

ANNUAL REPORT

2008 - 2009

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B. NANJI ENTERPRISES LIMITED

For, B. Nanji Enterprises Limited


Director / Authorised Signatory

B. NANJI ENTERPRISES LIMITED**ANNUAL REPORT****NOTICE**

NOTICE is hereby given that the 27th Annual General Meeting of the members of B. Nanji Enterprises Limited will be held on Wednesday, 30th Day of September, 2009 at 4 p.m., at Moorti Bunglows, 5, Ashoknagar Co-Operative Housing Society Ltd. B/h. Sundervan, Ahmedabad-380015 for transacting the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2009, Balance Sheet as on that date and Auditors' and Directors' report thereon.
2. To appoint Director in place of Mr. Jayant Sharma who retire by rotation and being eligible offers himself for re-appointment
3. To appoint Director in place of Mr. Sandip B. Padsala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

- 5) To consider and if thought fit to pass with the without modification(s) the following resolution as a **SPECIAL RESOLUTION.**

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, listing agreement, SEBI (Delisting of Securities) Guidelines, and such other applicable laws, rules, regulations and guidelines, and subject to such approvals, permission and sanctions, as may be necessary, the Board of directors of the company be and is hereby authorised to seek voluntarily delisting of its securities from Ahmedabad Stock Exchange & Saurashtra & Kutch Stock Exchange."

"RESOLVED FURTHER THAT the securities of the company shall continue to be listed on the stock exchange having nation wide trading terminals i.e. the Bombay Stock Exchange Limited, Mumbai and therefore as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the company."

"RESOLVED FURTHER THAT the Board of directors of the company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable and to execute all such deeds and documents as may be considered necessary and expedient to give effect to the above said resolution."

DATE : 18/08/2009

PLACE: AHMEDABAD

NOTES :

- 1) Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a Member. Proxy to be effective should reach the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
- 2) The Register of Members and Share Transfer books of The Company will remain closed from Monday, the 28th Day of September 2009 to Wednesday, the 30th Day of September, 2009 (Both Days Inclusive).
- 3) The Members are requested to notify immediately the change of address, If Any to the Company's Share Transfer Agent, M/s. System Support Service, 209, Shivai Ind.Estate, Near Park Devis, 89, Andheri Kurla Road, Sikinaka, Andheri(East), Mumbai-400072.
- 4) Nomination facility is available to the Shareholders in respect of shares held by them.
- 5) 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.

EXPLANATORY STATEMENT PURSUANT SECTION 173 (2) OF THE COMPANIES ACT, 1956**Item No. 5**

The Securities & Exchange Board of India (SEBI) has notified guidelines for voluntary delisting of securities from the stock exchange. As per SEBI (Delisting of Securities) Guidelines, 2009 an exit opportunity to the shareholders need not be given where securities of the Company remain listed on the stock exchange having nation wide trading terminals i.e. The Bombay Stock Exchange Limited, Mumbai and any other stock exchange that may be specified by SEBI in this regard.

At present the equity shares of the Company are listed at Ahmedabad Stock Exchange, Saurashtra & Kutch Stock Exchange and Bombay Stock Exchange. Considering the negligible volume of trading and as a part of its cost reduction measure the consent of members is sought for getting its securities de-listed from Ahmedabad Stock Exchange & Saurashtra & Kutch Stock Exchange in the special resolution.

The securities of the Company shall to be listed on the Bombay Stock Exchange Limited (BSE), Mumbai.

None of the directors is in way concerned or interested in the said resolution.

Date: 18/08/2009

Place: Ahmedabad

By Order of the Board

For, B.Nanji Enterprise Limited

Bhikhubhai Padsala

Chairman & Managing Director

B. NANJI ENTERPRISES LIMITED**ANNUAL REPORT****DIRECTORS' REPORT**

TO,
THE MEMBERS,

Your Directors are pleased to present the 27th Annual Report of your Company together with the Audited Statements of Accounts for the year ended on 31st, March, 2009.

FINANCIAL RESULTS :

	(RS. IN LACS)	
	2008-09	2007-08
Profit before Interest,	76.48	97.97
Depreciation and Tax		
Interest	7.86	50.80
Depreciation	9.26	5.65
Income Tax	Nil	Nil
Current		
Deferred		
Fringe Benefit Tax	1.47	72.20
Profit after tax	58.41	41.15
Prior period adjustments (net)	0.51	72.20
Balance Carried Forward	57.90	-31.15

DIVIDEND

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

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 2008-09 total income of the Company was Rs. 17.79 Crores and earned net profit of Rs. 57.90 lacs as compared to total income Rs. 4.08 crores and net loss of Rs. 31.15 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. Looking to the demand for low cost and affordable homes, the Company is searching for suitable land for development to launch medium size project of low cost flats and shops. Increasing cost of cement, steel and labour and competition from small builders are likely to affect margins of the Company.

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

CORPORATE GOVERNANCE:

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

CFO CERTIFICATION:

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

DIRECTORS:

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

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

In respect of qualification(s), if any, in the Auditors report, relevant notes to accounts at Schedule N are self explanatory and do not call for further comments and explanation.

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, 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.

B. NANJI ENTERPRISES LIMITED**ANNUAL REPORT****DELISTING FROM AHMEDABAD STOCK EXCHANGE & RAJKOT STOCK EXCHANGE:**

The Securities Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. An exit opportunities to the shareholders' need not be given where securities of the company remain listed on the stock exchange nation wide trading terminals.

At present the equity shares of the company are listed at Ahmedabad Stock exchange, Saurashtra & Kutch Stock Exchange and Bombay Stock Exchange. Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of the members is sought for getting its securities delisted from Ahmedabad Stock Exchange & Saurashtra & Kutch Stock Exchange as proposed in the special resolution. The securities of the company shall continue to be listed on the Bombay Stock Exchange Limited (BSE), Mumbai.

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 neither foreign exchange earning to the company nor the Company incurred any foreign exchange expenses.

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.

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BY ORDER OF THE BOARD OF DIRECTORS

DATE : 18/08/2009
PLACE: AHMEDABAD

Bhikhubhai Padasla
Chairman & Managing Director

B. NANJI ENTERPRISES LIMITED**ANNUAL REPORT****REPORT ON CORPORATE GOVERNANCE**

[Pursuant to clause 49 of the listing agreement]

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.

It aims to assure the shareholders that it is "Your Company" and it belongs to you. . The Chairman and Board of Directors are your fiduciaries and trustee pushing the business forward in maximizing long term value for its shareholders. This report sets out the compliance status of the Company with the requirements of corporate governance, as set out in Clause 49 for the financial year 2008-09.

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

Name of the Directors	Category	No. of other Directorship in Public Ltd. Companies	No. of other Board Committees of which member/chairman
Mr. B.N. Padsala	Non-Independent and Executive	2	Nil
Mr. S.B. Padsala	Non-Independent and Executive	3	1
Mr. Jayant Sharma	Independent and Non- Executive	Nil	Nil
Mr. Philip Job	Independent and Non- Executive	Nil	Nil

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

Sr. No.	Name of Director	No. of Board meeting held	No. of Board meeting attended	Attendance at last AGM
1	Mr. B.N. Padsala	8	8	Y
2	Mr. S.B. Padsala	8	8	Y
3	Mr. Jayant Sharma	8	8	Y
4	Mr. Philip Job	8	8	Y

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

Board Meeting	Date	Board Meeting	Date
1	30/04/2008	5	30/09/2008
2	12/07/2008	6	31/10/2008
3	31/07/2008	7	31/01/2009
4	08/08/2008	8	24/03/2009

AUDIT COMMITTEE**Composition of Audit Committee:**

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

The term of reference stipulated by the board to the Audit Committee are, as contained in clause 49 of the Listing agreement as follows :

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- a. 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.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on; (a) Any changes in accounting policies and practices, (b) Major accounting entries based on exercise of judgment by management, (c) Qualifications in draft audit report (d) Significant adjustments arising out of audit (e) The going concern assumption, (f) Compliance with accounting standards, (g) Compliance with stock exchange and legal requirements concerning financial statements, (h) Any related party transactions.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h. Discussion with external auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- i. Reviewing the company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

Four meetings of Audit Committee were held during the financial year 2008-09 following dates:

No.	Date	No.	Date
1	30/04/2008	3	31/10/2008
2	31/07/2008	4	31/01/2009

REMUNERATION COMMITTEE

The Remuneration Committee was set up with effect from 30th September, 2008. The Remuneration committee comprised of the following Directors.

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

Two Meetings of Remuneration Committee was held on 15/10/2008 and 28/01/2009 during the year 2008-09.

The details of remuneration paid/ payable to the directors for the year 2008-09 are as under :

Name of Director	Salary/Perquisite Amount (Rs.)	Commission Amt.(Rs.)	Total Amt.(Rs.)
Mr. B.N. Padsala	4,80,000	—	4,80,000
Mr. S.B. Padsala	7,20,000	—	7,20,000

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

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

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Two Meetings of Remuneration Committee was held on 15/10/2008 and 28/01/2009 during the year 2008-09.

GENERAL BODY MEETINGS:

Details of three Annual General Meeting:

Year	Date	Time	Venue
2005-06	30.09.2006	2.30 P.M.	Regd. Office : 1318, Opp. Parabadi, Nr. Mithakhali Rly Crossing, Ellisbridge Ahmedabad-6.
2006-07	29.09.2007	4.00 P.M.	Regd. Office : 1318, Opp. Parabadi, Nr. Mithakhali Rly Crossing, Ellisbridge Ahmedabad-6
2007-08	30.09.2008	2.00 P.M.	Moorti Bunglows, 5, Ashoknagar, B/h. Sundervan, Ahmedabad- 15

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

MEANS OF COMMUNICATION:

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

DISCLOSURE:

- (a) 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 interests of the company except transactions entered into with the group Companies and or associate Companies / Concerns are stated at Schedule-N Notes to Accounts. The register of contracts containing transactions in which directors are interested is placed before the Board of Directors regularly.
- (b) Details of non-compliance by the Company, penalties, imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years:
- The Company's shares were suspended from trading by Bombay Stock Exchange w.e.f. 12/10/1998. The suspension in trading of the Shares of the company was revoked by Bombay Stock Exchange w.e.f. 19/02/2009.

GENERAL SHAREHOLDERS INFORMATION:

- a) Annual General Meeting- Date, Time & Venue : 30th September, 2009 at 4.00 p.m. at Moorti Bunglows, 5, Ashoknagar Co-Operative Housing Society Limited, B/h., Sundervan, Satellite, Ahmedabad-380 015.
- b) Financial Year : 1st April to 31st March
- First Quarterly results End of July, 2009
- Half yearly results End of October, 2009
- Third quarterly results End of January, 2010
- Fourth quarterly results End of April, 2010
- AGM for the year ended March, 2010 End of September, 2010
- c) Date of Book Closure : 28th September, 2009 to 30th September, 2009 (Both days inclusive)
- d) Dividend : Nil
- e) Listing at following Stock Exchanges :
- * Ahmedabad Stock Exchange
 - * Bombay Stock Exchange
 - * Saurashtra & Kutch Stock Exchange
- f) Listing Fees :
- Paid to Bombay Stock Exchange Ltd. up to Financial Year 2009-10. Payment of listing fees to Ahmedabad Stock Exchange and Surashtra & Kutch Stock Exchange is pending.
- g) Scrip Code : ASE 7857 and BSE 526594
- h) ISIN : INE735G01010
- i) Market Price Data :
- Trading in Shares of the company was suspended and revoked w.e.f. 19-02-2009. As such Stock market data of February, 2009 and March, 2009 is as under: