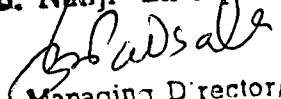


**B. NANJI ENTERPRISES LIMITED**  
**24th Annual Report**  
**2005-2006**

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B. Nanji Enterprises Ltd.

  
Managing Director/Director

**Registered Office :**

**B. NANJI ENTERPRISES LIMITED**

Regd Off. 1318, Opp. Parabadi, Nr. Mithakhali Rly Crossing,  
Ellisbridge, Ahmedabad-6

**B. NANJI ENTERPRISES LIMITED****24th Annual Report****BOARD OF DIRECTORS**

Mr. B.N. Padsala	<i>Chairman &amp; Managing Director</i>
Mr. S.B. Padsala	<i>Executive Director</i>
Mr. P.B. Pambhar	<i>Executive Director</i>
Mr. D.B. Pambhar	<i>Executive Director</i>
Mr. Philip Job	<i>Executive Director</i>

**CORPORATE OFFICE**

706, Saffron Building,  
Panchvati, Ahmedabad - 380 006

**REGISTRAR &  
SHARE TRANSFER AGENT**

**SEPRO CREATIVE (I) PVT. LTD.**  
Sutum Estate, 3rd Floor, Above BOB,  
Kandiwali, Andheri (E) MUMBAI-400 009

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**BANKERS**

BANK OF INDIA

LOARD KRISHNA BANK

**AUDITORS**

ATUL DALAL & CO.,  
Chartered Accountants  
2nd Floor, Abhishek Buildings,  
Nr. Girish Cold Drinks, C G Road,  
AHMEDABAD-380009

**B. NANJI ENTERPRISES LIMITED*****24th Annual Report*****NOTICE**

**NOTICE** is hereby given that the 24th Annual General Meeting of the members of B. Nanji Enterprises Limited will be held on Saturday, 30th Day of September, 2006, at 2.30 p.m., at 1318, Opp. Parabadi, Nr. Mithakhali Rly Crossing, Ellisbridge, Ahmedabad-6 for transacting the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2006, Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint Director in place of Shri B.N. Padsala who retire by rotation and being eligible for re-appointment offers himself for re-appointment
3. To appoint Director in place of Shri S.B. Padsala who retire by rotation and being eligible for re-appointment offers himself for re-appointment
4. To appoint Auditors and fix their remuneration.

**BY ORDER OF THE BOARD OF DIRECTOR**

PLACE : AHMEDABAD

DATE : 2nd SEPTEMBER, 2006

**B. N. PADSALA**  
CHAIRMAN**SPECIAL BUSINESS :**

- (5) To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **Special Resolution** :

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956, The Securities and Exchange Board of India(Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), be and is hereby authorized to agree and the consent of the Company be and is hereby accorded to the Board to de-list the Equity shares of the Company from The Stock Exchange, Ahmedabad and Rajkot Stock Exchange.

**B. NANJI ENTERPRISES LIMITED*****24th Annual Report*****EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

Presently the Company's securities are listed on

1. The Stock Exchange, Ahmedabad
2. The Stock Exchange, Mumbai
3. Rajkot Stock Exchange  
Your Board of Directors had, at its meeting held on 12/09/2006 approved the delisting of the Company's Equity shares from The Stock Exchange, Ahmedabad and Rajkot Stock Exchange for administrative convenience.

The Company's securities will continue to be listed on The Stock Exchange, Mumbai.

The delisting of the Company's securities from the Stock exchanges as mentioned above will not adversely affect the investors. Further continued listing on The Stock Exchange, Ahmedabad & Rajkot will not have any commensurate benefit to the Company / investors in terms of listing fees being paid.

The delisting will be effective after all requisite approvals and permissions are received and the effective date will be notified accordingly.

Your directors recommend the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

**FOR B.NANJI ENTERPRISES LTD.**  
**B. N. PADSALA**  
**CHAIRMAN**

**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.
- 2) THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY WILL REMAIN CLOSED FROM MONDAY THE 25TH DAY OF SEPTEMBER 2006 TO SATURDAY THE 30TH DAY OF SEPTEMBER, 2006 (BOTH DAYS INCLUSIVE).
- 3) THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY THE CHANGE OF ADDRESS IF ANY, TO THE COMPANY.

**B. NANJI ENTERPRISES LIMITED****24th Annual Report****DIRECTORS' REPORT**

To,  
The Members

**B. NANJI ENTERPRISES LIMITED**

Ahmedabad

Your Directors are pleased to present the 24th Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31st, March, 2006.

**1. FINANCIAL RESULTS :****(RS. IN LACS)**

	<b>2005-06</b>	<b>2004-05</b>
Profit before Interest,	108.55	219.88
Depreciation and Tax		
Interest	4.86	1.01
Depreciation	5.80	1.86
Income Tax		Nil
Current		
Deferred		
Fringe Benefit Tax	0.60	
Profit after tax	97.89	217.02
Prior period adjustments (net)	(9.11)	1.62
Balance Carried Forward	88.18	218.64

**2. DIVIDEND**

To conserve the financial resources of the Company and in view new projects your directors think it better to plough back entire profit.

**3. OPERATIONS :**

During the year under review, the Company has achieved total income of Rs. 475.34 Lacs and earned net profit of Rs. 88.18 Lacs. Company's projects of Vibhusha Bungalows and Nisarg Farm Houses are progressing very well. Moreover projects for small houses at Geratpur and Moraiya have been recently launched.

**4. MANAGEMENT DISCUSSION AND ANALYSIS****(A) INDUSTRY STRUCTURE AND DEVELOPMENT :**

Development of housing and construction industry in India is influenced by country's steady economic growth and bullish capital market. Better infrastructural facilities such as roads, electricity and water, growing urbanization due to better employment and business opportunities, easy availability of finance have given boost to demand of housing sector.

**(B) REVIEW OF OPERATIONS :**

During the year 2005-06 total income of the Company was Rs. 572.60 Lacs against which the company had incurred total expenditure of Rs. 468.90 Lacs, as a result of which net profit of company was Rs. 88.18 Lacs.

**(C) OPPORTUNITIES AND THREATS :**

After earthquake in Gujarat in 2001, demand for bungalows has increased considerably. As the Company is having large land at various locations suitable for scheme of bungalows, the company is positioned to take advantage of demand for bungalows.

Increasing cost of cement, steel and labour and competition from small builders are likely to affect margins of the Company. Due to increase in the rate of interest by the Banks, demand for residential property for the purpose of investment is likely to be adversely affected.

**(D) INTERNAL CONTROL SYSTEM :**

The company has proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions

**B. NANJI ENTERPRISES LIMITED****24th Annual Report**

are authorized, recorded and reported correctly.

The company has effective systems in place for achieving efficiency in operations, optimum and effective utilization of resources, monitoring thereof and compliance with applicable laws.

**(E) HUMAN RESOURCES :**

The company firmly believes that intellectual capital and human resources is the backbone of the company's success.

The company is committed to provide development and training opportunities to employees to equip them with skill which enable them to adapt to contemporary technological advancements. Industrial relation during the year continue to be harmonious.

**4. CORPORATE GOVERNANCE :**

The corporate governance report and Auditors practicing Company's Secretary's certificate in respect thereof attached herewith and form part to this report.

**5. DIRECTORS :**

Pursuant to provisions of Section 256 of the Companies Act, 1956 Shri B.N. Padsala and Shri S.B. Padsala retire by rotation and being eligible offers themselves for re-appointment.

**6. 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 had been followed along with proper explanation relating to material departure.

The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and the profit or loss of the Company for the period.

The Directors had 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 had prepared the annual accounts on a going concern basis.

- As per information furnished to us, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub-section (1) of section 274 of the companies act, 1956,

**7. AUDITORS :**

M/s. Atul Dalal & Co., Chartered Accountant, retiring Auditors, Ahmedabad are eligible for re-appointment and offer themselves for re-appointment. The Auditors have furnished a certificate to the effect that if reappointed, their appointment shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

**8. 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.

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

During the year under review, there were no manufacturing activities undertaken by the Company. The activity of the Company under review is of land development which requires minimum amount of energy. In view of the aforesaid fact, there was no scope for your company to make any efforts for energy conservation, research and development and technology absorption. Hence the particulars required to be furnished in respect of the same are not applicable. During the year, there was no foreign exchange earning to the company nor incurred any foreign exchange expenses.

**10. ACKNOWLEDGMENT :**

Your Directors take this opportunity to express their grateful appreciation for the willing assistance and co-operation received from the bankers, shareholders and the employees of the Company.

**On Behalf of Board of Directors**

Date : 2nd SEPTEMBER, 2006

Place: AHMEDABAD

**B. N. PADSALA  
CHAIRMAN**

**B. NANJI ENTERPRISES LIMITED****24th Annual Report**

**REPORT ON CORPORATE GOVERNANCE**  
**[Pursuant to clause 49 of the listing agreement]**

**1. Corporate Governance**

The principal characteristics of corporate governance are Transparency, Independence, Accountability, Responsibility, Fairness, and Social Responsibility. Corporate Governance pertains to system of blending law, regulations and voluntary practices, which enable the company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long-term economic value for its shareholders, while respecting interests of other stakeholders and the society as a whole.

**2. Company's Philosophy on Corporate Governance**

The Company's philosophy on corporate governance lays strong emphasis on transparency, accountability and integrity. The company has implemented all the mandatory requirement of clause 49 of Listing Agreement with spirit of corporate governance and looking forward positively to follows non mandatory provisions. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over sustained period of time.

**3. Board of Directors :****A) Constitution :**

The Board of Directors is presently has the strength of Five Directors of which two directors are executive non- independent directors including the Chairman and three Directors are non- executive independent directors.

**B) 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	2	Nil
Mr. R.B. Padsala*	Non-Independent and Executive	3	Nil
Mr. S.B. Padsala	Non-Independent and Executive	3	Nil
Mr. P.B. Pambhar	Independent and Non- Executive	Nil	2
Mr. D.B. Pambhar	Independent and Non- Executive	Nil	2
Mr. Philip Job	Independent and Non- Executive	Nil	2

\* Mr. R.B. Padsala expired on 04/06/2005.

The Board met 7 times on the following dates during the financial year 2005-06. And the maximum time gap between the two board meetings did not exceed four months.

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

Sr.	Name of Director	No. of Board meeting held	No. of Board meeting attended	No. Attendance at last AGM
1	Mr. B.N. Padsala	7	7	Y
2	Mr. R.B. Padsala	7	1	Y
3	Mr. S.B. Padsala	7	7	Y
4	Mr. P.B. Pambhar	7	7	Y
5	Mr. D.B. Pambhar	7	7	Y
6	Mr. Philip Job	7	7	Y

**B. NANJI ENTERPRISES LIMITED****24th Annual Report****D) Number of Board meetings held during the financial year and dates of Board Meetings :**

Board Meeting	Date	Board Meeting	Date
1	30/04/2005	5	30/10/2005
2	25/06/2005	6	31/01/2006
3	31/07/2005	7	31/03/2006
4	29/08/2005		

**4. Remuneration paid/payable to the Directors :**

Being a non-mandatory requirement the remuneration committee has not been constituted for the time being. All decisions on remuneration to executive directors are taken by the Board of directors and approved by the shareholders at the general meeting. The details of remuneration paid/ payable to the directors for the Financial Year 2005-06 are as under.

Name of the Director	Salary/Perquisites Amount (Rs.)	Performance/ Commission Amount (Rs.)	Total Amt. (Rs.)
Mr. B.N. Padsala	480000	—	480000
Mr. R.B. Padsala	120000	—	120000
Mr. S.B. Padsala	720000	—	720000

**5. Audit Committee :****A) Constitution :**

The Audit Committee comprises of Mr. P.B. Pambhar, Mr. D.B. Pambhar and Mr. Philip Job, all being Non-Executive Independent Directors. Mr. Philip Job is the Chairman of the Committee. Mr. S.B. Padsala, Executive Director and the internal auditor shall be the invitee to the meetings of the Audit Committee.

**B) Number of Meetings and attendance during the year :**

Three Meetings were held during the Financial Year 2005-06 on 28/06/2005, 20/08/2005 and 25/01/2006.

Name of Director	Designation	Category	No. of Meetings Attended
Mr. Philip Job	Chairman	Independent & Non-Executive	3
Mr. D.B. Pambhar	Member	Independent & Non-Executive	3
Mr. P.B. Pambhar	Member	Independent & Non-Executive	3

**C) Brief Description and terms of reference are :**

1. To look into the adequacy and compliance of internal control system.
2. To review the quarterly, half-yearly and annual financial statements before submission to the Board.
3. To recommend the appointment and removal of external auditors, fixation of audit fee and also approval for payment to the external auditors for any other services.
4. To undertake the periodical review of internal control system and appraise and update the range and scope of Internal Audit Programme from time to time.
5. To interact actively with the External Auditors from time to time and discuss about finalization of annual financial statements.
6. To look into any other matter which may be referred to it by the Board.