEET AS AT 31st MARCH, 2010**

<b>SOURCES OF FUNDS</b>	Schedule No.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>1. Shareholders' Funds</b>			
Share Capital	1	7,10,64,000	7,10,64,000
Reserves and Surplus	2	<u>15,72,26,747</u>	<u>13,86,27,555</u>
		<u>22,82,90,747</u>	<u>20,96,91,555</u>
<b>2. Unsecured Loan</b>	3	—	39,62,604
<b>3. Deferred Tax Liability</b>		<u>2,40,938</u>	<u>2,47,595</u>
<b>GRAND TOTAL</b>		<u>22,85,31,685</u>	<u>21,39,01,754</u>
<b>APPLICATION OF FUNDS :</b>			
<b>1. Fixed Assets :</b>			
Gross Block		34,03,718	33,65,393
Less : Depreciation	4	<u>18,27,185</u>	<u>16,48,721</u>
Net Block		<u>15,76,533</u>	<u>17,16,672</u>
<b>2. Investments</b>	5	<u>40,770</u>	<u>30,000</u>
<b>3. Current Assets, Loans and Advances</b>			
Inventories	6	18,62,770	3,03,71,250
Projects - in - Progress	7	16,21,94,750	16,14,00,233
Sundry Debtors	8	11,01,19,415	10,38,12,029
Cash & Bank Balances	9	3,59,46,399	29,23,629
Other Current Assets	10	5,63,592	5,65,164
Loans and Advances	11	<u>4,42,54,603</u>	<u>1,73,45,603</u>
	[A]	<u>35,49,41,529</u>	<u>31,64,17,908</u>
<b>4. Current Liabilities and Provisions</b>			
Current Liabilities	12	11,69,51,753	9,44,37,113
Provisions	13	<u>1,10,75,394</u>	<u>98,25,713</u>
	[B]	<u>12,80,27,147</u>	<u>10,42,62,826</u>
Net Current Assets	[A] - [B]	<u>22,69,14,382</u>	<u>21,21,55,082</u>
<b>GRAND TOTAL</b>		<u>22,85,31,685</u>	<u>21,39,01,754</u>
Schedules to the Financial Statements	20		

The Schedules referred to above and the Notes thereon form an integral part of the Profit & Loss Account.  
This is the Balance Sheet referred to in our Report of even date.

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

**SANJAY BHANDARI**  
*Partner, Membership No.200/28112*

Place : Chennai  
Dated : 28th May, 2010

For and on behalf of the Board

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

**MAHENDRA K. MAHER**  
*Director*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31st MARCH, 2010**

	Schedule	2009 - 2010	2008 - 2009
	No.	Rs.	Rs.
<b>INCOME</b>			
Sales		8,25,27,549	14,43,81,278
Income from Operations	14	1,52,00,167	3,19,240
Other Income	15	13,17,430	4,27,268
Increase/(Decrease) in Stock		<u>(2,85,08,480)</u>	<u>3,03,71,250</u>
<b>TOTAL</b>		<u>7,05,36,666</u>	<u>17,54,99,036</u>
<b>EXPENDITURE</b>			
Construction Expenses		4,29,43,414	15,64,37,562
Employees Remuneration & Benefits	16	22,90,533	22,16,000
Administrative Expenses	17	25,10,149	35,49,442
Financial Charges	18	2,23,171	7,96,241
Depreciation	4	<u>2,20,937</u>	<u>2,65,298</u>
<b>TOTAL</b>		<u>4,81,88,204</u>	<u>16,32,64,543</u>
<b>Profit Before Tax</b>		<u>2,23,48,462</u>	<u>1,22,34,493</u>
<b>Taxation for the Year</b>			
Current Year	19	(37,39,471)	(13,89,031)
Deferred Tax (Asset)		6,657	17,405
Fringe Benefit Tax		—	(48,763)
Taxation Adjustments of Previous Years		<u>(16,456)</u>	—
<b>Profit After Tax</b>		1,85,99,192	1,08,14,104
<b>ADD: Surplus from Previous Years</b>		12,81,43,055	11,73,28,951
<b>Amount available for Appropriation</b>		<u>14,67,42,247</u>	<u>12,81,43,055</u>
<b>Balance Carried over to Balance Sheet</b>		<u>14,67,42,247</u>	<u>12,81,43,055</u>
<b>E.P.S. (Basic &amp; Diluted)</b>		2.617	1.522
<b>Schedules to the Financial Statements</b>	20		

The Schedules referred to above and the Notes thereon form an integral part of the Profit & Loss Account.  
This is the Profit and Loss Account referred to in our Report of even date.

for **SANJAY BHANDARI & CO.**  
*Chartered Accountants*  
**SANJAY BHANDARI**  
*Partner, Membership No.200/28112*  
Place : Chennai  
Dated : 28th May, 2010

For and on behalf of the Board  
**NARENDRA C. MAHER**  
*Managing Director*  
**MAHENDRA K. MAHER**  
*Director*



**SCHEDULES TO THE BALANCE SHEET  
AS AT 31ST MARCH, 2010**

	As at 31.03.10	As at 31.03.09	
<b>SCHEDULE - 1 :</b>			
<b>SHARE CAPITAL</b>			
<i>Authorised Capital</i>			
75,00,000 Equity Shares of Rs. 10/- each	<u>7,50,00,000</u>	<u>7,50,00,000</u>	
<i>Issued, Subscribed and Paid up</i>			
72,00,000 Equity Shares of Rs. 10/- each	7,20,00,000	7,20,00,000	
Less: Shares Forfeited (93600 shares of Rs. 10 each)	<u>9,36,000</u>	<u>9,36,000</u>	
<b>TOTAL RS.</b>	<u>7,10,64,000</u>	<u>7,10,64,000</u>	
<b>Shareholders holding more than 5% Equity</b>	<b>% Equity</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Narendra Sakariya	13.51	960000	960000
Jeevi Bai	11.25	799700	799700
Navin C Maher & Shaila N Maher	9.57	680000	680000
Megh Sakariya International Pvt. Ltd.	9.48	673400	—
Sakariya Finance Pvt. Ltd.	—	—	673400
Navin Maher	7.71	548100	548100
<b>SCHEDULE - 2 :</b>			
<b>RESERVES AND SURPLUS</b>			
General Reserve	99,00,000	99,00,000	
Profit and Loss Account	14,67,42,247	12,81,43,055	
Share Forfeiture Account	<u>5,84,500</u>	<u>5,84,500</u>	
<b>TOTAL RS.</b>	<u>15,72,26,747</u>	<u>13,86,27,555</u>	
<b>Reconciliation of Profit and Loss Account Balance</b>			
Balance at the Beginning of the Year	12,81,43,055	11,73,28,951	
Add: Current Year Appropriation	1,85,99,192	1,08,14,104	
Balance at the End of the year	<u>14,67,42,247</u>	<u>12,81,43,055</u>	
<b>SCHEDULE - 3 :</b>			
<b>UNSECURED LOANS</b>			
From Directors & their Relatives	—	39,62,604	
<b>TOTAL RS.</b>	<u>—</u>	<u>39,62,604</u>	

**SCHEDULE - 4 :**

**FIXED ASSETS AND DEPRECIATION**

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 1.4.2009 Rs.	Additions Rs.	Deletions Rs.	As at 31.3.2010 Rs.	As at 1.4.2009 Rs.	On Deletion Rs.	For the Year Rs.	Upto 31.3.2010 Rs.	As at 1.4.2009 Rs.	As at 31.3.2010 Rs.
1	Furniture & Fixtures	2,35,405	—	—	2,35,405	1,44,013	—	14,901	1,58,914	91,392	76,491
2	Electrical Installations	1,10,546	—	—	1,10,546	55,043	—	5,251	60,294	55,503	50,252
3	Air conditioners	3,62,417	—	—	3,62,417	1,79,806	—	17,215	1,97,021	1,82,611	1,65,396
4	Office Equipments	1,32,403	3,536	—	1,35,939	78,176	—	9,825	88,001	54,227	47,938
5	Centering Materials	8,38,333	—	—	8,38,333	4,78,288	—	39,821	5,18,109	3,60,045	3,20,224
6	Computer	3,88,319	53,264	—	4,41,583	3,81,014	—	14,496	3,95,510	7,305	46,073
7	Vehicles	12,38,320	50,300	68,775	12,19,845	3,28,706	42,473	1,16,594	4,02,827	9,09,614	8,17,018
8	Mobile Phones	54,650	—	—	54,650	3,218	—	2,596	5,814	51,432	48,836
9	Water Cooler	5,000	—	—	5,000	457	—	238	695	4,543	4,305
	<b>TOTAL RS.</b>	<b>33,65,393</b>	<b>1,07,100</b>	<b>68,775</b>	<b>34,03,718</b>	<b>16,48,721</b>	<b>42,473</b>	<b>2,20,937</b>	<b>18,27,185</b>	<b>17,16,672</b>	<b>15,76,533</b>
	As at 31.03.2009	33,49,441	82,902	66,950	33,65,393	14,24,840	41,417	2,65,298	16,48,721	19,24,601	17,16,672

NOTE: Depreciation on Fixed Assets has been provided on SLM Basis as per Schedule XIV of the Companies Act, 1956

**SCHEDULE - 5 :**

**INVESTMENTS**

PARTICULARS	Class Of Shares	As at 31st March, 2010			As at 31st March, 2009		
		Number of Shares/ Units	Face Value	Cost	Number of Shares/ Units	Face Value	Cost
<b>LONG TERM INVESTMENTS (UNQUOTED)</b> Cethar Industries Ltd.	Equity	3000	30000	30000	3000	30000	30000
<b>CURRENT INVESTMENTS (QUOTED)</b> HDFC Mutual Fund	NA	1074	10740	10770	0	0	0

Name of Mutual Fund	Balance as at 1st April, 2009		Purchased during the Year		Sold during the Year		Balance as at 31st March, 2010	
	No. of Units	Cost	No. of Units	Cost	No. of Units	Cost	No. of Units	Cost
Templeton India Ultra Short Bond Fund	0	0	502778	5033108	502778	5033108	0	0
Retail - Daily Dividend (Reinvestment) Scheme								
Tata Treasury Manager Fund	0	0	4470	4512582	4470	4512582	0	0
HIP - Daily Dividend (Reinvestment) Scheme								
ICICI Prudential Flexible Income Plan	0	0	86009	9094182	86009	9094182	0	0
Premium - Daily Dividend (Reinvestment) Scheme								
HDFC Cash Management Fund - Treasury Advantage	0	0	150603	1510770	149529	1500000	1074	10770
Retail - Daily Dividend (Reinvestment) Scheme								
LIC MF Floating Rate Fund	0	0	1006424	10064242	1006424	10064242	0	0
Short Term - Daily Dividend (Reinvestment) Scheme								
Reliance Medium Term Fund	0	0	565364	9665174	565364	9665174	0	0
Daily Dividend (Reinvestment) Scheme								
HDFC Cash Management Fund - Treasury Advantage	0	0	2382233	23897371	2382233	23897371	0	0
Wholesale - Daily Dividend (Reinvestment) Scheme								

As at 31.03.2010

As at 31.03.2009

**SCHEDULE - 6 :**

**INVENTORIES**

Stock of completed Real Estate Projects	18,62,770	3,03,71,250
<b>TOTAL RS.</b>	<u>18,62,770</u>	<u>3,03,71,250</u>

**SCHEDULE - 7 :**

**PROJECTS - IN - PROGRESS**

Land	15,89,18,970	15,89,18,970
Work-in-Progress	32,75,780	24,81,263
<b>TOTAL RS.</b>	<u>16,21,94,750</u>	<u>16,14,00,233</u>

**SCHEDULE - 8 :**

**SUNDRY DEBTORS**

Unsecured and considered good	11,01,19,415	10,38,12,029
Debtors Outstanding for a Period		
Exceeding 6 months	10,17,31,057	10,38,12,029
Not Exceeding 6 months	83,88,358	—
<b>TOTAL RS.</b>	<u>11,01,19,415</u>	<u>10,38,12,029</u>

<b>SCHEDULE - 9 :</b>	As at 31.03.2010	As at 31.03.2009
<b>CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	17,683	15,530
<b>Balance with Scheduled Banks</b>		
in Current Accounts	3,56,23,240	26,10,038
in Deposits	<u>3,05,476</u>	<u>2,98,061</u>
	3,59,28,716	29,08,099
<b>TOTAL RS.</b>	<u>3,59,46,399</u>	<u>29,23,629</u>

**Balance with Scheduled Banks includes:**

a. Rs. 55,476 (2009: Rs. 48,061) kept as Margin against Sales Tax liability for AY 2005-2006, now settled.

This amount is pending release.

b. Rs. 2,50,000 (2008: Rs. 2,50,000) kept as 100 % Margin for Construction Projects.

**SCHEDULE - 10 :**

<b>OTHER CURRENT ASSETS</b>		
Service Tax Receivable from Misc. Parties	5,49,793	5,49,793
Prepaid Expenses	13,079	14,651
FBT Refundable (AY 2007-2008)	720	720
<b>TOTAL RS.</b>	<u>5,63,592</u>	<u>5,65,164</u>

**SCHEDULE - 11 :**

<b>LOANS AND ADVANCES</b>		
<b>Unsecured Loans and Advances recoverable in cash or kind or for value to be received</b>		
Considered Good	3,31,76,610	1,03,01,015
Considered Doubtful	—	—
	<u>3,31,76,610</u>	<u>1,03,01,015</u>
<b>Unsecured Loans and Advances recoverable in cash or kind or for value to be received</b>		
to Subsidiaries/Associates/Business Ventures	—	85,00,000
to Others	3,31,76,610	18,01,015
	<u>3,31,76,610</u>	<u>1,03,01,015</u>
Income Tax Paid/Deducted at Source	1,07,75,204	67,52,337
Fringe Benefit Tax Paid (AY 2009-2010)	48,763	38,225
Other Deposits	2,54,026	2,54,026
<b>TOTAL RS.</b>	<u>4,42,54,603</u>	<u>1,73,45,603</u>

<b>SCHEDULE - 12 :</b>	As at 31.03.2010	As at 31.03.2009
<b>CURRENT LIABILITIES</b>		
<i>Sundry Creditors</i>		
Due to Micro, Small and Medium Enterprises	—	—
Due to Others	6,20,82,647	7,46,89,236
	<u>6,20,82,647</u>	<u>7,46,89,236</u>
Advances from Customers	5,09,68,180	1,56,70,654
Service Tax Payable	38,13,632	39,28,084
TDS Payable	15,805	52,072
Outstanding Expenses	71,489	69,735
Rent Arrears Payable	—	27,332
<b>TOTAL RS.</b>	<u>11,69,51,753</u>	<u>9,44,37,113</u>
 <b>SCHEDULE - 13 :</b>		
<b>PROVISIONS</b>		
Provisions for Tax	1,01,14,928	63,75,457
Provisions for Expenses	9,60,466	34,50,256
<b>TOTAL RS.</b>	<u>1,10,75,394</u>	<u>98,25,713</u>
 <b>SCHEDULE - 14 :</b>		
<b>INCOME FROM OPERATIONS</b>		
Bad Debts Recovered	1,36,00,000	—
Interest Received	16,00,167	3,19,240
	<u>1,52,00,167</u>	<u>3,19,240</u>
 <b>SCHEDULE - 15 :</b>		
<b>OTHER INCOME</b>		
Deposit Refund Received	5,40,000	—
Dividend Received	7,77,430	4,27,268
<b>TOTAL RS.</b>	<u>13,17,430</u>	<u>4,27,268</u>
 <b>SCHEDULE - 16 :</b>		
<b>EMPLOYEE REMUNERATION AND BENEFITS</b>		
Managerial Remuneration	15,00,000	14,32,000
Other Salaries, Wages, Allowances etc.	7,65,533	7,53,000
Sitting Fees	25,000	31,000
<b>TOTAL RS.</b>	<u>22,90,533</u>	<u>22,16,000</u>

<b>SCHEDULE - 17 :</b>	As at 31.03.2010	As at 31.03.2009
<b>ADMINISTRATIVE EXPENSES</b>		
Advertisement	32,742	19,520
Auditors Remuneration	49,635	49,635
Books and Periodicals	2,264	5,785
Conference Expenses	1,54,161	1,35,417
Donation	14,100	12,320
Electricity Charges	1,55,354	1,74,920
General Expenses	1,16,111	2,06,907
Insurance	19,343	16,945
Interest on Service Tax	4,557	—
Invocation by Guarantee by CMDA	—	10,42,000
Loss on sale of Assets	8,801	21,133
Maintenance Charges	50,198	32,420
Membership Charges	41,420	35,955
Office Expenses	23,164	2,416
Postage and Telegram	15,868	17,803
Printing and Stationery	56,425	50,291
Professional Charges	4,46,045	3,14,476
Rates and Taxes / Listing Fees	1,75,935	4,22,534
Rent	8,33,968	6,77,119
Repairs & Maintenance for car	1,19,448	76,403
Repairs and Maintenance	55,025	72,559
Stamp Papers	1,905	3,900
Telephone Charges	1,21,725	1,46,749
Traveling & Conveyance	11,956	12,235
<b>TOTAL RS.</b>	<u>25,10,149</u>	<u>35,49,442</u>
 <b>SCHEDULE - 18 :</b>		
<b>FINANCIAL EXPENSES</b>		
Interest Paid	2,22,896	7,94,317
Bank Charges	275	1,924
<b>TOTAL RS.</b>	<u>2,23,171</u>	<u>7,96,241</u>
 <b>SCHEDULE - 19 :</b>		
<b>CURRENT YEAR TAXATION</b>		
Income Tax Payable	37,51,157	13,37,759
<b>Add: Interest</b>	73,473	51,272
<b>Less: MAT Credit Entitlement Adjustment</b>	(85,159)	—
<b>TOTAL RS.</b>	<u>37,39,471</u>	<u>13,89,031</u>

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***SCHEDULE 20 : SCHEDULES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2010***

**Company Overview:**

Narendra Properties Limited ("Narendra Properties" or "the Company") is a leading Chennai-based Real Estate giant. It has been engaged in the business of commercial and residential property development as well as civil construction for over 40 years, and has developed over 2.5 million sq.ft. area.

**SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the accounting standards specified in the Companies (Accounting Standards) Rules 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act'), to the extent applicable.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**c. Fixed assets, Borrowing Costs and Depreciation**

Fixed assets are stated at cost of acquisition (including directly attributable costs such as freight, installation, taxes, duties etc.) or construction, or their corresponding revalued amounts less accumulated depreciation. Borrowing costs directly attributable to acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Depreciation is provided, based on the Straight Line Method ('SLM'). The depreciation rates prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life/remaining life.

Assets costing less than Rs 5,000 are fully charged to the profit and loss account in the year of acquisition.

**d. Impairment**

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or cash generating unit. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost had no impairment been recognised.

**e. Investments**

Investments that are readily realizable and intended to be held but not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are carried at cost. Provision for diminution is made to recognize a decline, other than temporary in value of long-term investments and is determined separately for each individual investment. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

The cost of investment includes acquisition costs such as brokerage, fees and duties.

**f. Inventories**

Inventories comprise finished stock of completed Real estate projects. These are valued at estimated cost.

**g. Projects - in - Progress**

Projects - in - Progress comprise Work in progress on ongoing projects and Land held by the company as at 31st March, 2010. Projects - in - Progress are valued at cost.

**h. Revenue Recognition**

Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method.

Income from fixed price construction contracts is recognised by reference to the estimated overall profitability of the contract under the percentage of completion method. Percentage of completion is determined as a proportion of the costs incurred up to the reporting date to the total estimated contract costs. Provision for expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.

Revenues under cost plus contracts are recognised as services are rendered on the basis of an agreed mark-up



on costs incurred in accordance with arrangement entered.

Revenue recognition is postponed in circumstances when significant uncertainty with respect to collectability exists.

Maintenance revenue is considered on acceptance of the contract and is accrued over the period of the contract.

Dividend income is recognised when the right to receive the dividend is established.

Interest income is recognized on accrual or receipt, whichever is earlier.

**i. Foreign currency transactions**

***Initial Recognition***

Transactions denominated in foreign currency are recorded in the reporting currency at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year.

***Translation***

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

***Exchange Differences***

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**j. Leases**

***Where the Company is the lessee:***

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased items are classified as operating leases. Lease payments under an operating lease, are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases under which the Company assumes subsequently all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income.

**k. Income Taxes**

Tax expense comprises current, deferred and fringe benefit tax.

Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets and recognises deferred tax assets to the extent that it has become virtually certain, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Provision for fringe benefit tax (FBT) is made on the basis of applicable FBT on the taxable value of specified expenses of the Company as prescribed under the Income Tax Act, 1961. However, in view of the abolition of FBT in The Finance Bill, 2009 and circular issued by the CBDT, advance FBT paid has been considered as Advance Income Tax paid for the year.

**l. Provision, Contingent Liabilities and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the company exists as at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates. Contingent assets are neither recognized nor disclosed in the financial statements.

**m. Earnings per share**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

NOTES ON ACCOUNTS

1. Managerial Remuneration

The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration levels prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with Companies operating in similar industries in India.

Managerial remuneration was paid as set out below:

PARTICULARS	2009-2010	2008-2009
Salaries, Wages and Allowances	15,00,000	14,32,000
Sitting Fees	25,000	31,000
<b>TOTAL</b>	<b>15,25,000</b>	<b>14,63,000</b>

Computation of Net Profit in accordance with Section 198, read with Section 309 (5) of the Companies Act, 1956, as outlined under Section 349 of the Act:

PARTICULARS	2009-2010
Net Profit as per Profit and Loss Account	1,85,99,192
Add: Managerial remuneration	15,00,000
Add: Sitting Fees	25,000
Add: Loss on Sale of Assets	8,801
<b>Net Profit as per Sec. 198</b>	<b>2,01,32,993</b>

Thus, the Managerial Remuneration paid during the year lies within the limits set out in Section 198 of the Companies Act, 1956 and in accordance with relevant provisions of the Articles of Association.

2. Auditors' Remuneration

PARTICULARS	2009-2010	2008-2009
Statutory Audit	30,000	30,000
Tax Audit	15,000	15,000

Note: All amounts are stated exclusive of Service Tax.

3. Sale of Land

The company has entered into definitive agreements for the sale of two of its properties during the year. It has also received advances towards the sale of these properties. The sale is likely to be completed in FY 2010-2011. The details of the above are outlined below:

Particulars	Purchaser	Sale Consideration	Advance Received
TNHB Land - Sholinganallur	Varun Maher	4,67,00,000	41,00,000
Land - Kelambakkam	M/s. Anjli Foundations	9,50,00,000	4,45,00,000

**4. Bank Balances**

Bank Confirmation has not been obtained with respect to balance with Bank of Ceylon, having balance outstanding of Rs. 9,023 as per the books of account as at 31st March, 2010. This account has been non-operative for the past 3 years. However, the management does not anticipate any material discrepancy in this amount.

**5. Unconfirmed balances of Receivable, Payables and Advances**

Where written confirmation has not been obtained from the parties themselves, the management has certified them to be true and correct. The management does not anticipate any material changes in these amounts considered in the financial statements.

**6. Earnings and Expenditure in Foreign Exchange (including imports)**

NATURE OF TRANSACTION	(in Rs.)
Fixed Asset Purchased - Computer	53,264
Conference Expenses	37,975

**7. Unclaimed / Unpaid Dividend**

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

The status of Dividend remaining unclaimed / unpaid is given hereunder:

Financial Year	Rate (%)	Unclaimed Dividend	Dividend Declaration Date	Tentative Date of Transfer to IEPF
2005 - 06	20%	1,65,400	27th September, 2006	3rd November, 2013
2006 - 07	20%	1,31,400	27th September, 2007	3rd November, 2014
2007 - 08	20%	1,31,242	26th September, 2008	2nd November, 2015

The above amounts do not form part of the Cash & Bank balances available with the company and are held off-the-balance-sheet in 'Unpaid Dividend Accounts'.

**8. Disclosure pursuant to Clause 32 of the Listing Agreement**

Loans made to parties with no specific repayment schedule:

Name	Balance as at 31st March, 2010	Maximum amount outstanding during the year
S.C. Shah Enterprises	3,00,00,000	3,00,00,000

9. **Disclosures under the Micro, Small and Medium Enterprises Act, 2006**

In the absence of any intimation received from vendors regarding the status of their registration under the Micro, Small and Medium Enterprises Development Act, 2006 the company is unable to comply with the disclosures to be made under the said Act.

10. **Disclosure under AS - 17 : Segmental Reporting**

a. **Business Segments:**

The Company is organized into two major operating segments, namely:

- i. Civil Construction
- ii. Money Lending

Consequently, the primary reporting requirements, as outlined under AS-17 are applicable, and presented below.

b. **Geographical Segments:**

The company operates in a single geographical segment i.e. India. Consequently, the secondary reporting requirements, as outlined under AS-17 are not applicable to it.

c. **Segment Policies:**

*i. Segment revenue and expense:*

There are no joint revenues for the two business segments. Joint expenses are allocated to the two business segments on a reasonable basis. All other segment revenue and expense are directly attributable to the segments.

*ii. Segment assets and liabilities:*

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of any allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

*iii. Inter-segment transfers:*

There are no inter-segment transfers in the current or in the previous accounting year.

*iv. Unusual Item:*

During the current year, external revenue was boosted by the recovery of a Bad Debt, previously written off, to the tune of Rs. 1,36,00,000. Outstanding interest received on this recovery was Rs. 5,44,000.

*v. Accounting Policies:*

Accounting policies are as have been outlined earlier in the Schedules to the Financial Statements. There has been no change in accounting policies from the previous year.

The rest of the disclosures as required under the Primary reporting requirements of AS - 17 are given on the following page.

NARENDRA PROPERTIES LIMITED



PARTICULARS	SEGMENT 1	SEGMENT 2	TOTAL
	Property Development	Money Lending	
REVENUE	Rs.	Rs.	Rs.
a. External Sales	<b>8,30,67,549</b>	<b>1,51,66,500</b>	<b>9,82,34,049</b>
	14,43,81,278	2,70,000	14,46,51,278
b. Inter-segment Sales	—	—	—
c. TOTAL	<b>8,30,67,549</b>	<b>1,51,66,500</b>	<b>9,82,34,049</b>
	14,43,81,278	2,70,000	14,46,51,278
<b>RESULT</b>			
a. Segment Result	<b>1,13,75,696</b>	<b>1,51,66,500</b>	<b>2,65,42,196</b>
	1,70,61,773	2,70,000	1,73,31,773
b. Unallocated Corporate Income / (Expense)	—	—	<b>(47,81,934)</b>
			(47,79,471)
c. OPERATING PROFIT	—	—	<b>2,17,60,262</b>
			1,25,52,302
d. Interest expense	—	—	<b>(2,22,896)</b>
			(7,94,317)
e. Interest / Dividend Income	—	—	<b>8,11,097</b>
			4,76,508
f. Provision for Taxation	—	—	<b>(37,49,270)</b>
			(14,20,389)
g. PROFIT AFTER TAX	—	—	<b>1,85,99,192</b>
			1,08,14,104
<b>ASSETS</b>			
a. Segment Assets	<b>27,60,29,354</b>	<b>3,22,00,208</b>	<b>30,82,29,562</b>
	30,60,00,240	8,00,125	30,68,00,365
b. Unallocated Corporate Assets	—	—	<b>4,83,29,270</b>
			1,13,64,215
c. TOTAL	—	—	<b>35,65,58,832</b>
			31,81,64,580
<b>LIABILITIES</b>			
a. Segment Liabilities	<b>11,78,24,926</b>	—	<b>11,78,24,926</b>
	9,77,38,230		9,77,38,230
b. Unallocated Corporate Liabilities	—	—	<b>1,04,43,160</b>
			1,07,34,795
c. TOTAL	—	—	<b>12,82,68,085</b>
			10,84,73,025
<b>OTHER INFORMATION</b>			
a. Capital Expenditure	—	—	<b>1,07,100</b>
			82,902
b. Depreciation / Amortization	<b>39,821</b>	—	<b>2,20,937</b>
	39,821		2,65,298
c. Other non-cash Expenditure	—	—	<b>8,801</b>
			21,133

Note: Current Year figures are given in **Bold**.

11. Disclosure under AS - 18 : Related Party Disclosures

List of Related Parties and their Relationships:

ASSOCIATES

No Associates as at 31st March, 2010

KEY MANAGEMENT PERSONNEL

Name	Designation
1. Narendra C Maher	Managing Director
2. Mahendra K Maher	Director
3. Chirag N Maher	Director
4. Narendra Sakariya	Director
5. Nishank Sakariya	Director
6. S Ramalingam	Chairman
7. R Subrahmanian	Director
8. John K John	Director
9. Chandrakant Udani	Director

Enterprises owned or Significantly influenced by KMP or Relatives

KMP / Relative	Enterprise	Nature of Relationship
1. Narendra C Maher	a. Ankur Foundations Pvt. Ltd.	Managing Director
	b. The Aluminium and Glassware Emporium	Partner
	c. Aluglass Electricals	Partner
	d. Ankur Building Products	Partner
	e. Jalarams	Partner
2. Mahendra K Maher	a. Ankur Foundations Pvt. Ltd.	Director
	b. The Aluminium and Glassware Emporium	Partner
	c. Aluglass Electricals	Partner
	d. Jalarams	Partner
3. Chirag N Maher	a. Jalaram Investments	Partner
4. Narendra Sakariya	a. Megh Sakariya International Pvt. Ltd.	Director
5. Nishank Sakariya	a. Megh Sakariya International Pvt. Ltd.	Director
	b. Scope Merchants Pvt. Ltd.	Director
	c. Anjli Foundations	Partner
	d. Jalaram Investments	Partner

## Transactions / Balances with Related Parties:

NATURE OF TRANSACTION	(in Rs.)
<b>1. Director's Remuneration</b>	
a. Narendra C Maher	9,00,000
b. Chirag N Maher	6,00,000
<b>2. Sitting Fees</b>	
a. Mahendra K Maher	5,000
b. Narendra Sakariya	4,000
c. Nishank Sakariya	2,000
d. Meena Sakariya	2,000
e. Chandrakant Udani	5,000
f. S. Ramalingam	5,000
g. John K John	2,000
<b>3. Professional Charges Paid</b>	
a. Chandrakant Udani	2,14,500
<b>4. Interest Paid</b>	
a. Chirag N Maher	1,30,206
b. Mahendra K Maher	92,690
<b>5. Construction Expenses</b>	
a. Anjli Foundations	4,07,53,750
<b>6. Advance for Land Purchase Refunded</b>	
a. Scope Merchants Pvt. Ltd.	80,00,000
<b>7. Security Deposit Refund Received</b>	
a. Anjli Foundations	80,00,000
<b>8. Advance for Kelambakkam Land Received</b>	
a. Anjli Foundations	4,45,00,000
<b>9. Sundry Creditors - Construction</b>	
a. Anjli Foundations	5,90,68,375

**Note:** Related Party Relationships are as identified by the Company and relied upon by the Auditors



12. Disclosure under AS - 19 : Leases

The Company leases office facilities under cancelable operating leases. The rental expense under cancelable operating lease during the period was Rs. 8,33,968. (Previous Year - Rs. 6,77,119).

Future minimum lease payments under the cancellable operating leases as at 31st March, 2010 are as follows:

MINIMUM LEASE PAYMENTS	(in Rs.)
Payable - Not later than One Year	8,61,300
Payable - Later than One Year and not later than Five Years	34,45,200

The management has represented that the rental for the Office spaces is likely to remain the same over the next 5 Years.

13. Disclosure under AS - 20 : Earnings per Share

PARTICULARS	2010	2009
Profit after Tax (Net Profit attributable to Equity shareholders)	1,85,99,192	1,08,14,104
Weighted average number of Equity shares outstanding during the year	71,06,400	71,06,400
Basic and Diluted Earnings per share (Rupees)	2.617	1.522
Face Value per Share (Rupees)	10.00	10.00

14. Disclosure under AS - 22 : Accounting for Taxes on Income

PARTICULARS	(in Rs.)
Deferred Tax Liability as at 31st March, 2009	2,47,595
Less: Timing Difference on account of Depreciation	(6,657)
Deferred Tax Liability as at 31st March, 2010	2,40,938

In accordance with "Accounting Standard 22", the Company has recognised in its Profit & Loss Account a sum of Rs. 6,657/- as Deferred Tax Assets (Net) for the Year.

15. Disclosure under AS - 29 : Provisions, Contingent Liabilities and Contingent Assets

*Contingent Liabilities*

- i. Bank Guarantees (Previous Year - Rs. 2,98,061) - Rs. 2,50,000.
- ii. The company has generally been regular in the remittance of Service Tax dues during the current year.  
However, due to the ongoing dispute as regard the applicability of Service Tax on Construction, the company has not remitted Service Tax during the Current Year on:

The sale of 4 Flats in their Project - "Redmond Square", on request by the customers. The details with this regard are as follows:

Amount Received	Amount Liable to Service Tax	Estimated Service Tax Liability
2,07,15,495	1,04,58,495	3,55,484

However, the company has secured indemnity bonds from these 4 Parties to cover any Service liability that may arise in the future with regard to these amounts.

Provisions

i. Provision for Income Tax

PARTICULARS	2009 - 2010	2008 - 2009
Provision for Taxation at the beginning of the Year	63,75,457	49,73,321
Add: Transferred during the Year	37,39,471	14,02,136
<b>Provision for Taxation at the end of the Year</b>	<b>1,01,14,928</b>	<b>63,75,457</b>

16. Comparatives and Disclosures:

The previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date.

for **SANJAY BHANDARI & CO.**  
*Chartered Accountants*  
**SANJAY BHANDARI**  
*Partner, Membership No.200/28112*  
 Place : Chennai  
 Dated : 28th May, 2010

For and on behalf of the Board  
**NARENDRA C. MAHER**  
*Managing Director*  
**MAHENDRA K. MAHER**  
*Director*

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2010**

	31.03.2010	31.03.2009
	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	2,23,48,462	1,22,34,493
<b>Add/(Less) Adjustments:</b>		
Depreciation	2,20,937	2,65,298
Interest on loan	2,22,896	7,94,317
Loss on sale of Assets	8,801	21,133
<b>Operating profit before WC changes</b>	<u>2,28,01,096</u>	<u>1,33,15,241</u>
<b>Adjustments for:</b>		
Inventories	2,85,08,480	(3,03,71,250)
Projects-in-Progress	(7,94,517)	4,49,62,785
Sundry Debtors	(63,07,386)	—
Other Current Assets	1,572	(14,651)
Loans and Advances	(2,31,92,911)	1,44,45,733
Current Liabilities	2,25,14,640	(2,66,19,691)
Provision for Expenses	(24,89,790)	(88,49,744)
	<u>1,82,40,088</u>	<u>(64,46,818)</u>
<b>Cash generated from Operations</b>	4,10,41,184	68,68,423
Taxes Paid	37,22,006	14,00,000
Fringe Benefit Tax	10,538	38,225
<b>Net Cash generated from Operating activities : (A)</b>	<u>3,73,08,640</u>	<u>54,30,198</u>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of Fixed Assets	(1,07,100)	(82,902)
Sale Proceeds of Fixed Assets	17,500	4,400
Investment in Mutual Funds	(10,770)	—
<b>Net Cash used in Investing activities : ( B )</b>	<b>(1,00,370)</b>	<b>(78,502)</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Loan Received	—	30,00,000
Dividend paid during the year	—	(1,42,12,800)
Dividend Tax paid during the year	—	(24,15,465)
Repayment of Unsecured Loan	(39,62,604)	(60,25,228)
Interest on Loan	(2,22,896)	(3,89,824)
<b>Net Cash generated from Financing activities : ( C )</b>	<b>(41,85,500)</b>	<b>(2,00,43,317)</b>
<b>Net Inc / (Dec) in cash &amp; cash equivalents (A+B+C)</b>	<b>3,30,22,770</b>	<b>(1,46,91,621)</b>
<b>Cash &amp; cash equivalents (Opening Balance)</b>	<b>29,23,629</b>	<b>1,76,15,250</b>
<b>Cash &amp; cash equivalents (Closing Balance)</b>	<b>3,59,46,399</b>	<b>29,23,629</b>

For and on behalf of the Board

Place : Chennai  
Dated : 28th May, 2010

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

**MAHENDRA K. MAHER**  
*Director*

This is the Cash Flow Statement referred to in our report of even date.

Place : Chennai  
Dated : 28th May, 2010

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

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS  
PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956**

**1. Registration Details**
 Registration No.         State Code  

 Balance Sheet Date        
**2. Capital Raised during the year (Rs. in Thousands)**

Public Issue	Rights Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**3. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)**

Total Liabilities	Total Assets
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="9"/>

**Sources of Funds**

Paid-up Capital	Reserves and Surplus
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Deferred Tax Liability	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="1"/>	

**Application of Funds**

Net Fixed Assets	Investments
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="7"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="1"/>
Net Current Assets	Miscellaneous Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

**4. Performance of Company (Rs. in Thousands)**

Turnover	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="9"/> <input type="text" value="4"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="8"/>
Profit Before Tax	Profit After Tax
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="8"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="9"/>
Earnings per Share	Dividend Rate (%)
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="."/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

**5. Generic Names of Three Principal Products / Services of Company (as per monetary terms)**

Item Code No. (ITC Code)	Not Applicable
Services	C O N S T R U C T I O N M O N E Y L E N D I N G

Vide our report of even date annexed.

for **SANJAY BHANDARI & CO.,**  
Chartered Accountants,**SANJAY BHANDARI**  
PartnerPlace : Chennai  
Dated : 28th May, 2010

For and on behalf of the Board

**NARENDRA C. MAHER**  
Managing Director**MAHENDRA K. MAHER**  
Director



**NARENDRA PROPERTIES LIMITED**

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

**ATTENDANCE SLIP**

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING of the Company being held at No.111, Lattice Bridge Road, Chennai - 600 041 at 9.00 AM on Wednesday, the 29th September, 2010.

.....  
Full Name of the member attending

.....  
Full Name of the Proxy

.....  
Signature of the member

.....  
Signature of the Proxy

.....  
Folio No.

.....  
No. of Shares held

Note: Members attending the meeting in person/proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

**NARENDRA PROPERTIES LIMITED**

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

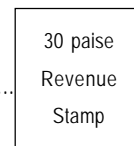
**PROXY FORM**

I/We ..... of ..... being a member(s) of NARENDRA PROPERTIES LIMITED, hereby appoint ..... of ..... or failing him/her ..... of ..... as my/our proxy to vote for me/us on my/our behalf, at the Fifteenth Annual General Meeting of the Company to be held on Wednesday, the 29th September, 2010 at 9.00 AM at No.111, Lattice Bridge Road, Chennai - 600 041 or at any adjournment thereof.

Signed this.....day of.....2010

Address:

Signature .....



Folio No..... No. of Share(s) held .....

- Note:
- 1. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.
  - 2. Proxy need not be a member.





## BOOK POST

To:

*If undelivered, please return to:*

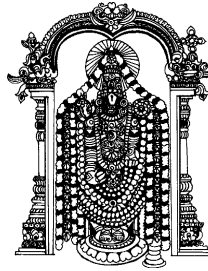
**NARENDRA PROPERTIES LIMITED**

2A, 3rd Floor, Wellington Estate

53 (Old No.24), Ethiraj Salai, Chennai - 600 105.



**FIFTEENTH ANNUAL REPORT  
2009-2010**



**NARENDRA PROPERTIES LIMITED**

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