

**ANNUAL REPORT**  
2011 - 2012

**B. NANJI ENTERPRISES LIMITED**

# **B. NANJI ENTERPRISES LIMITED**

## **BOARD OF DIRECTOR**

Mr. B N Padsala	Chairman & Managing Director
Mr. S B Padsala	Executive Director
Mr. Philip Job	Director
Mr. Vinayak Sarkhot	Director

## **REGISTERED OFFICE**

5, Moorti Bunglow  
Ashok Nagar Co. Op. Hou. Soc. Ltd.,  
B/h Sunder Nagar, ISRO, Satellite, Ahmedabad-380015

## **REGISTRAR & SHARE TRANSFER AGENT**

### **SYSTEM SUPPORT SERVICES**

209, Shivai Ind, Estate,  
89, Andheri Kurla Road,  
Saki Naka, Andheri (E), Mumbai-400072

## **BANKERS**

HDFC Bank  
Bank of India  
Bank of Maharastra  
State Bank of India  
Axis Bank Ltd

## **WEBSITE**

[www.bnanjigroup.com](http://www.bnanjigroup.com)

## **AUDITORS**

**ATUL DALAL & CO,**  
Chartered Accountants  
2<sup>nd</sup> Floor, Abhishek Building,  
Nr. Girish Cold Drink, C G Road,  
Ahmedabad-380009.

**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the members of B. Nanji Enterprises Limited will be held on Saturday, 29<sup>th</sup> September, 2012 at 10:30 a.m., at "Common Plot & Hall", 7, Ashoknagar Co-Operative Housing Society Ltd. B/h. Sundervan, Ahmedabad-380015 for transacting the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited balance sheet as on 31<sup>st</sup> March, 2012, Statement of profit & Loss for the year end as on that date and Auditors' Report and Director Reports' thereon.
2. To appoint Director in place of Mr. Vinayak Sarkhot, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**Date : 25-08-2012**

**Place : Ahmedabad**

**Bhikhubhai Padsala**  
**Chairman & Managing Director**

**NOTES :**

- 1) Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a Member. Proxy to be effective should reach the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
- 2) The Register of Members and Share Transfer books of The Company will remain closed from Wednesday the 26<sup>th</sup> Day of September, 2012 to Saturday the 29<sup>th</sup> September, 2012 (Both Days Inclusive).
- 3) The Members are requested to notify immediately the change of address, if Any to the Company's Share Transfer Agent, M/s. System Support Service, 209, Shivai Ind. Estate, Near Park Devis, 89, Andheri Kurla Road, Sikinaka, Andheri(East), Mumbai-400072 quoting their Folio No. or Client ID No.
- 4) Nomination facility is available to the Shareholders in respect of share held by them.
- 5) Members desiring any information on Accounts are requested to write to the Company at least One week before the meeting so as to enable the management to keep the information ready. Replies will be provided only at the meeting.
- 6) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies of Annual Report and the attendance slip at the meeting.
- 7) Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.

## DIRECTORS' REPORT

TO,  
THE MEMBERS,

Your Directors are pleased to present the Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS :***(Rs in Lacs)*

Particulars	2011-12	2010-11
Turnover (Net) (including other income)	276.40	556.20
Profit/(Loss) before Tax	33.08	192.30
Tax Expenses	Nil	60.00
Profit/(Loss) for the year	33.08	141.65

**DIVIDEND :**

To conserve the financial resources of the Company, your Directors do not recommend dividend for the year under review.

**FIXED DEPOSITS :**

The Company has not accepted/renewed any public deposits during the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS :****(A) INDIAN ECONOMY :**

The Indian economy faced many headwinds in fiscal 2011-12. The year witnessed turmoil as the GDP growth rate came down to 6.5%, the lowest in the last 5 years. This was a result of the various macro-economic factors, global economy being on the brink of a recession, Due to financial disturbance the Indian economy came down. The year was characterized by a sustained rise in inflation, as a result of a sharp increase in the prices of commodities. This was further exacerbated by the supply side constraints and increased borrowing costs. With demand and affordability getting impacted, the economic growth engine witnessed signs of a significant slowdown. Over the near term, there is no sign of a reversal of this trend, unless the Government initiates a series of reforms and bold economic measures.

**(B) INDIAN REAL ESTATE :**

As decrease in the Indian economy, the Indian real estate sector continued to face a challenging environment. With an overall decline in volumes, pricing was a key issue in some geographies marked by over-supply and lack of sustained economic activity. Key markets were also impacted by policy inertia, leading to significant reduction in volumes on account of lack of fresh approvals.

**(C) REVIEW OF OPERATIONS :**

During the year 2011-12 total income of the Company was Rs 276 Lacs and earned net profit of Rs 33.08 lacs as compared to total income of Rs. 556.20 Lacs and net profit 141.65 Lacs during the previous year.

**(D) OUTLOOK ON OPPORTUNITY AND RISKS :****OPPORTUNITIES :**

Gujarat has emerged as the top investment destination in the country attracting proposals worth over a staggering Rs 16.28 lakh crore, leading industry body Assocham said today. The real estate sector in India is on a rapid growth trajectory. The market opportunities in real estate sector are in all asset classes, including residential, commercial, retail and hospitality. Closely tied to this is the immense opportunity in the construction industry especially in the infrastructure development sector. On the residential market alone, India possesses the elements of very strong demand growth in the coming decades.

After Gujarat, Maharashtra was second, attracting investments worth Rs 14.14 lakh crore, followed by Andhra Pradesh and Odisha (Rs 12.09 lakh crore each) and Karnataka Rs 9.85 lakh crore. The remaining 15 states attracted total investment proposals worth Rs 55.89 lakh crore, Assocham said.

Of the total investment proposals, the highest amount has gone into electricity (35.9%), followed by manufacturing (25.3%), services (21.8%), real estate (11.8%), irrigation (3.1%) and mining (2.1%), the industry body said.

**RISKS :**

Global economic uncertainties have affected India's economy, including the real estate market. Macroeconomic indicators are not healthy. Fiscal deficit and interest rates are high while the rupee is depreciating.

High prices and interest rates have been dampeners. "Demand has been stagnating in a few cities even as supply remains high. Investors as well as end-users have been showing signs of weariness.

Rising prices of raw materials and increasing fuel/transportation costs also adversely effect in the real estate market Apart from this, the other major issue is the lack of availability of skilled and semi-skilled labor at project sites.

The Company's business is substantially affected by the prevailing and changing economic conditions in India and at global level. Due to rise in interest rates, inflation, changes in tax, trade, fiscal and monetary policies, scarcity of credit, delays in obtaining necessary approvals etc. All these factors affect the business of the Company.

**(E) INTERNAL CONTROL SYSTEM :**

The company has proper and adequate system of internal controls. The management reviews the internal control systems and procedures to ensure orderly and efficient conduct of business and to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorised recorded and reported correctly.

The Company has well defined internal control system. The Company takes abundant care to design, review and monitor the working of internal control system. All significant issues are brought to the attention of the Audit Committee of the Board. Gaps, if any, under the existing system are being examined and the mitigation measures for the same are being devised.

**(F) HUMAN RESOLURCES (HR) :**

The Company believes that the human capital is the key engine for its growth and competitiveness. It continues to focus on HR practices, systems and people development initiatives that encourage continuous learning on the job and meritocracy and which enhance the organization's capability. The Company's objective going forward would be to nurture and harness core management teams and explore outsourcing which will enable us to enhance management bandwidth and focus. The changing business scenario necessitates continuous development of employees in terms of skills and competencies in line with the Company's requirements.

**CORPORATE GOVERNANCE :**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Corporate Governance Report" is attached to this annual report.

**CFO CERTIFICATION :**

The Executive Director who looks after finance function has submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49 (V) of the Listing Agreement.

**DIRECTOR :**

Pursuant to provisions of Section 256 of the Companies Act, 1956 Mr. Vinayak Sarkhot retire by rotation and being eligible offers themselves for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors state that :

- In the presentation of Annual Accounts, the applicable accounting standard have been followed along with proper explanation relating to material departure.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and have of the profit of the Company for the period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES :**

No employee is drawing remuneration more than the specified limit prescribed u/s.217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence, the information in terms of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not required to be given.

**AUDITORS :**

M/s. Atul Dalal & Co., Chartered Accountant, statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received certificate from M/s. Atul Dalal & Co., Chartered Accountant, to the effect that their appointment, if made would within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified from such appointment within the meaning of section 226 of the Companies Act, 1956. The proposal for re-appointment is included in the notice of Annual General Meeting sent with.

**REPLY TO AUDITORS' OBSERVATIONS/QUALIFICATIONS :**

- As regards Para 4 (a) of Auditors' Report, the Company has not made provision for Income Tax demand of earlier years of Rs 617.19 lacs as the Company does not foresee any tax liability in respect of the said demand.
- As regards Para 4 (b) of Auditors' Report, for adjusting creditors account by debiting creditors and crediting account of Bhikhubhai N Padsala on his statement that he had made the payment to such party in earlier year by Cash.
- As regards Para 4 (c) of Auditors' Report , the Company has adopted policy of payment of retirement benefits on cash basis and hence no provision has been made for the same.
- As regards Para 4 (d) of Auditors' Report , the Company has not made any provision of Current Tax and Deferred Tax liability.
- As regards Para 4 (e) of Auditors' Report , the Company has not made any provision of VAT and Service Tax.
- As regards Para 7 of the Annexure to the Auditors' Report, the Company is in process of introducing internal audit system.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO :**

The year under review, there are no manufacturing activities undertaken by the Company. The activity of the Company under review is land development activities and is of such a nature that it requires minimum amount of energy. Information pursuant to section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption are not applicable to the Company. There is no foreign exchange earnings and outgo during the year under review.

**ACKNOWLEDGMENT :**

Your Directors wish to place on record their sincere appreciation to the employees at all levels for their hard work, dedication and commitment. Your Directors would like to express their sincere appreciation for assistance and co-operation received from the vendors and stakeholders including financial institutions, banks, Central & State Government authorities, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors take this opportunity to place on record their gratitude and appreciation for the committed services of the employees at all levels of the Company.

**For and on behalf of the Board of Directors**

**Date : 25-08-2012**  
**Place : Ahmedabad**

**Bhikhubhai Padasla**  
**Chairman & Managing Director**

**REPORT ON CORPORATE GOVERNANCE**

[Pursuant to clause 49 of the listing agreement]

**CORPORATE GOVERNANCE :**

In the fast changing business scenario, good Corporate Governance helps in achieving long term Corporate Goals of enhancing Stakeholders' value. Corporate Governance focuses on commitment to values adhering to ethical business practices. This includes corporate structures, culture, policies and the manner in which the corporate entity deals with various stakeholders, with transparency being the key word. Accordingly, timely, adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of Corporate Governance.

It aims to assure the Stakeholders' that it is "Your Company" and it belongs to you. The Chairman and Board of Directors are your fiduciaries and trustee pushing the business forward in maximizing long term value for its shareholders. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49 for the financial year 2011-12.

**BOARD OF DIRECTORS :****A) Composition of Board of Directors :**

Name of the Directors	Category	No. of other Directorship in Public Ltd. Companies	No. of other Board Committees of which member/chairman
Mr. B.N. Padsala	Non-Independent and Executive	3	Nil
Mr. S.B. Padsala	Non-Independent and Executive	4	4
Mr. Philip Job	Independent and Non- Executive	Nil	Nil
Mr. Vinayak Sarkhot	Independent and Non- Executive	3	3

**B) Attendance of each Directors at Board Meeting and last Annual General Meeting :**

Sr. No.	Name of Director	No. of Board meeting attended	Attendance at last AGM
1	Mr. B.N. Padsala	8	Yes
2	Mr. S.B. Padsala	8	Yes
3	Mr. Philip Job	8	Yes
4	Mr. Vinayak Sarkhot	4	Yes

**C) Number of Board meetings held during the financial year and dates of Board Meetings :**

Board Meeting	Date	Board Meeting	Date
1	30/04/2011	5	19/11/2011
2	19/05/2011	6	12/01/2012
3	12/08/2011	7	06/02/2012
4	29/09/2011	8	21/03/2012

## INFORMATION PLACED BEFORE THE BOARD :

## AUDIT COMMITTEE :

## Composition of Audit Committee :

Name	Designation	Non-executive/ independent	Committee meeting attended
Mr. Vinayak Sarkhot	Chairman	Independent and Non-Executive	4
Mr. Philip Job	Member	Independent and Non-Executive	4
Mr. Sandip B. Padsala	Member	Non-Independent and Executive	4

The term of reference stipulated by the board to the Audit Committee are, as contained in clause 49 of the Listing agreement and Section 292A of the Companies Act, 1956, as follows :

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on; (i) Any changes in accounting policies and practices, (ii) Major accounting entries based on exercise of judgment by management, (iii) Qualifications in draft audit report (iv) Significant adjustments arising out of audit (v) The going concern assumption, (vi) Compliance with accounting standards, (vi) Compliance with stock exchange and legal requirements concerning financial statements, (viii) Any related party transactions.
- Discussion with internal auditors any significant findings and follow up there on.
- Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.

Four meetings of Audit Committee were held during the financial year 2011-12 on following dates :

No.	Date	No.	Date
1	30/04/2011	3	14/11/2011
2	12/08/2011	4	06/02/2012

## REMUNERATION COMMITTEE :

The Remuneration Committee comprised of the following Directors.

Name	Designation	Non-executive/ independent	Committee meeting attended
Mr. Vinayak Sarkhot	Chairman	Independent and Non-Executive	2
Mr. Philip Job	Member	Independent and Non-Executive	2
Mr. Sandip B. Padsala	Member	Non-Independent and Executive	2

Two meetings of Remuneration Committee was held on 14/11/2011 and 06/02/2011 during the year 2011-12.

The details of remuneration paid/ payable to the directors for the year 2011-12 are as under :

Name of Director	Salary/Perquisite Amount (Rs.)	Commission Amt. (Rs.)	Total Amt. (Rs.)
Mr. B.N. Padsala	842884	---	842884
Mr. S.B. Padsala	561923	---	561923

**SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :**

The Shareholders/Investors' Grievances specially look into redressing of Shareholders and Investors' complaint such as transfer of shares, non-receipt of dividend, if any and to ensure expeditious share transfer process. The Committee comprises of the following Directors.

Name	Designation	Non-executive/ independent	Committee meeting attended
Mr. Vinayak Sarkhot	Chairman	Independent and Non-Executive	2
Mr. Philip Job	Member	Independent and Non-Executive	2
Mr. Sandip B. Padsala	Member	Non-Independent and Executive	2

Two meetings of Shareholder's/Investor's Grievances' was held on 14/11/2011 and 06/02/2011 during the year 2011-12.

**GENERAL BODY MEETINGS :****Details of three Annual General Meeting:**

Year	Date	Time	Venue
2008-09	30.09.2009	4.00 P.M.	Moorti Bunglows, 5, Ashoknagar, B/h. Sundervan, Ahmedabad-15.
2009-10	31-12-2010	4.00 P.M.	Moorti Bunglows, 5, Ashoknagar, B/h. Sundervan, Ahmedabad-15.
2010-11	31/03/2011	10:30 A.M	'Common Plot & Hall" 7, Ashoknagar, B/h. Sundervan, Ahmedabad-15.

No postal ballot were used or required for voting at these meetings in respect of special resolution passed.

**MEANS OF COMMUNICATION :**

The quarterly, half yearly and annual financial results of the Company were sent to the Stock Exchanges.

**DISCLOSURE :**

- (a) The register of contracts containing transactions in which directors are interested is placed before the Board of Directors regularly. No transaction of material nature has been entered into by the Company with the directors or the management and their relatives etc. that may have potential conflict with the interest of the Company.
- (b) Details of non-compliance by the Company, penalties, imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years: N.A.

**GENERAL SHAREHOLDERS INFORMATION :**

- a) Annual General Meeting- Date, Time & Venue : 29/09/2012 at 10.30 a.m. at "Common Plot & Hall" 7, Ashoknagar, B/h. Sundervan, Ahmedabad-380 015.
- b) Financial Year : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013  
 First Quarterly results On or before 14/08/2012  
 Second Quarterly results On or before 15/11/2012  
 Third Quarterly results On or before 15/02/2012  
 Fourth Quarterly results On or before 15/05/2012  
 AGM for the year ended March, 2011 End of September, 2013
- c) Date of Book Closure: 26<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (Both days inclusive)
- d) Dividend : Nil
- e) Listing at following Stock Exchanges :  
 \* Bombay Stock Exchange  
 \* Saurashtra & Kutch Stock Exchange
- f) Listing Fees :  
 Paid to Bombay Stock Exchange Ltd up to 2012-13. Payment of Listing fee Saurashtra & Kutch Stock Exchange is pending for last few years.

g) Scrip Code: BSE 526594

h) ISIN : INE735G01010

i) **Market Price Data :**

The monthly market price data of the Company's Shares from April, 2011 to March, 2012 is as follows :

Month	Bombay Stock Exchange		Shaurashtra & Kutch Stock Exchange	
	High	Low	High	Low
April,2011	22.30	17.45	—	—
May, 2011	20.85	15.50	—	—
June, 2011	23.60	17.80	—	—
July,2011	21.05	18.25	—	—
August,2011	20.90	16.50	—	—
September, 2011	19.15	18.10	—	—
October,2011	18.05	16.30	—	—
November,2011	18.00	15.15	—	—
December,2011	18.40	18.40	—	—
January, 2012	19.00	14.95	—	—
February, 2012	20.94	14.21	—	—
March, 2012	18.90	13.65	—	—

j) **Registrar for Electronic & Physical Mode :**

Address for correspondence at present for transfer / dematerialization of shares, change in address, change in status of investors and other query or any grievance / complaints relating to the shares of the Company is as below :

**Registrar & Share Transfer Agent :**

**System Support Services,**

209, Shivai Ind.Estate, Near Park Devis, 89,  
Andheri Kurla Road, Sakinaka, Andheri (East),  
Mumbai-400072.

k) Name of Compliance Officer : Mr. Sandip B. Padsala

l) **Shareholding as on 31<sup>st</sup> March, 2012**

Sr. No.	Category	% of shareholding	No. of shares held
1.	<b>Promoters</b>		
	i) Individual/ HUF	1057620	19.18
	ii) Bodies Corporate	2009400	36.44
	<b>Total</b>	<b>3067020</b>	<b>55.62</b>
2.	<b>Public</b>		
	i) Bodies Corporate	58400	1.06
	ii) Individuals upto 1 lakh	1628500	29.53
	iii) Individual in excess of 1 lakh	206800	3.75
	iv) Non Residents Indians	553800	10.04
	<b>Total</b>	<b>2447500</b>	<b>44.38</b>
	<b>TOTAL</b>	<b>5514520</b>	<b>100.00</b>

m) Distribution of Shareholding as on 31<sup>st</sup> March, 2012

No. of Shares	No. of Holders	No. of Shares	Total No. of Holders %	Total No. of Shares
1 to 500	8594	1180250	96.291	21.403
501 to 1000	192	153700	2.151	2.787
1001 to 2000	69	104050	0.733	1.887
2001 to 3000	17	41600	0.190	0.754
3001 to 4000	7	24900	0.078	0.452
4001 to 5000	11	52200	0.123	0.947
5001 to 10000	14	104500	0.157	1.895
10001 to above	21	3853320	0.235	69.876
<b>TOTAL</b>	<b>8925</b>	<b>5514520</b>	<b>100.000</b>	<b>100.000</b>

## n) Share Transfer System :

The Board of Directors has delegated the power of share transfer, splitting/ consolidation of the share certificate and issue of duplicate share, rematerialisation of shares to the Registrar and Share Transfer Agent. The Registrar and Share Transfer Agent register the share received for transfer in physical mode, within 30 days from the date of lodgement, if documents are complete in all respects.

## o) Dematerialization of Shares and Liquidity :

The Company Shares are available for dematerialization on both the Depositories Viz. National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) .

## p) Company's Address for correspondence :

Mr. Sandip Padsala - Compliance Officer,  
B. Nanji Enterprise Ltd.

"Moorti Bunglow", 5, Ashoknagar Co-Operative Housing Society Ltd., B/h. Sundervan, Ahmedabad-380015.

## q) The Companies (Amendment) Act, 1999 introduced through Section 109A, the facility of nomination to shareholders. The facility is mainly useful for all holders holding the shares in single name. Investors are advised to avail of this facility, especially investor holding securities in single name, to avoid the lengthy process of transmission formalities. The nomination form is available on request from the company.

For and on behalf of the Board of Directors

Date : 25-08-2012  
Place : Ahmedabad

Bhikhubhai Padasla  
Chairman & Managing Director

## CERTIFICATE

To,  
The Members,  
B. Nanji Enterprises Limited,  
Ahmedabad.

We have examined the compliance of the conditions of Corporate Governance by B. Nanji Enterprises Limited (the Company) for the year ended on 31<sup>st</sup> March, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanation given to us the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

FOR RAJESH PAREKH & CO.  
Company Secretary

Date : 25-08-2012  
Place : Ahmedabad

RAJESH PAREKH  
Proprietor  
Mem. No.: 8073

**AUDITORS' REPORT**

We have audited the attached balance sheet of B. Nanji Enterprises Limited as at March 31, 2012 and the Statement of Profit & Loss and also 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.

We conducted our audit in accordance with the 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 amount and disclosures in 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.

1. As required by the Companies ( Auditor's Report ) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks and verification as were considered necessary, we report, in annexure a statement on the matters wherever applicable as specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that :
  - 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit .
  - 2) 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.
  - 3) The balance sheet, statement of profit & loss and cash flow statement dealt with by this report are in agreement with the books of accounts.
  - 4) The balance sheet, Statement profit & loss 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, except:
    - (a) Note No.1 regarding Non Provision of Income Tax Demand of earlier years of Rs.617.69 lacs.
    - (b) Note No. 3 regarding accounting entry made for adjusting creditors account by debiting creditors and crediting account of Bhikhubhai N Padsala on his statement that he had made the payment to such party in earlier year by Cash.
    - (c) Note No.4 regarding non provision of Retirement Benefit being accounted on cash basis which is not in conformity with As-15, Accounting Standards for retirement benefits to employees, issued by the Institute of Chartered Accountants of India.
    - (d) Note No. 5 regarding non provision of Current and Deferred Tax liability.
    - (e) Note No. 6 regarding non provision of VAT and Service Tax Liability for earlier years, amount of which is not determined
- 5) On the basis of written submission received from directors as on 31/03/2012 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31/03/2012 from being appointed as a director of the company as required u/s 274 (1) (g) of the Companies Act,1956.
- 6) In our opinion, and to the best of our information and explanations given to us, the said accounts, read together with notes & other documents annexed thereto, 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 affairs of the state of affairs of the company as at March 31, 2012,
  - (b) In the case of the Statement of Profit & Loss, of the profit for the period ended on that date, and
  - (c) In the case of the case flow statement, of the case flow for the period ended on that date.

**FOR ATUL DALAL&CO.  
CHARTERED ACCOUNTANTS  
( Firm Reg. No.100760W)**

**Place : Ahmedabad  
Date : 25-08-2012**

**ATUL J. DALAL  
PROPRIETOR  
MEM. NO.14665**

**ANNEXURE TO THE AUDIT REPORT**

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by management at the end of the year which in our opinion, is reasonable having regard to the size and nature of its business. We have been informed that no material discrepancies were noticed on such verification.
- (c) During the year no major assets have been disposed off by the company.
2. (a) Inventory has been physically verified by the management during the year, in our opinion, the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) As informed to us no major discrepancy have been noticed on such verification.
3. (a) Company has taken interest free loans from 2 directors, shareholders and from companies covered in the register maintained u/s 301 of the Companies' Act, 1956. The maximum amount involved during the year was Rs.2024.73 lacs and the year end balance of loans taken from such parties was Rs.1289.61 lacs.
- (b) In our opinion, the terms and condition on which such loans were taken/granted to companies, firms and other parties listed in the register maintained u/s 301 of the Companies ACT.1956 are, not prima-facie, prejudicial to the interest of the company.
- (c) As no repayment schedule has been fixed for loans taken/granted the same have not been repaid / recovered.
- (d) As no repayment schedule has been fixed for loans taken/granted, we could not opine whether there is any overdue amount of loan taken from or granted to the parties / companies, firms or any other parties listed in the register maintained u/s 301 of the company Act,1956.
- 4 In our opinion and according to the information and explanations given to us there is adequate internal control procedure commensurate with the size of the company and nature of its business regard to purchases of materials, fixed assets. sale of goods and services. During the course of our audit, we have not observed continuing failure to correct major weaknesses in internal controls .
5. In our opinion and according to the information and explanations given to us, there are no transactions to be entered into the register maintained u/s 301 of the companies Act, 1956 and exceeding the value of rupees five lacs.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of sec.58A & 58AA of the companies Act.1956 and rules framed there under.
7. Company has not yet introduced internal audit system.
8. According to the information and explanations given to us. Central Government has not prescribed the maintenance of cost accounting records u/s 209(1) (d) of the companies Act,1956.
9. Company has not deposited with appropriate authorities undisputed statutory dues of Provident Fund. According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax and cess were in arrears, as at 31/03/2012 for a period of more than six months from the date become payable except VAT and service tax of earlier years.

According to the information and explanations given to us, the disputed dues of income tax that have not been deposited on account of matter pending before respective authorities are as under.

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount involved Rs. In lacs</b>	<b>Forum where dispute is pending</b>
Income Tax Act,1961 Income Tax AY 2004-05 & 2009-10	Tax on Reassessment	Rs.617.69	Before CIT Appeals

11. In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution.
12. The company has not granted any loans or advance on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit fund or a nidhi mutual fund /society.
14. In our opinion, the company is not dealing in shares, securities, debentures or other investment. Hence, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable.
15. In our opinion, the company has not given any guarantee for loans taken by others.
16. In our opinion, the company has taken loan for purchase of Vehicles during the year.
17. According to the information and explanations given to us and 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 investments. No long term funds have been used to finance short term assets except permanent working capital.
18. The company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR ATUL DALAL&CO.  
CHARTERED ACCOUNTANTS  
( Firm Reg. No.100760W)**

**Place : Ahmedabad  
Date : 25-08-2012**

**ATUL J. DALAL  
PROPRIETOR  
MEM. NO.14665**

## BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note	31.03.2012		31.03.2011
<b>EQUITIES AND LIABILITIES :</b>				
<b>Share Holder's Fund :</b>				
Share Capital	1	54,984,700		54,984,700
Reserve and Surplus	2	119,222,664		115,914,627
			174,207,364	170,899,327
<b>Non-Current Liabilities :</b>				
Long Term Borrowings	3	206,466,714		62,622,344
Long Term Liabilities	4	288,418,918		132,531,620
			494,885,632	195,153,964
<b>Current Liabilities :</b>				
Short Term Borrowings	5	135,026,805		143,666,428
Trade Payables	6	13,432,615		17,235,837
Other Current Liabilities	7	15,959,559		22,121,448
Short Term Provisions	8	15,003		194,911
			164,433,982	183,218,624
<b>Total</b>			<b>833,526,978</b>	<b>549,271,915</b>
<b>ASSETS :</b>				
<b>Non-Current Assets :</b>				
Fixed Assets	9			7,155,378
Tangible Assets		8,462,114		Nil
Intangible Assets		47,811		Nil
Capital Work in Progress		Nil		Nil
		8,509,925		7,155,378
Non Current Investments	10	2,513,750		2,513,750
Long Term Loans and Advances	11	134,321,255		114,551,569
Other Non Current Assets	12	Nil		Nil
			145,344,930	117,065,319
<b>Current Assets :</b>				
Current Investments	13	93,772,005		35,761,233
Inventories	14	545,683,547		326,980,714
Trade Receivable	15	26,529,260		31,484,564
Cash and Cash Equivalents	16	20,953,518		29,039,514
Short Term Loans and Advances	17	1,243,718		1,785,193
Other Current Assets		Nil		Nil
			688,182,048	425,051,218
<b>Total</b>			<b>833,526,978</b>	<b>549,271,915</b>
Significant Accounting Policies				
Notes on Financial Statements	1 to 25			

As per our report of even date

FOR ATUL DALAL & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.100760W

ATUL J DALAL  
PROPRIETOR  
MEM.NO.14665

Place : Ahmedabad  
Date : 25-08-2012

For, B NANJI ENTERPRISES LIMITED

B.N.PADSALA  
CHAIRMAN &  
MANAGING DIRECTOR

Place : Ahmedabad  
Date : 25-08-2012

S.B.PADSALA  
EXECUTIVE DIRECTOR

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note	2011-2012	2010-2011
Revenue from Operations	18	23,597,286	26,214,830
Other Income	19	4,042,273	29,404,844
<b>Total Revenue</b>		<b>27,639,559</b>	<b>55,619,674</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	20	5,531,811	2,722,122
Purchase of Land		7,396,376	40,642,456
Purchase of Construction Work		174,563,520	57,914,401
Change in Inventories of Finished Goods, Work in progress and Stock in trade	21	(218,725,333)	(87,459,529)
Employee Benefit Expenses	22	4,450,987	3,364,084
Finance Cost	23	2,579,364	3,290,221
Depreciation and amortization	9	1,747,013	890,543
Other Expenses	24	46,787,784	15,025,865
<b>Total Expenses</b>		<b>24,331,522</b>	<b>36,390,163</b>
Profit before exceptional and extraordinary items and tax		3,308,037	19,229,511
Proir Period Expenses		-	(936,227)
<b>Profit before tax</b>		<b>3,308,037</b>	<b>20,165,738</b>
<b>Tax Expenses :</b>			
- Current		-	6,000,000
- Deferred Tax Asset		-	-
		-	6,000,000
Profit / (Loss) for the year		3,308,037	14,165,738
<b>Earning per Share :</b>			
Basic (in Rs.)		0.60	2.57
Diluted (in Rs.)		0	2.57
Significant Accounting Policies Notes on Financial Statements	1 to 25		

As per our report of even date

FOR ATUL DALAL & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.100760W

ATUL J DALAL  
PROPRIETOR  
MEM.NO.14665

Place : Ahmedabad  
Date : 25-08-2012

For, B NANJI ENTERPRISES LIMITED

B.N.PADSALA  
CHAIRMAN &  
MANAGING DIRECTOR

Place : Ahmedabad  
Date : 25-08-2012

S.B.PADSALA  
EXECUTIVE DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Amount in Rs.)

Particulars	31.03.2012		31.03.2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before Extra Ordinary Item		3308037	19229511
Add : Adjustment for			
Depreciation	1747013		890543
Finance Cost	2579364		3290220
Interest Income	(4042273)		(4334579)
Amt Written off	(6194025)		
<b>Operating Profit before Working Capital Chnages</b>		-5909921	-153816
<b>Movements in Working Capital :</b>		-2601884	19075695
<b>Increase/(Decrease) in :</b>			
Trade Payables	(3803222)		(36274662)
Short Term Provisions	(179908)		0
Other Current Libailities	(6161889)		0
<b>Decrease/(Increase) in :</b>			
Inventories	(218702833)		(87270143)
Trade Receivable	4955304		10878285
Long Term Loans & Advances	(19769686)		41580843
Short Term Loans & Advances	541575		0
<b>Cash Generated from(Used in)j Operation</b>		(243120659)	(71085677)
Less :		<b>(245722543)</b>	<b>(52009982)</b>
Interest Paid	2579364		3290220
Prov. For Taxation\taxes paid	2786000		6000000
Profit on Sale of Assets	0		69140
Prior Period Adjustment	0		(936227)
<b>Net Cash Flow from /(Used in) Operating Operating Activities (A)</b>		5365364	8423133
		<b>(251087907)</b>	<b>(60433115)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>			
<b>INFLOW :</b>			
Sale fo Fixed Assets	0		390000
Interest Received	4042273		4334579
	4042273		4724579
<b>OUTFLOW :</b>			
Increase in Trade Investment	58010772		18041577
Purchase of Fixed Assets	3101560		3747253
	61112332		21788830
<b>Net Fund Used in Financing Activity (B)</b>		<b>(57070059)</b>	<b>(17064251)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITY :</b>			
<b>Add :</b>			
Increase in Long Term Borrwoing	142824295		99415994
Increase in Short Term Borrowing	(8639623)		(533651)
Increase in Long Term Liabilities	165887298		0
		<b>300071970</b>	<b>98882343</b>
Net Cash Used in Financing Activity		(8085996)	21384977
Cash & Cash Equivalent at the Beginning of the year		29039514	7654537
Cash & Cash Equivalent at the end of the year		20953518	29039514

As per our report of even date

**FOR ATUL DALAL & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN. NO.100760W**

**ATUL J DALAL**  
**PROPRIETOR**  
**MEM.NO.14665**

Place : Ahmedabad

Date : 25-08-2012

For, B NANJI ENTERPRISES LIMITED

**B.N.PADSALA**  
**CHAIRMAN &**  
**MANAGING DIRECTOR**

Place : Ahmedabad

Date : 25-08-2012

**S.B.PADSALA**  
**EXECUTIVE DIRECTOR**

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>1. SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
60,00,000 Equity Shares of Rs. 10 Each (P.Y.60,00,000 Equity Shares of Rs. 10 Each)	60,000,000	60,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
55,14,520 Equity Shares of Rs. 10 Each [P.Y. 55,14,520 Equity Shares of Rs. 10 Each]	55,145,200	55,145,200
Call Money in Arrears	160,500	160,500
	<b>54,984,700</b>	<b>54,984,700</b>
<b>1.1 Reconciliation of number of shares outstanding at the beginning and at the end of the year :</b>		
No of Equity Shares outstanding at the beginning of the year	5,514,520	5,514,520
Add : Shares Issued during the year	--	--
Less : Shares cancelled / bought back during the year	--	--
Equity Shares outstanding at the end of the year	5,514,520	5,514,520

**1.2 Details of the Share Holders holding more that 5 % in the company :**

Name of Share Holders	31.03.2012		31.03.2011	
	Number of Shares	% Shares	Number of	%
B Nanji Construction Private Limited	1846500	33.49	1846500	33.49
Sandeep Bhikhubhai Padsala	779400	14.13	779400	14.13
Keshajibhai Devrajibhai Patel	545600	9.89	545600	9.89

	31.03.2012 Rs.	31.03.2011 Rs.
<b>2. RESERVES AND SURPLUS :</b>		
General Reserve (As per last balancesheet)	24,500	24,500
Add : Addition during the year	--	--
	24,500	24,500
Balance of Profit and Loss at the beginign of the year	115,890,127	101,724,389
Profit / (Loss) for the year	3,308,037	14,165,738
Balance of Profit and Loss at the end of the year	119,198,164	115,890,127
	<b>119,222,664</b>	<b>115,914,627</b>

	31.03.2012		31.03.2011	
	Non Current	Current	Non Current	Current
<b>3. LONG TERM BORROWINGS :</b>				
Term Loans from bank	594,464	965,336	1,559,800	1,005,770
From Others	149,956,849	--	--	--
Unsecured :				
Inter Corporate Deposits	55,915,401	--	61,062,544	--
Loans and advances from related parties	--	--	--	--
	<b>206,466,714</b>	<b>965,336</b>	<b>62,622,344</b>	<b>1,005,770</b>

- 3.1 Term Loan from Bank is secured against Hypothecation of Specific Vehicle purchased.
- 3.2 Term Loan from Diwan Housing Finance Corporation Limited is Mortgage of Land and Building of the Project India Colony admeasuring about 1890050.76 Sq. ft. At Sruvey No. 206/1, 206/7, 206/9, 207/8,. 2079-10-11-12-13-14, at Village Vevji, Tal. Talsari, Dist. Thane and Charge of entire receivable of above projects and personal irrevocable guarantee of Shri B N Padsala and Sandeep B Padsala, Directors of the Company.

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>4. LONG TERM LIABILITIES :</b>		
<b>Other Long Term Liabilitis :</b>		
Contribution from Members	288,323,918	122,436,620
<b>Provision form Taxation :</b>		
Fringe Benefit Tax\Income Tax	95,000	10,095,000
	<b>288,418,918</b>	<b>132,531,620</b>
<b>5. SHORT TERM BORROWINGS :</b>		
<b>Secured :</b>		
From Banks		
Refer Note No. 3.1	965,336	1,005,770
	965,336	1,005,770
<b>Unsecured :</b>		
Inter Corporate Deposits	5,100,000	-
Loans and advances from related parties	128,961,469	142,660,658
	<b>135,026,805</b>	<b>143,666,428</b>
<b>6. OTHER SHORT TERM LIABILITY :</b>		
Trade Payables	13,432,615	17,235,837
	<b>13,432,615</b>	<b>17,235,837</b>
<b>6.1</b> Based on the information available till date the principle amount outstanding of the parties covered under the Micro, Small and Medium Enterprise Development Act, 2006 is Nil (Previous Year Nil).		
<b>7. OTHER SHORT TERM LIABILITY :</b>		
Current Liabilities for Expenses	13,259,579	20,348,940
Statutory Liabilities	2,699,980	1,772,508
	<b>15,959,559</b>	<b>22,121,448</b>
<b>8. SHORT TERM PROVISIONS :</b>		
Provisions for Employee Benefits	15,003	194,911
	<b>15,003</b>	<b>194,911</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

## 9. FIXED ASSETS :

SR.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET	NET
		BALANCE AS ON 1-Apr-11	ADDI TION DURING THE YR.	DEDUC TION DURING THE YR.	BALANCE AS ON 31-Mar-12	BALANCE AS ON 1-Apr-11	ADDI TION DURING THE YEAR	DEDUC TION DURING THE YEAR	BLOCK 31-Mar-12
	<b>Tangible Assets</b>								
1.	Machinery	Nil	307,462	Nil	307,462	Nil	Nil	307,462	Nil
2.	Furniture & Fixtures	1,276,012	241,142	Nil	1,517,154	455,319	122,401	939,434	820,693
3.	Office Equipments	1,795,616	516,062	Nil	2,311,678	549,637	209,985	1,552,056	1,245,979
4.	Computers	479,917	29,600	Nil	509,517	391,881	38,166	79,470	88,036
5.	Jewellery	25,080	Nil	Nil	25,080	Nil	Nil	25,080	25,080
6.	Vehicles	8,109,460	1,944,294	Nil	10,053,754	3,133,870	1,361,272	5,558,612	4,975,590
	<b>Total (A)</b>	<b>11,686,085</b>	<b>3,038,560</b>	<b>Nil</b>	<b>14,724,645</b>	<b>4,530,707</b>	<b>1,731,824</b>	<b>8,462,114</b>	<b>7,155,378</b>
	<b>Intangible Assets :</b>								
1.	Software	Nil	63,000	Nil	63,000	Nil	15,189	47,811	Nil
	<b>Total (B)</b>	<b>Nil</b>	<b>63,000</b>	<b>Nil</b>	<b>63,000</b>	<b>Nil</b>	<b>15,189</b>	<b>47,811</b>	<b>Nil</b>
	<b>TOTAL (A+B)</b>	<b>11,686,085</b>	<b>3,101,560</b>	<b>Nil</b>	<b>14,787,645</b>	<b>4,530,707</b>	<b>1,747,013</b>	<b>8,509,925</b>	<b>7,155,378</b>
	Previous Year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
		8964782.00	3747253.00	1025949.00	11,686,086	4345254.00	890543.00	7155378.00	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>10. NON CURRENT INVESTMENTS :</b>		
<b>Investment in Equity Instruments</b>		
<b>Unquoted Investmetnts (Trade)</b>		
450 Shares of Sarangpur Co.Op.Bank Ltd. each of Rs.25 each fully padi up	11,250	11,250
50500 Shares of Siddhi Vinayak Buildcon Pvt. Ltd. each of Rs.10 each fully paid	2,502,500	2,502,500
	<b>2,513,750</b>	<b>2,513,750</b>
<b>11. LONG TERM LOANS AND ADVANCES :</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advance Tax (Net of Provision)	13,231,717	10,482,454
Security Deposits	341,532	327,932
Other Long Term Loans and Advances	120,748,006	103,741,183
	<b>134,321,255</b>	<b>114,551,569</b>
<b>12. OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Other non current assets	--	--
	--	--
<b>13. CURRENT INVESTMENTS :</b>		
<b>Quoted Investment :</b>		
<b>Investment in Mutual Fund :</b>		
3961398.211 Unit of JM Money Manager Fund Super Plus Plan	60,000,000	--
Market Value of Quoted Investment : 60024294		
Investment Carrying Cost 60,000,000		
<b>Investment in Partnership Firm :</b>		
M/s. B Nanji	33,654,389	35,681,824
M/s. B Nanji A	117,616	79,409
	<b>93,772,005</b>	<b>35,761,233</b>

**M/s. B NANJI :**

Name of Partners	31.03.2012		31.03.2011	
	Capital Balance	%	Capital Balance	%
Ashish Bhupendrabhai Patel	16237237	15.00	22329102	15.00
Biren Bhupendrabhai Patel	21119859	15.00	22329102	15.00
B Nanji Enteprires Ltd.	33654389	50.00	35681823	50.00
Prashant Pravinchandra Amin	23471244	20	20597381	20

**M/s. B NANJI - A :**

Name of Partners	Capital Balance	%	Capital Balance	%
Ashish Bhupendrabhai Patel	2525019	11.25	457278	11.25
Biren Bhupendrabhai Patel	2034693	11.25	447278	11.25
B Nanji Enteprires Ltd.	117617	30.00	79409	30.00
Prashant Pravinchandra Amin	11629364	22.5	4989557	22.5
Ishwarbhai Purshottambhai Patel	20338837	5.00	720168	5.00
Mayur Ishwarbhai Patel	7442797	10.00	1864	10.00
Rakesh Chandubhai Patel HUF	13404265	10.00	604936	10.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>14. INVENTORIES :</b>		
Land	177,977,613	171,498,307
Construction Material	3,777,407	3,799,907
Work in Progress	363,928,527	151,682,500
	<b>545,683,547</b>	<b>326,980,714</b>
<b>15. TRADE RECEIVABLES :</b> <b>(Unsecured and considered good unless otherwise stated)</b>		
Due for more than six months	25,279,260	31,484,564
Due for less than six months	1,250,000	--
	<b>26,529,260</b>	<b>31,484,564</b>
<b>16. CASH AND CASH EQUIVELANTS :</b>		
Balance with Banks		
- Bank Balance	10,167,527	23,512,247
Cash on Hand :	10,785,991	5,527,267
	<b>20,953,518</b>	<b>29,039,514</b>
<b>17. OTHER SHORT TERM LOANS AND ADVANCES :</b> <b>(Unsecured and considered good unless otherwise stated)</b>		
Advances Recoverable in Cash or Kind	1,243,718	1,785,193
Balance with Tax Authorities	1,243,718	1,785,193
	<b>1,243,718</b>	<b>1,785,193</b>
<b>Particulars</b>	<b>2011-2012 Rs.</b>	<b>2010-2011 Rs.</b>
<b>18. INCOME FROM OPERATIONS :</b>		
Sale of Land	8,366,912	526000
Sale of Shop	1,500,000	0
Sale of Consturction Work	7,250,000	25695300
Net Sale of Product		17,116,912
<b>Other Income from Operations :</b>		
Kasar	24,000	54,464
Amount Written off	6,194,025	-
From From Partnership Firm	262,349	(60,934)
	<b>23,597,286</b>	<b>26,214,830</b>
<b>19. OTHER INCOME :</b>		
Interest	4,042,273	4,334,579
Profit on Sale of Assets	-	69,140
Dividend	-	1,125
Compensation	-	25,000,000
	<b>4,042,273</b>	<b>29,404,844</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>20. COST OF MATERIAL CONSUMED :</b>		
Raw Material Consumed	5,531,811	2,722,122
	<b>5,531,811</b>	<b>2,722,122</b>

## 20.1 PARTICULARS OF MATERIAL CONSUMED :

	2011-2012		2010-2011	
	Rs.	%	Rs.	%
Imported	--	0	--	0
Indigenous	5,531,811	100.00%	6,174,792	100.00%
	<b>5,531,811</b>	<b>100.00%</b>	<b>6,174,792</b>	<b>100.00%</b>

## 21. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE :

	2011-2012 Rs.		2010-2011 Rs.	
<b>Opening Stock :</b>				
- Land	171,498,307			131,193,315
- Work in Progress	151,682,500			104,527,963
		323,180,807		235,721,278
<b>Closing Stock :</b>				
- Land	177,977,613			171,498,307
- Work in Progress	363,928,527			151,682,500
		<b>541,906,140</b>		<b>323,180,807</b>
		<b>(218,725,333)</b>		<b>(87,459,529)</b>

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>22. EMPLOYEE BENEFIT :</b>		
Salary and Wages Expenses	3,384,244	2,584,435
Employer's Contribution to Provident & Other Funds	18,219	-
Staff Welfare Expenses	290,762	274,842
Hoursent & Ele.Expenses-Directors	757,762	504,807
	<b>4,450,987</b>	<b>3,364,084</b>
<b>23. FINANCE COST :</b>		
Interest paid to Banks	137,568	313,206
Interest on TDS	62,042	48,131
Interest paid to Others	2,379,754	2,928,884
	<b>2,579,364</b>	<b>3,290,221</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
<b>24. OTHER EXPENSES :</b>		
Labour Purchase	858,583	2,743,594
Site Expenses	638,846	576,288
Rati Carting	1,882,927	709,076
Electric Expenses	1,801,575	504,607
Land Revenue	572,163	520,444
Rent Rates & Taxes	1,602,525	816,697
Advertisement	3,060,719	1,324,688
Stationery & Printing	431,883	156,345
Postage & Telelphone	282,311	198,611
Travelling & Conveyance Expenses	1,194,898	560,372
Legal & Professional Fees	31,368,119	4,521,802
Repairs & Maintenance	383,196	320,358
Commission	826,988	553,329
Audit Fee	282,725	185,000
Donation	621,333	843,000
Miscellaneous Expenses	978,993	491,654
	<b>46,787,784</b>	<b>15,025,865</b>
<b>24.1 Payment to Auditors :</b>		
As Auditor	282725	185000
As Consultant	0	0
	<b>282725</b>	<b>185000</b>
<b>24.2 Remuneration to Directors :</b>		
Directors Remuneration	1200000	900000
	<b>1200000</b>	<b>900000</b>

**25. NOTES ON ACCOUNTS :**

- Subsequent to Search Operation, company has received Notices u/s.153 fo the Income Tax, 1961 asking the company to file revised return for the period 2004-05 to 2009-10. Accordingly company has informed the department that original return for the respective assessment year, be considred a sreturn filed to notice u/ s.153 fo the Income Tax act, 1961. Subsequently Income tax Department has disallowed claim of deduction u/s. 80 I(B) and have raised the demand for Rs.617.69 lacs. Company has preferred an appeal against he higher authorities against the same. Therefore no provision for the same has been made in the account.
- Company has received notice from Income Tax Department for re-opening the assessment for the asst year 2002-03 to 2005-06 with a Show Cause Notice why Deduction allowed u/s.80(I)B) should not be withdrawn. Against the company has filed Wirte Petition befor High Court of Gujarat challending the re-opening of the cases. Hon'ble High Court of Gujarat has passed an order in favour of the company deleting the addition u/ s.80(I)B). However it is not known till that date whether departmebnt has gone into furhter appeal before Higher.Court.
- Company has passed an entry in the books of account debiting certain creditors to the tune of Rs.70.67 lacs bvy crediting the account of Shri Bhikhubhai N Padsala on the baiss of statement given by Shri B N Padsala, that he has made the payment to creditors by Cash in earlier years, for which no confirmation have been received from the respective parties.

4. No Provision for the Gratuity and Other Retirement benefit payable to the employee of the company, since the same is accounted on cash Basis, which is not in conformity with Accounting Standard AS-15 issued by the Institute of Chartered Accountants of India.
5. No Provision for Current/ Deferred Taxes, if any have been made in the accounts.
6. No provision has been made for VAT and Service Tax Payable on construction Activity for years prior to accounting year 2011-12. As per the provisions of Maharashtra VAT Act, company has to pay M Vat at the time of Execution of Agreement to Sale. Company collect the M VAT and Service Tax at the time of receipt and makes the payment thereof accordingly.
7. Related Party Disclosure as required by Accounting Standard AS 18 issued the Institute of Chartered Accountants of India is as under :

**25.1 RELATIONSHIP :**

**Associae Companies/Firms- Enterprises ownwed by /overwhich Key Management Personnel are able to exercise significant influences :**

- B Nanji Power Cable Ltd.
- B Nanji Finance Ltd.
- B Nanji Construction Pvt. Ltd.
- International Housing Finance Corporation Ltd.
- Samal Investment Pvt. Ltd.
- Sankira Resorts Pvt. Ltd.
- N.V. Lifecare Pvt. Ltd.
- Siddhi Vinayak Buildcon Pvt. Ltd.

**Key Management Personnel :**

- Shri Bhikhubhai Nanjibhai Padsala
- Shri Sandeep Bhikhubhai Padalal

**Relative to Key Management :**

- Smt. Subhadraben Bhikhubhai Padsala
- Smt. Vasantiben Sandeep Padsala

Particulars	Key Management (Rs.)	Related Party (Rs.)	Associates (Rs.)
<b>Balance Outstanding :</b>			
3/31/2012	128961469	0	44636495
3/31/2011	140160657	2500000	480440616
<b>Maximum Blaance Outstanding :</b>			
3/31/2012	202473810	2500000	54606246
3/31/2011	14160657	2500000	58465615
<b>Remuneration Paid :</b>			
3/31/2012	1200000	0	0
3/31/2011	900000	0	0
<b>Loan Taken :</b>			
3/31/2012	152367093	0	6900000
3/31/2011	160300000	2436596	989500
<b>Loan Repaid :</b>			
3/31/2012	163566281	2500000	10304120
3/31/2011	36981360	0	6879331

- 25.2 Balances of Debtors, Creditors, Members Scheme deposit and advances are subject to reconciliation/confirmation and consequential adjustments, if any.
- 25.3 Balances of unsecured lenders are subject to reconciliation/confirmation pending settlement with respective lender.
- 25.4 In the opinion of the board, current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for all known liabilities is made.
- 25.5 Figures of Previous years are not comparable with those of current year as previous year figures are for 9 months i.e. from 1.7.2010 to 31.3.2011. Previous year's figures are regrouped wherever necessary to make them comparable with those of current year.
- 25.6 The company is operating in single business Real Estate Development s. Therefore the disclosure requirement as required by accounting standard (AS) 17 on "Segment Reporting" is not applicable.

**Earnings per Share :**

	Unit	2011-2012	2010-2011
Numerator used for calculating Basic and Diluted Earningsm per Share (Profit after Tax)	Rs.	3308037	14165738
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	5514520	5514520
Nominal Value of Share	Rs.	10	10
Basic Earnings per Share	Rs.	0.60	2.57
Diluted Earnings per Share	Rs.	0	2.57

**Earnings In Foreign Currency :**

	2011-2012	2010-2011
FOB Value of Exports	0.00	0.00

**Expenditure In Foreign Currency :**

	2011-2012	2010-2011
Capital Purchase	0.00	0.00
Material Purchase	0.00	0.00

**FOR ATUL DALAL & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.100760W**

**For, B NANJI ENTERPRISES LIMITED**

**ATUL J DALAL  
PROPRIETOR  
MEM.NO.14665**

**B.N.PADSALA  
CHAIRMAN &  
MANAGING DIRECTOR**

**S.B.PADSALA  
EXECUTIVE DIRECTOR**

**Place : Ahmedabad  
Date : 25-08-2012**

**Place : Ahmedabad  
Date : 25-08-2012**

## B. Nanji Enterprises Limited

### PROXY FORM

Members Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of B. Nanji Enterprises Limited, hereby appoint of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, the 29th day of September, 2012 at any adjournment there of.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2012.

Signed by the said \_\_\_\_\_

of \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Requisite  
Amt.

Note : If a member is unable to attend the Meeting, he may sign this form and send it to the Company's Registered Office at : "Common Plot & Hall", 7, Ashoknagar Co-Operative Housing Society Ltd. B/h. Sundervan, Ahmedabad-380015 so as to reach them not less than 48 hours before the Meeting

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## B. Nanji Enterprises Limited

### ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting convened at the Registered Office of the Company at "Common Plot & Hall", 7, Ashoknagar Co-Operative Housing Society Ltd. B/h. Sundervan, Ahmedabad-380015 on Saturday, 29th September, 2012.

Members Folio No. \_\_\_\_\_

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_

Name of the Member attending the Meeting

In case of proxy, Name of Proxy

(Signature of Member/Proxy)  
(To be signed at the time of  
handing over this slip)

Note : Members/Joint members are requested to bring the attendance slip with them.

**BOOK POST  
PRINTED MATTER**

To, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If undelivered Please return to :

**B. NANJI ENTERPRISES LIMITED**

Registered Office :

5, Moorti Bunglow, Ashok Nagar Co.Op. Hou. Soc. Ltd.,  
B/h. Sundar Nager, ISRO, Satellite, Ahmedabad-380015