

**ANNUAL REPORT**  
2012 - 2013

**B. NANJI ENTERPRISES LIMITED**

# **B. NANJI ENTERPRISES LIMITED**

## **BOARD OF DIRECTORS**

Mr. Bhikhubhai N Padsala  
Mr. Sandipbhai B Padsala  
Mr. Philip K Job  
Mr. Vinayak T Sarkhot

Chairman & Managing Director  
Executive Director  
Director  
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 Maharashtra  
State Bank of India  
Axis Bank Ltd

## **WEBSITE**

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

## **AUDITORS**

**ATUL DALAL & CO,**  
Chartered Accountants  
2nd 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 Monday, 30th September, 2013 at 11:00 a.m., at "Moorti Bungalows, 5, Ashoknagar, B/h. Sundervan, Ahmedabad- 380015 for transacting the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Statement of Profit & Loss for the year ended as on that date and Auditors' and Directors' Report thereon.
2. To appoint Director in place of Mr. Philip Job, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Date : 14/08/2013  
Place : Ahmedabad

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

**NOTES :**

- 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.
- The Register of Members and Share Transfer books of the Company will remain closed from Friday, the 27th September, 2013 to Monday, the 30th September, 2013 (both days inclusive).
- 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.
- Nomination facility is available to the Shareholders in respect of share held by them.
- 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.
- 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.
- 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 SHAREHOLDERS,

Your Directors are pleased to present the Annual Report of your Company together with the Audited Statement of Accounts for the year ended on 31st March, 2013.

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

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
Sales	<b>723.64</b>	235.97
Other Income	<b>52.99</b>	40.42
Total Expenditure	<b>710.91</b>	243.31
Profit/(Loss) before Tax	<b>65.71</b>	33.08
Tax Expenses	<b>45.37</b>	Nil
Profit/(Loss) for the year	<b>20.34</b>	33.08

**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 any public deposits during the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS :****Industrial Overview :**

During the last year 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. In current year, the top priority for most realty companies will be to reduce debt, which could opportunities for buyers. The Real Estate Regulatory Bill, which seeks to bring transparency, should encourage buyers. In India townships, housing, built-up infrastructure & industrial park projects have attracted foreign direct investment.

**Review & Operations :**

During the year under review the Company has reported total income of Rs 776.63 lacs against the total income of Rs 276.39 lacs during the previous year. The Company has earned Net Profit of Rs 20.34 Lacs during the year under review as against Net Profit Rs 33.08 lacs during the previous year.

**Opportunity and threats :**

Your Company believes that there is great potential in the Indian real estate sector and that with economic stability, demand for residential as well as commercial segment would further strengthen. Therefore, to cater the burgeoning demand for quality real estate, your Company will focus on timely execution of projects, without compromising on quality and compliances.

The real estate business in India is impacted by, inter-alia, regulatory and monetary policies and investment outlook. The Company's operations and its ability for future development has to be viewed in light of the above and resultant factors such as the availability of real estate financing, uncertainty on monetary and fiscal policy actions, changes in Government regulations, foreign direct investments, approval processes, environment laws, actions of government land authorities and legal proceedings.

**Internal Control System :**

Your company continues to place considerable emphasis and effort on the internal control systems. There is well established internal control system with clearly laid down powers and responsibilities, wherever necessary, that can be exercised by various levels of the Management in the Company.

**Human Resources :**

Human resources management is an important function in the Company in view of the large set up of the organisation and diverse line and staff functions. The goal is to create an inclusive working environment that attracts and retains the best people, enhances their flexibility, capability and motivation and encourages them to be involved in the growth of the Company. Systematic and purposeful training to its workforce is undertaken resulting in improving their motivation to work thus benefiting both employees as well as the Company. The Company continued to enjoy healthy industrial relations during the year.

**Cautionary Statement :**

Statement in the Management Discussions and Analysis Report describing the Company' objectives, projections, estimates, expectations or predictions may be "forward looking statement" within the meaning of applicable security laws and regulation. Actual results could differ materially from those expressed or implied. Important factors that could

make a difference to the Company' operations include economic conditions affecting demands and supply and price conditions in domestic in which the Company operates. Changes in Government regulations, tax regimes economic developments within India and other incidental factors.

**CORPORATE GOVERNANCE :**

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

**CEO CERTIFICATION :**

The 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.

**BOARD OF DIRECTORS :**

Pursuant to provisions of Section 256 of the Companies Act, 1956 Mr. Philip Job retires by rotation and being eligible offers himself 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 Standards 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 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 their re-appointment as Auditor is included in the notice of Annual General Meeting.

**AUDITORS' REPORT :**

As regards qualification No.1 under the para basis for Qualified Opinion of Auditors' Report, the Directors state that amount borrowed from Dewan Housing Finance Corporation Limited (DHFL) was used for repayment of amount borrowed from Directors which was utilized for the projects at Umbergaon, Bhilad and Kathlal sites. As such the borrowing cost of Rs 444.78 lacs has been included in the valuation of work- in- progress in compliance with AS-2, AS-9 and As-16.

As regards qualification No.2 under the para Basis for Qualified Opinion of Auditors' Report, the Directors state that the Company has paid interest to the Directors on unsecured loan taken by Company from them, as per financial arrangement with the Directors and necessary resolution passed pursuant to Sec 299/301 of the Companies Act, 1956 at the meeting of Board of Directors.

As regards qualification of at 1 (a) in Annexure to the Audit Report, Directors state that as on date of Directors' Report, the Company has updated the fixed assets registers and got the same verified by Auditors.

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

The Company is not engaged in activities specified in Companies, (Disclosure of Particulars in Report of Board of Directors) Rules 1988, and as such the company is not required to give information relating to conservation of energy. The Company is not using any particular technology and as such information relating to technology absorption is not required to be given. There is no foreign exchange earnings and outgo during the year under review.

**ACKNOWLEDGMENT:**

Your Directors wish to place on record their deep sense of appreciation for the commitment displayed by all the employees of the Company resulting in successful performance during the year under review. Your Directors also take this opportunity to place on record the co-operation, assistance and continued support extended by the Banks, Government Authorities, Vendors and Shareholders during the year under review.

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

Date : 14/08/2013  
Place : Ahmedabad

**Bhikhubhai N Padsala  
Chairman & Managing Director**

**REPORT ON CORPORATE GOVERNANCE****CORPORATE GOVERNANCE :**

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company and its Board of Directors firmly believe that strong governance, by maintaining a simple and transparent corporate structure, is integral to creating value on a sustainable basis. Good governance is a continuing exercise and the Company reiterates its commitment to pursue the same in all aspects of its operations in the overall interest of all its stakeholders.

**BOARD OF DIRECTORS :**

- Composition of Board of Directors as on 31/03/2013 :

Name of the Directors	Category	Attendance at Last AGM	No. of other Directorship in Public Ltd. Companies	No. of other Board Committees of which member/ chairman
Mr. Bhikhubai Padsala	Chairman & Managing Director Non Independent & Executive	Yes	3	---
Mr. Sandipbhai Padsala	Non Independent & Executive	Yes	4	3
Mr. Philip Job	Independent and Non- Executive	Yes	-	-
Mr. Vinayak Sarkhot	Independent and Non- Executive	Yes	5	2

- Attendance of each Directors at Board Meetings as on 31/03/2013 :

Sr. No.	Name of Director	No. of Board meeting attended
1	Mr. B.N. Padsala	8
2	Mr. S.B. Padsala	8
3	Mr. Philip Job	8
4	Mr. Vinayak Sarkhot	5

- I Number of Board meetings held during the financial year and dates of Board Meetings :

Board Meeting	Date	Board Meeting	Date
1	10/04/2012	5	25/08/2012
2	30/04/2012	6	12/11/2012
3	20/05/2012	7	11/02/2013
4	14/08/2012	8	02/03/2013

**AUDIT COMMITTEE :**

- Composition of Audit Committee as on 31/03/2013 :

Name	Designation	Category	Committee meeting attended
Mr Vinayak Sarkhot	Chairman	Independent and Non-Executive	5
Mr. Philip Job	Member	Independent and Non-Executive	5
Mr. Sandip B. Padsala	Member	Non Independent and Executive	5

The terms of reference of Audit Committee cover the matters as specified for Audit Committee under the clause 49 of the Listing Agreement which are as under :

- Supervision of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statement reflect a true and fair position.
- Reviewing with the Management, the Financial Result before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliances with Accounting Standards and other Legal requirements concerning financial statements.
- Recommending the appointment and removal of statutory auditor, fixation of their audit fees and approval for the payment for any other services.
- Reviewing the quarterly financial statements and draft auditor report reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- Reviewing the observation of statutory auditors about the finding during the audit of the company.
- Reviewing the performance of Statutory Auditors.
- Reviewing the management discussion and analysis of financial condition and result of operations.
- Reviewing of significant related party transactions, if any.

Five meetings of Audit Committee were held during the financial year 2012-13 on following dates :

No.	Date	No.	Date
1	30/04/2012	4	12/11/2012
2	14/08/2012	5	11/02/2013
3	25/08/2012		

#### REMUNERATION COMMITTEE :

##### Composition of Remuneration Committee as on 31/03/2013 :

Name	Designation	Category	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 & Executive	2

Two meetings of Remuneration Committee was held on 12/11/2012 and 11/02/2013 during the year 2012-13. No remuneration has been paid to the independent Director for the F.Y 2012-13.

##### The details of remuneration paid to the directors for the year 2012-13 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 :

##### Composition of Shareholders' / Investors' Committee as on 31/03/2013 :

Name	Designation	Non-executive/ independent	Committee
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 & Executive	2

Two meetings of Shareholders' / Investors' Grievances' was held on 12/11/2012 and 11/02/2013 during the year 2012-13.

The Shareholder's/ Investor's grievances committee looks into the redressal of Shareholders's /Investor's grievances if any like Transfer/Transmission/Demat of Shares/Loss of Shares Certificate, non receipt of annual report/non receipt of dividend etc.

No complaint is outstanding as on 31st March, 2013.

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

Year	Date	Time	Venue
2011-12	29/09/2012	10:30 A.M	'Common Plot & Hall" 7, Ashoknagar, B/h. Sundervan, Ahmedabad - 15.
2010-11	29/09/2011	10:30 A.M	'Common Plot & Hall" 7, Ashoknagar, B/h. Sundervan, Ahmedabad - 15.
2009-10	31/12/2010	4:00 P.M	Moorti Bungalows, 5, Ashoknagar, B/h. Sundervan, Ahmedabad - 15.

No resolution was passed through the postal ballot during the year under review.

**MEANS OF COMMUNICATION :**

The Quarterly, Half yearly and annual results of the Company are not published in English and Gujarati newspapers. The same were sent to the Stock Exchanges i.e. Bombay Stock Exchange (BSE). These results are also available on company's website i.e. 'www.bnaji.com'.

**SUBSIDIARY COMPANY :**

The Company does not have any subsidiary company.

**DISCLOSURE :**

- 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.
- 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: None

**CEO CERTIFICATION :**

In the term of clause 49 of Listing Agreement , the certification Mr. Sandip Padsala , Executive Director of the Company who looks after finance function has been obtained.

**CODE OF CONDUCT :**

In compliance with the Code of Conduct, Directors and senior management of the Company have affirmed their compliance with the code of conduct for the year under review. A declaration to this effect forms part of this annual report.

**GENERAL SHAREHOLDERS INFORMATION :**

- (i) Annual General Meeting :
- Date : 30/09/2013
- Time : 11.00 a.m.
- Place : "Moorti Bungalows" 5, Ashoknagar, B/h. Sundervan, Ahmedabad- 380015.
- (ii) Financial Year : 01/04/2012 to 31/03/2013
- First Quarterly results : On 14/08/2013
- Second Quarterly results : On or before 15/11/2013
- Third Quarterly results : On or before 15/02/2014
- Fourth Quarterly results : On or before 30/05/2014
- (iii) Date of Book Closure : Friday, 27th September, 2013 to Monday, 30th September, 2013 (both days inclusive)
- (iv) Dividend : Nil
- (v) Listing at following Stock Exchanges :
- \* Bombay Stock Exchange
  - \* Saurashtra & Kutch Stock Exchange



**(vi) Listing Fees :**

Paid to Bombay Stock Exchange Ltd up to 2013-14. Payment of Listing fee of Surashtra & Kutch Stock Exchange is not paid for last few years as the said stock exchange is derecognized.

**(vii) Scrip Code :** BSE 526594**(viii) ISIN :** INE735G01010**(ix) Market Price Data : Form 1st April, 2012 to 31st March, 2013**

Month	Bombay Stock Exchange	
	High	Low
April, 2012	15.65	12.93
May, 2012	14.90	13.55
June, 2012	15.75	14.26
July, 2012	14.11	11.20
August, 2012	12.67	11.31
September, 2012	13.65	10.59
October, 2012	18.23	08.65
November, 2012	17.85	15.45
December, 2012	17.30	17.00
January, 2013	17.25	17.00
February, 2013	18.80	17.00
March, 2013	17.15	10.00

\*Source : www.bseindia.com

**(x) Registrar & Share Transfer Agent :****System Support Services**

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

**(xi) Shareholding pattern as on 31st March, 2013 is as under :**

Sr. No.	Category	No. of shares held	% of shareholding
1.	<b>Promoters</b>		
	i) Individual/ HUF	1074931	19.49
	ii) Bodies Corporate	2009400	36.44
	<b>Total</b>	<b>3084331</b>	<b>55.93</b>
2.	<b>Public</b>		
	i) Bodies Corporate	95652	1.73
	ii) Individuals upto 1 lakh	1595536	28.94
	iii) Individual in excess of 1 lakh	185201	3.36
	iv) Non Residents Indians	553800	10.04
	<b>Total</b>	<b>2430189</b>	<b>44.07</b>
	<b>GRAND TOTAL</b>	<b>5514520</b>	<b>100.00</b>

**(xii) Distribution of Shareholding as on 31st March, 2013 is as under :**

No. of Shares	No. of Holders	No. of Shares	Total No. of Holders %	Total No. of Shares
1 to 500	8451	1160814	96.242	21.050
501 to 1000	191	152550	2.175	2.766
1001 to 2000	69	104449	0.786	1.894
2001 to 3000	18	43800	0.205	0.794
3001 to 4000	7	25290	0.080	0.459
4001 to 5000	11	52200	0.125	0.947
5001 to 10000	12	88500	0.137	1.607
10001 to above	22	3886917	0.251	70.485
<b>TOTAL</b>	<b>8781</b>	<b>5514520</b>	<b>100.000</b>	<b>100.000</b>

**(xiii) Share Transfer System :**

The Board of Director 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 15 days from the date of lodgement, if documents are complete in all respects.

**(xiv) Outstanding GDRs/ADRs/Warrants of Conversion instruments : Nil****(xv) Dematerialization of Shares and Liquidity :**

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that delivery in the Company's shares against Stock Exchange trade became compulsory in demat form.

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

**(xvi) 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.

**(xvii) Introduction of Periodic Call Auction Session for Illiquid Scrips :**

As per SEBI circular, dated February 14, 2013, circular no. CIR/MRD/DP/ 6/2013 and BSE circulars, no. 20130219-7 dated February 19, 2013 & 20130328-12 dated March 28, 2013, trading of shares of the Company is included in Periodic Call Auction sessions (PCAS) for illiquid scrips with effect from 08/04/2013.

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

Date : 14/08/2013

Place : Ahmedabad

**Bhikhubhai N Padsala**  
Chairman & Managing Director

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 31st March, 2013 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. The details of transactions entered into by the Company with group companies/concerns and/or associates companies/concerns are stated by the Auditors in their Report and also stated in Notes to the Accounts. i.e Notes 25 Balance Sheet & Statement of Profit & Loss.

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 : 14/08/2013  
Place : Ahmedabad**

**RAJESH PAREKH  
PROPRIETOR  
MEM NO.: 8073**

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER OF THE COMPANY**

To,  
The Board of Directors,  
**B. Nanji Enterprises Ltd.**  
Ahmedabad.

**CERTIFICATE**

Mr. Sandip B. Padsala Executive Director of the Company hereby certify that :

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of 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 volatile of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company and he has disclosed this to the auditors and the Audit Committee.
- (d) I have indicated to the auditors and the Audit committee :
- (i) significant changes in internal control during the year.
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

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

**Date : 14/08/2013**  
**Place : Ahmedabad**

**Sandip B. Padsala**  
**Executive Director**

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To  
The Shareholders,  
**B. Nanji Enterprises Limited**  
Ahmedabad.

**Sub.: Declaration for Compliance of Code of Conduct**

I hereby declare that all the Board Members and senior Managerial Personnel have for the year ended 31st March, 2013, affirmed compliance with the Code of Conduct laid down by the Board of directors in terms of the Clause 49 of the Listing Agreement entered with the Stock Exchanges.

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

**Date : 14/08/2013**  
**Place : Ahmedabad**

**Sandip B. Padsala**  
**Executive Director**

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**B NANJI ENTERPRISES LTD.**  
Ahmedabad.

**Report on the Financial Statement**

We have audited the accompanying financial statements of B Nanji Enterprises Limited, Ahmedabad which comprise the balance sheet as at March 31, 2013 and the statement of profit & loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the financial statements**

Management is responsible for preparation of these financial statements that give a true and fair review of the financial position financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section(3C) of the Companies Act, 1956("the Act") This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**BASIS FOR QUALIFIED OPINION**

- 1) Attention is invited to Note No. 3 regarding change in method of valuation of work-in -progress at Umargaon, Bhilad and Kathlal site which is departure from the accounting standard AS-2, AS-9 and AS-16 as prescribed by the Institute of Chartered Accounts of India. Had the company not included the borrowing cost in valuation of stock the profit for the year would have been lower by Rs.444.78 lacs and value of current assets would be lower by Rs.444.78 lacs.
- 2) Attention is invited to Note No.4 regarding change in method for payment of Interest to Directors from Interest free to interest bearing unsecured loan, had the company not paid such interest the profit for the year would be higher by Rs.116.56 lacs

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in para 1 and 2 of the basis for qualified opinion paragraph above and the possible effect of the matter described in para 1 & 2 above of the basis for qualified opinion paragraph above the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the balance sheet, of the state of affairs of the Company as at March 31, 2013.
- (b) In the case of the statement of profit & loss, profit for the year ended on that date, and
- (c) In the case of the cash flow statement, of the cash flow for the year ended on that date.

**Report on other legal and regulatory requirement**

1. As required by the Companies ( Auditor's Report) Order 2003 ( "the Order" issued by the Central Government of India in the terms of sub – sec.(4A) of section 227of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the Order.
2. As required by sec. 227(3) of the Act, we report that :
  - (a) 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.
  - (b) Except for the effect of the matter described in sub para-1 of the Basis Of Qualified Opinion paragraph, in our opinion proper books of account, as required by law, have been kept by the Company so fat as appears from our examination of those books.
  - (c) The balance sheet, statement of profit & loss and cash flow statement dealt with by this report, are in agreement with the books of accounts.
  - (d) Except for the effect of the matter described in sub – para 1 & 2 of the Basis of Qualified Opinion paragraph above, In our opinion, the balance sheet, statement of profit & loss and cash flow statement comply with the Accounting Standards referred to in the sub-sec.(3C) of sec.211 of the Act.
  - (e) On the basis of written representation received from the directors as on march 31, 2013 and taken on record by the Board of Directors, none of the directors disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of sub-sec.(1) of section 274 of the Act.

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

**AHMEDABAD  
MAY 30, 2013**

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

**ANNEXURE TO THE AUDIT REPORT**

1. (a) The company is in process of updating fixed assets register to show full particulars including quantitative details and situation of its fixed assets and reconciling the same with general ledger.
- (b) According to the information and explanations given to us 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) The inventory includes Land including Banakhat rights in Land, Completed Building, Construction work in progress and development material. Physical verification of these inventories have been conducted at the year end by the management. The frequency of such verification is required to be enhanced.
- (b) Company has given contract for construction work including labour and material and hence no stock of materials is required to be maintained. Regarding other materials the same is treated as directly consumed as and when purchased. Hence the company is not required to maintain any stock records and its question of its physical verification does not arise.
3. (a) Company has taken interest bearing loans from 2 directors and interest free loan from companies covered in the register maintained u/s 301 of the Companies' Act, 1956. The maximum amount involved during the year was Rs.1759.96 lacs and the year end balance of loans taken from such parties was Rs.1194.83 lacs.
- (b) In our opinion, the terms and condition on which such loans were taken from 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. However interest has been credited in the account wherever payable.
- (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, particulars of all contracts or arrangements that need to be entered into the register maintained u/s 301 of the Act, have been so entered.
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. As per the information and explanations given to us, the Company has not maintained any cost records as required under clause (d) of sub- section (1) of section 209 of the Act in respect of real estate operations, hence the question of our review of the same does not arise
9. Company is generally regular in depositing Provident fund Dues with appropriate authorities. 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 31/03/2013 for a period of more than six months from the date become payable except VAT and service tax of earlier years amount of which is not ascertained by the company and VAT for the year 2006-07 amounting to Rs.13.22 lacs
10. 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.
11. The company has not granted any loans or advance on the basis of security by way of pledge of shares, debentures and other securities.

12. 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. As informed to us the company has taken loan for purchase of Vehicles during the year. Company has also availed long term loan from Non Banking Financial Company against security of a project of Umargaon. In our opinion, the term loans were applied for which the loans were obtained, though idle/ surplus funds which were not required for immediate utilization have been invested in liquid investment payable on demand as well as for repayment of old loans taken for the projects.
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.
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**

**AHMEDABAD  
MAY 30, 2013**

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



## BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note	31.03.2013		31.03.2012
<b>EQUITIES AND LIABILITIES :</b>				
<b>Share Holder's Fund :</b>				
Share Capital	1	54,984,700		54,984,700
Reserve and Surplus	2	121,257,429		119,222,664
			176,242,129	174,207,364
<b>Non-Current Liabilities :</b>				
Long Term Borrowings	3	284,956,847		206,466,714
Long Term Liabilities	4	555,133,857		288,418,918
			840,090,704	494,885,632
<b>Current Liabilities :</b>				
Short Term Borrowings	5	73,751,157		135,026,805
Trade Payables	6	59,708,322		26,692,194
Other Current Liabilities	7	5,388,168		2,699,980
Short Term Provisions	8	15,334		15,003
			138,862,981	164,433,982
<b>Total</b>			<b>1,155,195,814</b>	<b>833,526,978</b>
<b>ASSETS :</b>				
<b>Non-Current Assets :</b>				
Fixed Assets	9			
Tangible Assets		11,709,645		8,462,114
Intangible Assets		89,226		47,811
Capital Work in Progress		Nil		Nil
		11,798,871		8,509,925
Non Current Investments	10	2,513,750		2,513,750
Long Term Loans and Advances	11	122,293,668		134,321,255
Other Non Current Assets	12	Nil		Nil
			136,606,289	136,835,005
<b>Current Assets :</b>				
Current Investments	13	41,810,262		93,772,005
Inventories	14	897,486,712		545,683,547
Trade Receivable	15	28,125,791		26,529,260
Cash and Cash Equivalents	16	42,984,785		20,953,518
Short Term Loans and Advances	17	8,181,975		1,243,718
Other Current Assets		Nil		Nil
			1,018,589,525	688,182,048
<b>Total</b>			<b>1,155,195,814</b>	<b>833,526,978</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 : May 30, 2013

For, B NANJI ENTERPRISES LIMITED

B.N.PADSALA  
CHAIRMAN &  
MANAGING DIRECTOR

Place : Ahmedabad  
Date : May 30, 2013

S.B.PADSALA  
EXECUTIVE DIRECTOR

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	Note	2012-2013	2011-2012
Revenue from Operations	18	72,364,614	23,597,286
Other Income	19	5,299,326	4,042,273
<b>Total Revenue</b>		<b>77,663,940</b>	<b>27,639,559</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	20	7,361,840	5,531,811
Purchase of Land		59,099,903	7,396,376
Purchase of Construction Work		270,830,626	174,563,520
Change in Inventories of Finished Goods, Work in progress and Stock in trade	21	(355,580,572)	(218,725,333)
Employee Benefit Expenses	22	6,555,891	4,450,987
Finance Cost	23	46,841,151	2,619,700
Depreciation and amortization	9	2,442,172	1,747,013
Other Expenses	24	33,540,970	46,747,448
<b>Total Expenses</b>		<b>71,091,981</b>	<b>24,331,522</b>
Profit before exceptional and extraordinary items and tax		6,571,959	3,308,037
Prior Period Expenses		-	--
<b>Profit before tax</b>		<b>6,571,959</b>	<b>3,308,037</b>
<b>Tax Expenses :</b>			
- Current		2,203,000	-
- Income Tax of Earlier Years		2,334,194	-
- Deferred Tax Asset		-	-
		4,537,194	-
Profit / (Loss) for the year		2,034,765	3,308,037
<b>Earning per Share :</b>			
Basic (in Rs.)		0.37	0.60
Diluted (in Rs.)		0.00	0.00
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 : May 30, 2013

For, B NANJI ENTERPRISES LIMITED

B.N.PADSALA  
CHAIRMAN &  
MANAGING DIRECTOR

Place : Ahmedabad  
Date : May 30, 2013

S.B.PADSALA  
EXECUTIVE DIRECTOR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MACH 2013

(Amount in Rs.)

Particulars	31.03.2013		31.03.2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
<b>Net Profit before Extra Ordinary Item</b>		6571959	3308037
Add : Adjustment for			
Depreciation	2442172		1747013
Finance Cost	46841151		2579364
Interest Income	(4289682)		(4042273)
Amt Written off	(6835109)		(6194025)
<b>Operating Profit before Working Capital Changes</b>		38158532	-5909921
<b>Movements in Working Capital :</b>		44730491	-2601884
<b>Increase/(Decrease) in :</b>			
Trade Payables	39851237		(3803222)
Short Term Provisions	2688188		(179908)
Other Current Liabilities	331		(6161889)
<b>Decrease/(Increase) in :</b>			
Inventories	(351803165)		(218702833)
Trade Receivable	(1596531)		4955304
Long Term Loans & Advances	(6938257)		(19769686)
Short Term Loans & Advances	12027587		541575
<b>Cash Generated from(Used in Operation)</b>		(305770610)	(243120659)
Less :		<b>(261040119)</b>	<b>(245722543)</b>
Interest Paid	46841151		2579364
Prov. For Taxation\taxes paid	4537194		2786000
Profit on Sale of Assets	123989		0
Profit on Sale of Investment	369452		0
Jewelry Donation	(25080)		0
<b>Net Cash Flow from /(Used in) Operating Operating Activities (A)</b>		51846706	5365364
		<b>(312886825)</b>	<b>(251087907)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>			
<b>INFLOW :</b>			
Sale of Fixed Assets	251000		0
Interest Received	4289682		4042273
Decrease in Trade Investment	52331195		0
	56871877		4042273
<b>OUTFLOW :</b>			
Increase in Trade Investment	0		58010772
Purchase of Fixed Assets	5883209		3101560
	5883209		61112332
<b>Net Fund Used in Financing Activity (B)</b>		<b>50988668</b>	<b>(57070059)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITY :</b>			
<b>Add :</b>			
Increase in Long Term Borrowing	78490133		142824295
Increase in Short Term Borrowing	(61275648)		(8639623)
Increase in Long Term Liabilities	266714939		165887298
		<b>283929424</b>	<b>300071970</b>
Net Cash Used in Financing Activity		22031267	(8085996)
Cash & Cash Equivalent at the Beginning of the year		20953518	29039514
Cash & Cash Equivalent at the end of the year		42984785	20953518

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 : May 30, 2013

For, B NANJI ENTERPRISES LIMITED

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

Place : Ahmedabad  
Date : May 30, 2013

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31.03.2013 Rs.	31.03.2012 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		
<b>1.2 Details of the Share Holders holding more that 5 % in the company :</b>				
<b>Name of Share Holders</b>	<b>31.03.2013</b>		<b>31.03.2012</b>	
	<b>Number of Shares</b>	<b>% Shares</b>	<b>Number of</b>	<b>%</b>
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
			<b>31.03.2013 Rs.</b>	<b>31.03.2012 Rs.</b>
<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 beginning of the year	119,198,164			115,890,127
Profit / (Loss) for the year	2,034,765			3,308,0378
Balance of Profit and Loss at the end of the year			121,232,929	119,198,164
			<b>121,257,429</b>	<b>119,222,664</b>
	<b>31.03.2013</b>		<b>31.03.2012</b>	
	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>3. LONG TERM BORROWINGS :</b>				
Term Loans from bank	1,070,783	941,321	594,464	965,336
From Others	225,903,230	--	149,956,849	--
Unsecured :				
Inter Corporate Deposits	57,982,834	--	55,915,401	--
	<b>284,956,847</b>	<b>941,321</b>	<b>206,466,714</b>	<b>965,336</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

- 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.

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
<b>4. LONG TERM LIABILITIES :</b>		
<b>Other Long Term Liabilities :</b>		
Contribution from Members	552,835,857	288,323,918
<b>Provision form Taxation :</b>		
Fringe Benefit Tax\Income Tax	2,298,000	95,000
	<b>555,133,857</b>	<b>288,418,918</b>
<b>5. SHORT TERM BORROWINGS :</b>		
<b>Secured :</b>		
From Banks		
Refer Note No. 3.1	941,321	965,336
	941,321	965,336
<b>Unsecured :</b>		
Inter Corporate Deposits	–	5,100,000
Loans and advances from related parties	72,809,836	128,961,469
	<b>73,751,157</b>	<b>135,026,805</b>
<b>6. OTHER SHORT TERM LIABILITY :</b>		
Trade Payables	59,708,322	26,692,194
	<b>59,708,322</b>	<b>26,692,194</b>

- 6.1 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).

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
<b>7. OTHER SHORT TERM LIABILITY :</b>		
Statutory Liabilities	5,388,168	2,699,980
	<b>5,388,168</b>	<b>2,699,980</b>
<b>8. SHORT TERM PROVISIONS :</b>		
Provisions for Employee Benefits	15,334	15,003
	<b>15,334</b>	<b>15,003</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

## 9. FIXED ASSETS :

(Amt. in Rs.)

SR.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK 31-Mar-13	NET BLOCK 31-Mar-12		
		BALANCE AS ON 1-Apr-12	ADDITION DURING THE YR.	DEDUCTION DURING THE YR.	BALANCE AS ON 31-Mar-13	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR			BALANCE AS ON 31-Mar-13	
1	Tangible Assets										
1	Machinery	1,170,810	1,171,993	Nil	2,342,803	189,196	256,085	Nil	445,281	1,897,522	981,614
2	Furniture & Fixtures	1,539,654	985,059	Nil	2,524,713	579,539	173,155	Nil	752,694	1,772,019	960,115
3	Office Equipments	1,425,830	199,937	Nil	1,625,767	568,608	135,452	Nil	704,060	921,707	857,222
4	Computers	509,517	101,220	Nil	610,737	430,047	58,304	Nil	488,351	122,386	79,470
5	Jewellery	25,080	Nil	25,080	Nil	Nil	Nil	Nil	Nil	Nil	25,080
6	Vehicles	10,053,754	3,330,000	1,178,422	12,205,332	4,495,141	1,765,591	1,051,411	5,209,321	6,996,011	5,558,613
	Total (A)	14,724,645	5,788,209	1,203,502	19,309,352	6,262,531	2,388,587	1,051,411	7,599,707	11,709,645	8,462,114
	Intangible Assets										
	Software	63,000	95,000	Nil	158,000	15,189	53,585	Nil	68,774	89,226	47,811
1	Total (B)	63,000	95,000	Nil	158,000	15,189	53,585	Nil	68,774	89,226	47,811
	TOTAL (A+B)	14,787,645	5,883,209	1,203,502	19,467,352	6,277,720	2,442,172	1,051,411	7,668,481	11,798,871	8,509,925
	Previous Year	11,686,085	3,101,560	Nil	14,787,645	4,530,707	1,747,013	Nil	6,277,720	Nil	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
<b>10. NON CURRENT INVESTMENTS :</b>		
<b>Investment in Equity Instruments</b>		
<b>Unquoted Investments (Trade)</b>		
450 Shares of Sarangpur Co.Op.Bank Ltd. each of Rs.25 each fully paid 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)	12,883,833	13,231,717
Security Deposits	2,291,000	341,532
Other Long Term Loans and Advances	107,118,835	120,748,006
	<b>122,293,668</b>	<b>134,321,255</b>
<b>12. OTHER NON CURRENT ASSETS</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Other non current assets	-	-
	<b>-</b>	<b>-</b>
<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	0	60,000,000
Market Value of Quoted Investment :	--	
Investment Carrying Cost	-	
<b>Investment in Partnership Firm :</b>		
M/s. B Nanji	38,428,335	33,654,389
M/s. B Nanji A	3,381,927	117,616
	<b>41,810,262</b>	<b>93,772,005</b>

**M/s. B NANJI :**

Name of Partners	31.03.2013		31.03.2012	
	Capital Balance	%	Capital Balance	%
Ashish Bhupendrabhai Patel	15536668	15.00	16237237	15.00
Biren Bhupendrabhai Patel	22087398	15.00	21119859	15.00
B Nanji Enterprises Ltd.	38428335	50.00	33654389	50.00
Prashant Pravinchandra Amin	27392542	20.00	23471244	20.00

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

Name of Partners	Capital Balance	%	Capital Balance	%
Ashish Bhupendrabhai Patel	2832954	11.25	2525019	11.25
Biren Bhupendrabhai Patel	2283789	11.25	2034693	11.25
B Nanji Enterprises Ltd.	3381927	30.00	117617	30.00
Prashant Pravinchandra Amin	19026647	22.5	11629364	22.5
Ishwarbhai Purshottambhai Patel	22702413	5.00	20338837	5.00
Mayur Ishwarbhai Patel	7929510	10.00	7442797	10.00
Rakesh Chandubhai Patel HUF	15017162	10.00	13404265	10.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
<b>14. INVENTORIES :</b>		
Land	233,659,415	177,977,613
Construction Material	–	3,777,407
Work in Progress	663,827,297	363,928,527
	<b>897,486,712</b>	<b>545,683,547</b>
<b>15. TRADE RECEIVABLES :</b> <b>(Unsecured and considered good unless otherwise stated)</b>		
Due for more than six months	28,125,791	25,279,260
Due for less than six months	–	1,250,000
	<b>28,125,791</b>	<b>26,529,260</b>
<b>16. CASH AND CASH EQUIVALENTS :</b>		
Balance with Banks		
- Bank Balance	33,466,911	10,167,527
Cash on Hand :	9,517,874	10,785,991
	<b>42,984,785</b>	<b>20,953,518</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	1,142,275	1,243,718
Balance with Tax Authorities	7,039,700	–
	<b>8,181,975</b>	<b>1,243,718</b>
<b>Particulars</b>	<b>2012-2013 Rs.</b>	<b>2011-2012 Rs.</b>
<b>18. INCOME FROM OPERATIONS :</b>		
Sale of Land	26,292,856	8,366,912
Sale of Shop	13,692,000	1,500,000
Sale of Construction Work	24,706,000	7,250,000
Net Sale of Product	64,690,856	17,116,912
<b>Other Income from Operations :</b>		
Kasar	90,075	24,000
Amount Written off	6,835,109	6,194,025
From Partnership Firm	748,574	262,349
	<b>72,364,614</b>	<b>23,597,286</b>
<b>19. OTHER INCOME :</b>		
Interest	4,289,682	4,042,273
Profit on Sale of Assets	123,989	–
Dividend	506,203	–
Rent	10,000	–
Profit on Sale of Investment	369,452	–
	<b>5,299,326</b>	<b>4,042,273</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 Rs.	2011-2012 Rs.
<b>20. COST OF MATERIAL CONSUMED :</b>		
Raw Material Consumed	7,361,840	5,531,811
	<b>7,361,840</b>	<b>5,531,811</b>

**20.1 PARTICULARS OF MATERIAL CONSUMED :**

	2012-2013		2011-2012	
	Rs.	%	Rs.	%
Imported	--	0	--	0
Indigenous	7,361,840	100.00	5,531,811	100.00
	<b>7,361,840</b>	<b>100.00</b>	<b>5,531,811</b>	<b>100.00</b>

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

	2012-2013 Rs.		2011-2012 Rs.	
<b>Opening 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>Closing Stock :</b>				
- Land	233,659,415		177,977,613	
- Work in Progress	663,827,297		363,928,527	
		<b>897,486,712</b>		<b>541,906,140</b>
		<b>(355,580,572)</b>		<b>(218,725,333)</b>

Particulars	2012-2013 Rs.	2011-2012 Rs.
<b>22. EMPLOYEE BENEFIT :</b>		
Salary and Wages Expenses	4,830,747	3,384,244
Employer's Contribution to Provident & Other Funds	248,244	18,219
Staff Welfare Expenses	645,990	290,762
Hoursent & Ele.Expenses-Directors	830,910	757,762
	<b>6,555,891</b>	<b>4,450,987</b>
<b>23. FINANCE COST :</b>		
Interest paid to Banks	153,378	137,568
Interest on TDS/VAT	105,045	62,042
Bank Charges	43,166	40,336
Interest paid to Others	46,539,562	2,379,754
	<b>46,841,151</b>	<b>2,619,700</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	2012-2013 Rs.	2011-2012 Rs.
<b>24. OTHER EXPENSES :</b>		
Labour Purchase	711,068	858,583
Site Expenses	1,023,623	638,846
Rati Carting	439,563	1,882,927
Electric Expenses	2,347,731	1,801,575
Land Revenue	1,079,707	572,163
Rent Rates & Taxes	1,449,691	1,602,525
Advertisement	5,050,262	3,060,719
Stationery & Printing	570,572	431,883
Postage & Telepehone	375,058	282,311
Travelling & Conveyance Expenses	1,828,035	1,194,898
Legal & Professional Fees	12,462,761	31,368,119
Repairs & Maintenance	916,203	383,196
Commission	3,427,420	826,988
Audit Fee	216,955	282,725
Donation	490,191	621,333
Miscellaneous Expenses	1,152,130	938,657
	<b>33,540,970</b>	<b>46,747,448</b>
<b>24.1 Payment to Auditors :</b>		
As Auditor	216,955	282725
As Consultant	0	0
	<b>216955</b>	<b>282725</b>
<b>24.2 Remuneration to Directors :</b>		
Directors Remuneration	1200000	1200000
	<b>1200000</b>	<b>1200000</b>

**25. NOTES ON ACCOUNTS :**

- No Provision for Undisputed Service Tax and VAT Liability on Construction activity prior to the accounting year 2011-12 has been made in the account. As informed Company has not determined the liability for the same.
- No Provision for VAT for the year FY 2006-07 as per VAT Assessment order dated 31-03-2011 for Rs.13.22 lacs has been made in the books of accounts.
- Company has valued the work-in-progress at Umargaon, Bhilad and Kathlal site at Direct Cost Plus Borrowing cost, for which no direct nexus for deployment of fund borrowed is established, which is not in confirmity with the requirement of various accounting standards i.e. AS-2, AS-7 AS-16 issued by the Institute of Chartered Accountants of India. Had the company not included the borrowing cost in valuation of stock, the profit for the year would have been lower by Rs. 444.78 lacs.
- Up till financial year 31-03-2012 company has availed interest free unsecured loan from directors and hence no interest were paid to the directors. However from current year company has changed the method of accounting and paid interest of Rs. 41.21 lacs to Shri B N Padsala and Rs.75.35 lacs to Shri Sandeep B Padsala. Due to this change in the method, profit for the year is lower by Rs.116.56 lacs.
- Either to Company was accounting Gratuity on Cash Basis. However from the current year company has made provision for Gratuity payable to eligible employee on estimating basis. No Actual Report for the same has been obtained for the same. Due to this profit for the year is lower by Rs.2.37 lacs.

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6. Related Party Disclosure as required by Accounting Standard AS 18 issued the Institute of Chartered Accountants of India is as under: 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.

**7. RELATIONSHIP :**

Associate Companies/Firms- Enterprises owned by /over which Key Management Personnel are able to exercise significant influences:

- B Nanji Construction Pvt. Ltd.
- International Housing Finance Corporation Ltd.
- Siddhi Vinayak Buildcon Pvt. Ltd.
- B Nanji Finance Ltd.
- Sankira Resorts Pvt.Ltd.

**Key Management Personnel :**

- Shri Bhikhubhai Nanjibhai Padsala
- Shri Sandeep Bhikhubhai Padsala

**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>			
31/03/2013	72809836	0	46673381
31/03/2012	128961469	0	44636495
<b>Maximum Balance Outstanding :</b>			
31/03/2013	129461469	0	47036495
31/03/2012	236073810	2500000	54605247
<b>Remuneration Paid :</b>			
31/03/2013	1200000	0	0
31/03/2012	1200000	0	0
<b>Interest Paid:</b>			
31/03/2013	11657075	0	0
31/03/2012	0	0	0
<b>Loan Taken :</b>			
31/03/2013	29100000	0	2400000
31/03/2012	152367093	0	7700000
<b>Loan Repaid :</b>			
31/03/2013	95743000	0	363114
31/03/2012	163566281	2500000	11104120
<b>Loan Given :</b>			
31/03/2013	0	0	1000000
31/03/2012	0	0	335369
<b>Loan Received Back :</b>			
31/03/2013	0	0	1000000
31/03/2012	0	0	335369

**Balance Confirmations**

8 Balances of Debtors, Creditors, Members Scheme deposit and advances are subject to reconciliation/confirmation and consequential adjustments, if any.

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- 9 Balances of unsecured lenders are subject to reconciliation/confirmation pending settlement with respective lender.
- 10 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.
- 11 The company is operating in single business Real Estate Developments. Therefore the disclosure requirement as required by accounting standard (AS) 17 on "Segment Reporting" is not applicable

**Earnings per Share :**

	Unit	2012-2013	2011-2012
Numerator used for calculating Basic and Diluted Earnings per Share (Profit after Tax)	Rs.	2034765	3308037
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.	0.37	0.60
Diluted Earnings per Share	Rs.	0.00	0.60

**Earnings In Foreign Currency :**

	2012-2013	2011-2012
FOB Value of Exports	0.00	0.00

**Expenditure In Foreign Currency :**

	2012-2013	2011-2012
Capital Purchase	0.00	0.00
Material Purchase	0.00	0.00

**SIGNIFICANT ACCOUNTING POLICIES :**

- The accounts have been prepared on historical cost convention and on the basis of going concern with revenue recognition.
- Company follows the accrual system of accounting unless otherwise stated.
- Company is engaged in sale and purchase of land, development and construction activity. In respect of trading activity, purchase of land is accounted on historical cost method and on the basis of either Sale Deed in favor of Company or an Agreement to Sale with possession in favor of the Company without execution of legal documents, whichever is earlier. Sale of land is accounted at the time of possession of land or execution of sale deed, whereas in respect of the construction activity, company has adopted the percentage/progress of completion method as certified by Engineer.
- Stock of Land is Valued as under :**
  - Land for Resort at Village Ganol with Banakhat Right is valued at Banakhat value.
  - Land of Vibhusha Scheme held in the name of Associate Company/firm is valued at banakhat value/cost.
  - Land of Nisarg Scheme (Agricultural Land) is held in the name of Chairman and Managing Director and erstwhile Directors, associate firm and company, is valued at Cost / Banakhat Value.
  - Land of Vevji /Dehli – Bhilad, Valsad, Mahemdavad, Vadaj, Kathlal are valued at Cost plus direct expenses like Registration and Stamp Duty brokerage etc.
  - Work in progress/work completed has been accounted on the basis of cost of work done plus direct expenses pertaining to project and borrowing cost (From Current Year) as certified by Engineer. Stock of Finished Goods i.e. Plot at Silvassa at purchase price including cost of development and Constructed Shed

at Land Cost plus Cost of Construction. Work in Progress of Shiromani bungalows is taken as per agreement executed with Labh Construction Limited in earlier years.

5. Purchases includes Carting, Land Leveling Expenses and Sales Tax.
6. Sale of Land and plots is recognised in the financial year in which the agreement for sell is executed. Where the company has any remaining substantial obligation as per the agreements, revenue is recognised on the percentage of completion method of accounting.
7. Sale of Constructed Building is recognised in the financial in which the agreement of sale are executed and there is no uncertainty of collections.
8. Share of Profit/loss from firms in which the Company is a partner is accounted for in the financial year ending on the date of balance sheet.
9. Rent, Service Receipt and Interest wherever receivable on loans under agreement is accounted on accrual basis.
10. Unquoted Investments are stated at cost.
11. Fixed Assets are stated at historical cost, cost includes expenses attributable to assets till instalaltion/put to use.
12. Depreciation has been provided on written down value method on assets put to use as per the rates prescribed in the Schedule XIV to the Companies Act, 1956.
13. Dividend income is accounted on cash basis.
14. Commission payable on sales is accounted on cash basis.

**15. Employees Benefit :**

**1. Provident Fund :**

The Company makes contribution to statutory providend fund in accordance with The Employees' Providend Fund and Miscellaneous Provision Act,1952.

**2. Gratuity :**

Either to company was providing gratuity on cash Basis. However from current year company has made a provision for Gratuity payable on the basis of completed service of eligible employees. No Acturial valuation for such liability has been obtained.

**3. Other short-term benefits :**

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**16. Contigent liabilities and provisions :**

Depending upon the facts of each case and after due evaluation of legal aspects, claims against the company are accounted for as either provisions or disclosed as contigent liabilities. In respect of statutory dues disputed and contested by the company, contigent liabilities are provided for and disclosed as per original demand without taking in to account any interest or penalty that may accrue thereafter. The company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and reliable estimate of the amount of obligation can be made. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contigent liability in the Financial Statements.

**17. Earning per share :**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including bonus issue, bonus element in a right issue to existing shareholders, share split, and reverse split (consolidation of shares).

For the purpose of calculating diluted earning per shares, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The period during which, number of dilutive potential equity shares change frequently, weighted average number of shares are computed based on a mean date in the quarter, as impact is immaterial on earnings per share.

**18. Impairment of Assets :**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If at the balance sheet date there is an indication that a previously assessed impaired loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

**19. Taxation :**

Tax expense for the year comprises current income tax and wealth tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing difference representing the difference between taxable income and accounting income that origination one period and are capable of reversal; in one or more subsequent period. Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

**20. Foreign Exchange Transaction :**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

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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 : May 30, 2013**

**For, B NANJI ENTERPRISES LIMITED**

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

**S.B.PADSALA  
EXECUTIVE DIRECTOR**

**Place : Ahmedabad  
Date : May 30, 2013**

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## 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 Monday, the 30th day of September, 2013 at any adjournment there of.

Signed this \_\_\_\_\_ Day of \_\_\_\_\_ 2013.

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 : "Moorti Bunglows, 5, Ashoknagar, 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 "Moorti Bunglows, 5, Ashoknagar, B/h. Sundervan, Ahmedabad-380015 on Monday, 30th September, 2013.

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 ths 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