

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

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)*

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

- 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 |

B. NANJI ENTERPRISES LIMITED**ANNUAL REPORT**

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. | Promoters | | |
| | i) Individual/ HUF | 1074931 | 19.49 |
| | ii) Bodies Corporate | 2009400 | 36.44 |
| | Total | 3084331 | 55.93 |
| 2. | Public | | |
| | 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 |
| | Total | 2430189 | 44.07 |
| | GRAND TOTAL | 5514520 | 100.00 |