

B. NANJI ENTERPRISES LIMITED

26th Annual Report 2007-2008



Registered Office :

B. NANJI ENTERPRISES LIMITED

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

B. NANJI ENTERPRISES LIMITED***25th Annual Report*****BOARD OF DIRECTORS**

Mr. B.N. Padsala	Promoter Chairman & Managing Director	
Mr. S.B. Padsala	Promoter Executive Director	
Mr. P.B. Pambhar	Independent Director	up to 20/08/2008
Mr. D.B. Pambhar	Independent Director	up to 20/08/2008
Mr. Philip Job	Independent Director	
Mr. Jayant O. Sharma	Independent Director	w.e.f. 12/07/2008

REGISTERED OFFICE

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

REGISTRAR & SHARE**SYSTEM SUPPORT SERVICES****TRANSFER AGENT**

209, Shivai Ind. Estate,
89, Andheri Kurla Road,
Saki Naka, Andheri (E) Mumbai-400 072.

BANKERS

BANK OF INDIA

LOARD KRISHNA BANK LTD.

AUDITORS**ATUL DALAL & CO.,**

Chartered Accountants

2nd Floor, Abhishek Buildings,

Nr. Girish Cold Drinks, C G Road,

AHMEDABAD-380009.

B. NANJI ENTERPRISES LIMITED***26th Annual Report*****NOTICE**

NOTICE is hereby given that the 26th Annual General Meeting of the members of B. Nanji Enterprises Limited will be held on Saturday, 30th Day of Tuesday, 2008 at 2.00 p.m., at 5, Moorti Bunglow, Ashok Nagar Co.Op. Hou. Soc. Ltd., B/h. Sundar Nager, ISRO, Satellite, Ahmedabad-380015 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, 2008, Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint Director in place of Mr. Philip JOB who retire by rotation and being eligible for re-appointment offers himself for re-appointment
3. 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
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

1. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a Ordinary Resolution :

"RESOLVED THAT Mr. Jayant Sharma who was appointed as an Additional Director of the Company at the Board Meeting held on 12th July, 2008 and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

ORDER OF THE BOARD OF DIRECTORS

DATE : 8 AUGUST, 2008
PLACE : AHMEDABAD

BHIKHUBHAI 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 29TH DAY OF SEPTEMBER 2008 TO TUESDAY THE 30TH DAY OF SEPTEMBER, 2008 (BOTH DAYS INCLUSIVE).
- 3) THE MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY THE CHANGE OF ADDRESS IF ANY, TO THE COMPANY.

B. NANJI ENTERPRISES LIMITED**26th Annual Report****Explanatory Statement****As required by section 173(2) of the Companies Act, 1956****Item No. 5**

Mr. Jayant Omprakash Sharma was appointed as an additional Director w.e.f. 12th July, 2008, under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Kshitij Sheth for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the Director	Mr. Jayant Omprakash Sharma
2	Age	43 Years
3	Qualification	B. Com.
4	Number of directorship in other Indian Public Limited Company	Nil

Mr. Jayant Omprakash Sharma does not hold any shares of the Company.
The Board of Directors recommends the resolution for approval of the members.
None of the Directors are concerned or interested in the said Resolution except Mr. Jayant Omprakash Sharma

ORDER OF THE BOARD OF DIRECTORS

DATE : 8 AUGUST, 2008
PLACE : AHMEDABAD

BHIKHUBHAI N. PADSALA
CHAIRMAN

B. NANJI ENTERPRISES LIMITED***26th Annual Report*****DIRECTORS' REPORT**

To,
THE MEMBERS,

Your Directors are pleased to present the 26th Annual Report of your Company together with the Audited Statement of accounts for the year ended on 31st , March, 2008

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

	2007-08	2006-07
Profit before Interest, Depreciation and Tax	97.97	24.39
Interest	50.80	7.55
Depreciation	5.65	5.68
Income Tax	Nil	Nil
Current		
Deferred		
Fringe Benefit Tax	0.46	0.52
Profit after tax	41.60	11.15
Prior period adjustments (net)	72.20	5.32
Balance Carried Forward	(-31.15)	5.31

DIVIDEND :

In view of inadequate profit of the Company, your Directors do not recommend dividend for the year under review.

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.

CORPORATE GOVERNANCE :

The company is committed to maintain the highest standards of corporate governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices as prevalent globally.

The corporate governance report and Auditors' certificate in respect thereof form part to this report.

DIRECTORS :

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

B. NANJI ENTERPRISES LIMITED***26th Annual Report***

Mr. Jayant Omprakash Sharma was appointed as an additional director of the Company w.e.f. 12th July, 2008. You are requested to appoint him as a director at the ensuing Annual General Meeting.

Your Directors would like to express their sincere appreciation for assistance and co-operation received from Mr. P. B. Pambhar and Mr. D. B. Pambhar who retired with effect from 20th August, 2008.

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 :

The 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.

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. 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 given. During the year, there was no foreign exchange earning to the company nor incurred any foreign exchange expenses.

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

Over the past few years, the real estate sector has transformed from a nascent and unorganized sector to an emerging, professionally organised industry, which is contributing significantly to the GDP of the nation. The housing sector in India has gradually metamorphosed into an organised one with improved product offerings and geographic spread. The growing urbanisation will result in an incremental demand for housing in suburban locations of urban areas.

(B) REVIEW OF OPERATIONS :

During the year 2007-08 total income of the Company was Rs. 407.69 Lacs and earned net profit of Rs. 31.15 lacs as compared to total income Rs. 433.78 lacs and net profit of Rs. 5.31 lacs during the previous year.

(C) OPPORTUNITIES AND THREATS :

Business opportunities are being continuously explored through environment scanning and new business plans are adopted accordingly. The malls coming up in India are spurring the vertical versions of their US counterparts, housing almost every international brands alongwith multiplex cinemas, escalators and huge parking lots.

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.

B. NANJI ENTERPRISES LIMITED***26th Annual Report*****(D) INTERNAL CONTROL SYSTEM :**

Your Company has a sound system of Internal Controls for financial reporting of various transactions, efficiency of operations and compliance with relevant laws and regulations. Suitable delegation of power and also the guidelines for preparation of accounts have been issued for uniform compliance.

In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted regularly. Gaps, if any, under the existing system are being examined and the mitigation measures for the same are being devised.

(E) HUMAN RESOURCES :

The Company follows 'People First' approach to leverage the potential of its employees to execute its business plans. Your Company takes pride in its highly motivated and trained Human Resource that has contributed its best to bring the Company to its present height. The scheme for Employees Participation in Management continued to function successfully all over the Company.

Employee relations scenario of the Company continued to be cordial marked by industrial harmony and mutual trust during the year.

ACKNOWLEDGMENT :

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.


ORDER OF THE BOARD OF DIRECTORS

DATE : 2-9-2008
PLACE : AHMEDABAD

BHIKHUBHAI N. PADSALA
CHAIRMAN

B. NANJI ENTERPRISES LIMITED**26th 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 firmly believes that good Corporate Governance represents the foundation of corporate excellence. A sound governance process consists of a combination of business practices, which result in enhancement of shareholders' value and enable the Company to fulfill its obligations to customers, employees, financiers and to the society at large. The Company aims to increase and sustain its corporate value through growth and innovation.

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

The current policy is to have the appropriate mix of Executive and Independent Directors to maintain the independence of the Board. As on 30th September, 2008 the constitution of the Board was :

Two Directors are Executive Promotor including the Chairman.

Three Directors are Non-Executive Independent

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	Promoter Executive	2	Nil
Mr. S.B. Padsala	Promoter Executive	3	Nil
Mr. P.B. Pambhar	Independent	Nil	2
Mr. D.B. Pambhar	Independent	Nil	2
Mr. Philip Job	Independent	Nil	2

The Board met 6 times on the following dates during the financial year 2007-08. 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	6	6	Y
2	Mr. S.B. Padsala	6	6	Y
3	Mr. P.B. Pambhar	6	6	Y
4	Mr. D.B. Pambhar	6	6	Y
5	Mr. Philip Job	6	6	Y

B. NANJI ENTERPRISES LIMITED**26th Annual Report****D) Number of Board meetings held during the financial year and dates of Board Meetings :**

Board Meeting	Date	Board Meeting	Date
1	30/04/2007	4	31/10/2007
2	31/07/2007	5	31/01/2008
3	20/08/2007	6	29/03/2008

4. Remuneration paid/payable to the Directors :

The Remuneration Committee recommends to the Board of Directors regarding the remuneration payable to the Executive Directors of the Company. The salary and the commission is recommended by the Remuneration Committee to the Board of Directors and placed before the shareholders' meeting for approval. The details of remuneration paid/ payable to the directors for the Financial Year 2007-08 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. S.B. Padsala	720000	—	720000

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

The Audit Committee of the Company comprises Three directors - all of whom are Independent, Non-Executive. All of them are experts in corporate finance, accounts and company law. Mr. Philip Job is the Chairman of the Committee is an Independent Non-Executive Director, nominated by the Board.

The internal auditor, Mr. S. B. Padsala, Executive Director and the Statutory Auditor of the Company are the permanent invitees at the meeting of the Audit Committee.

Number of Meetings and attendance during the year :

Five Meetings were held during the Financial Year 2007-08 on 30/04/2007, 31/07/2007, 20/08/2007, 31/10/2007, and 31/01/2008.

Name of Director	Designation	Category	No. of Meetings Attended
Mr. Philip Job	Chairman	Independent	5
Mr. D.B. Pambhar	Member	Independent	5
Mr. P.B. Pambhar	Member	Independent	5

B) Brief Description and terms of reference are :

1. 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.
2. Reviewing the adequacy and compliance of internal control system, if any including the structure of internal audit department, staffing and seniority of the officer heading the department, reporting structure coverage and frequency of internal audit.
3. Reviewing the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
4. 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.