

**BOARD OF DIRECTORS**

G.S. ARORA	:	MANAGING DIRECTOR
T. S. LONGIANY	:	DIRECTOR
PRAHLAD PANCHAL	:	DIRECTOR
CHETAN PANDIT	:	DIRECTOR

**REGISTERED OFFICE:**

101 Greenland Apts, Building No. – 3,  
JB Nagar Andheri (E),  
Mumbai 400059

**AUDITORS**

MOTILAL & ASSOCIATES  
CHARTERED ACCOUNTANTS

**BOOK CLOSURE**

28-09-2010 to 30-09-2010  
(INCLUDING BOTH DAYS)

**DATE OF AGM**

30<sup>th</sup> SEPT 2010

**NOTICE**

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of BONANZA INDUSTRIES LIMITED will be held at its Registered Office, on Thursday, 30<sup>th</sup> September 2010 at 11.00 a.m. to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the P&L a/c. for the year ended that date together with the Reports of Auditor's and Director's thereon.
2. To appoint a Director in place of Mr.Chetan Pandit, who retires by rotation and being eligible, offers for re-appointment.
3. To appoint the Auditors to hold the office from the conclusion of AGM until the conclusion of next AGM of the Company and to fix their remuneration.

Place : Mumbai  
Date : 01-09-2010

By order of the Board  
For Bonanza Industries Ltd  
SD/-  
(Chetan Pandit)  
Chairman

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Proxy form should be deposited at the registered office of the Company not less than forty eight hours before the meeting.
3. Share Holders are requested to intimate change in their address, if any, immediately.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 28-09-2010 to 30-09-2010 (both days inclusive).
5. Details required under Listing Agreement with the Stock Exchanges in respect of Directors seeking re-appointment at this AGM, is stated hereinbelow :-

Place : Mumbai  
Date : 01-09-2010

By order of the Board  
For Bonanza Industries Ltd  
SD/-  
(Chetan Pandit)  
Chairman

**Directors Report**

To,  
The Members,  
Bonanza Industries Ltd

Your Directors have pleasure in presenting before you the Audited Statement of Accounts for the year ended 31<sup>st</sup> March,2010

<b>FINANCIAL RESULTS</b>	<b>31-03-2010</b>	<b>31-03-2009</b>
Turn Over	1,257,812	1,159,622
Profit before interest & Depreciation	5677	5230
Less : - Interest	0	0
Depreciation	0	0
Net Profit for the Year	5677	5230
Loss Brought forward from pr. Yr.	19799579	19804809
Net Loss carried over to B/s.	<b>19793902</b>	<b>19799579</b>

**OPERATIONAL HIGHLIGHTS**

The production activity has come to stand still due to labour unrest from Sept, 1994 so there was no production during the year. Company is carrying on trading activity and earning income from the said activity.

Eventhough the business operation of the company is not upto the mark, company shows steady progress in business and making profits.

**DIVIDEND**

Your directors regret their inability to recommend any dividend due to the inadequate profit during the loss

**DIRECTORS**

Mr. D. G. Borkar retires by rotation and being eligible, offers himself for reappointment. Yur directors recommend for his re-appointment.

**AUDITORS**

M/s. MOTILAL & ASSOCIATES., Chartered Accountants, the Auditors of the Company retire at the conclusion of this Annual General Meeting. They are eligible for reappointment and indicated their willingness to act as an Auditor, if appointed and the appointment shall be in the limits prescribed under the provision of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

There was no employee in the Company whose particulars are required to be furnished as per section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended upto date.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO.**

The information under section 217(1) (e) of the Companies Act, 1956 on Conservation of Energy, Technology Absorption as required to be disclosed is not applicable to your company since it is engaged in the business of Financial & Investment Services. During the year under review the Company has no foreign exchange earnings and outgo.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby report that :

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed;
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made that are responsible and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2010;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE AND COMPLIANCE**

A report on corporate governance along with Management Discussion and Analysis is annexed to this report. A certificate from Statutory Auditors with regards to the compliance of the corporate governance, as stipulated in Clause 49 of the Listing Agreement, by the company is annexed to this report.

The company has fully complied with all mandatory requirements prescribed under Clause 49 of the listing agreement. In addition, the company has also implemented some of the non mandatory provisions of Clause 49.

**ACKNOWLEDGEMENT**

The Board of Directors takes the opportunity to thank the Bankers and Government for the Co-operations and support by them from time to time in the operation of the company during the year. The Board also places on record its deep appreciation for the contribution made by the employees at all levels.

Place : Mumbai  
Date : 01-09-2010

By order of the Board  
For Bonanza Industries Ltd  
SD/-  
(Chetan Pandit)  
Chairman

**ANNEXURE –A to the Director’s Report for the year ended 31<sup>st</sup> March, 2010****REPORT ON CORPORATE GOVERNANCE****1. COMPANY’S PHILOSOPHY**

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved in the Company. To ensure transparency, fairness and objectivity in an organisation’s functioning, the Company has proactively adopted best practices with regard to corporate governance and compliance, which are ahead of regulatory requirements. The Company’s policy on compliance with external regulatory requirements is backed by stringent internal policies and principles to ensure, inter alia, priority to clients’ interest over proprietary interest, maintenance of confidentiality of client information and prevention of insider trading.

**2. BOARD OF DIRECTORS**

The Board of Directors of the Company consists of Four Directors including the Non-Executive Chairman. Out of 4, 2 directors are non-executive independent directors. The Company does not have any pecuniary relation or transaction with Non-Executive Independent Directors during the year under review.

**Board procedure**

A detailed Agenda folder was sent to each Director in advance (generally before 7 to 10 days) of Board and committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefed the Board at every meeting on the financial performance of the Company up to last completed month as against the budget/revised budget of the year. Presentations are made by the Managing Director about the financial, operational performance and market scenario. The Board also reviewed:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment plans of the company
- Compliance with statutory/regulatory requirements and review of major legal issues.
- Adoption of quarterly / half yearly / annual results (after recommendation of Audit Committee where required).
- Significant labour problems
- Major accounting provisions and write-offs.
- Details of joint venture or Collaboration Agreement

**Composition, Category of Directors and their other directorship and Membership / Chairmanship of Committees.**

Sr. No.	Name of the Director	Category	Number of other		
			Directorships	Committee Memberships	Committee Chairmanships
1	G. S. Arora	Managing Director	1	1	-
2	T. S. Longiany	Non.Exe-Director	1		
3	Prahlad Panchal	Ind.Director	2	1	-
4	Chetan Pandit	Ind. Director	5	3	1

During the year 5 Board Meetings were held on 31-04-2009, 31-07-2009, 01-09-2009, 31-10-2009 and on 31-01-2010. The Board was present with the relevant and necessary information. None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director. The attendance at the Board Meeting during the year and at the last Annual General Meeting was as follows:

SR.NO	NAME OF DIRECTORS	NO. OF BOARD MEETING ATTENDED	ATTENDENCE AT THE AGM HELD ON 30-09-2009
1	G. S. Arora	4	Yes
2	T. S. Longiany	4	No
3	Prahlad Panchal	4	Yes
4	Chetan Pandit	5	No

### 3. AUDIT COMMITTEE

The Board constituted an Audit Committee consisting of 3 Directors. All members of Audit Committee are financially literate and 2 Directors out of 3 has financial management expertise as required for member of Audit Committee as stipulated in Clause 49 of the Listing Agreement. The Details of Audit Committee meetings held during the year April 2009 to March 2010 and the attendance of the Audit Committee Members are as under:

SR.NO	DIRECTOR NAME	CATEGORY	NO OF MEETING HELD ATTENDED	
1	G. S. Arora	Managing Director	5	4
2	Prahlad Panchl	Chairman/Member	5	5
3	Chetan Pandit	Member	5	4

**Terms of Reference:-**

The terms of reference for the audit committee as laid down by the Board include the following:-

- (i) Overseeing the Company's Financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- (ii) Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.
- (iii) Reviewing with management, the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on any changes in accounting policies and practices; major accounting entries based on exercise of judgement by management; qualifications in draft audit report; significant adjustments arising out of audit; the going concern assumption; compliance with accounting standards; compliance with stock exchange and legal requirements' concerning financial statements; any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of Company at large.
- (iv) Reviewing with the management, statutory and internal auditors, the adequacy of internal control system and ensuring compliance therewith.
- (v) Discussions with statutory auditors before the commencement of the audit about the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- (vi) Reviewing the Company's financial and risk management policies.
- (vii) To review the functioning of the Whistle Blower Policy adopted by the Company.
- (viii) To review report on Management Discussion & Analysis of Financial Condition and Results of operation, to be included in the Company's Annual Report to its Shareholders.

**4. REMUNERATION COMMITTEE**

This is a non-mandatory requirement. The company has constituted a Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company.

The Remuneration Committee consists of Mr.T. S. Longiany, Member, Mr.Prahlad Panchal, Ind.Dir. & Chairman of the committee, Mr. G.S.Arora, Managing Director of the company. Two meeting of the committee held during the year under review.

**5. SHARE HOLDER'S GRIEVANCE AND SHARE TRANSFER COMMITTEE****Composition:-**

The said committee comprises of Chetan Pandit, Ind. Director & Chairman of the said committee, T. S. Longiany, Director and G. S Arora, Managing Director. There are 4 meetings during the year.

The Committee has delegated the authority to an officer of the Company who attends to share transfer formalities at least once in a fortnight.

**Terms of reference:-**

To look into the redressal of the share holders complaints in respect of any matter including transfer of shares non receipt of annual report, non receipt of declared dividend etc.

**Compliance Officer:-**

The company has designated Mr.G. S. Arora as Compliance Officer.

**Summary of Investors' Complaints:-**

There were no complaints were received from the share holders.

**Annual General Meeting :-**

The Annual General Meeting (AGMs) of the company have been held at the following places in the last three years.

YEAR	DATE	TIME	VENUE
2006-07	29/09/2007	11.00 A.M	At the Registered Office of the Company
2007-08	30/09/2008	11.00 A.M	At the Registered Office of the Company
2008-09	30/09/2009	11.00 A.M	At the Registered Office of the Company

No special resolution passed through postal ballot during the year.

No special resolution on matters requiring postal ballot are placed for share holders approval at this meeting.

**6. DISCLOSURES REGARDING RELATED PARTY TRANSACTIONS:-**

There were no transaction by the company of material significance with related parties i.e. its Promoters, Directors of Companies or the Management or their relatives during the year which may have potential conflict with interest of the Company at large.

**7 . MEANS OF COMMUNICATION:**

- (i) The periodical unaudited / audited financial results are published in Free Press Journal (English) and Sakal (Marati) as required under the Listing Agreement. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.
- (ii) The Management Discussion and Analysis report prepared by the management and forming part of the Annual Report is separately attached.



**8. GENERAL INFORMATION FOR SHAREHOLDERS:**

(a) **Regd. Office:-** The Address has been given above

(b) **Date, Time, Venue of Annual General Meeting:-**

30<sup>th</sup> September, 2010 at 11.00 AM at the Regd. Office.

(c) **Financial Reporting for the quarter ending:-**

JUNE 30	: END JULY
SEPT 30	: END OCTOBER
DEC 31	: END JANUARY
MARCH 31	: END APRIL

(d) **Date of Book Closure :**

28.09.2010 to 30.09.2010 (both days inclusive)

(e) **Listing Details :**

Bombay Stock Exchange Limited , Mumbai : Scrip Code 523133

(f) **Market price data:**

During the year ended 31-03-2010 the equity share have not been traded due to suspension of trading of shares of the company hence no market price data of BSE is available.

(g) **Share Transfer System:**

The Company has a Share holders/ Investors grievance Committee who looks after share transfer job by meeting at regular intervals depending upon the receipt of the shares for transfer.

(i) **Investor Services:**

There were no complaints from the shareholders/investors during the year.

**DISPOSAL OF INVESTOR GRIEVANCES**

The average time required by the Company for the redressal of routine investor grievances is estimated to be seven working days from the date of receipt of the complaint. In case of non-receipt routine complaints and where external agencies are involved. The Company will strive to redress these complaints as expeditiously as possible.

**CERTIFICATION WITH RESPECT TO FINANCIAL STATEMENT**

The Managing director of the Company has furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls and compliance of Clause 49 as required under Clause 49 of the listing agreement.

**WHISTLE BLOWER POLICY**

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers. The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2010, no Protected Disclosures have been received under this policy.

**CODE OF CONDUCT**

The Company's Board of Directors has adopted the code of conduct which govern the conduct of all directors /employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on 31<sup>st</sup> March 2010.

**IMPLEMENTATION OF NON-MANDATORY CORPORATE GOVERNANCE REQUIREMENTS**

The company has implemented the following non-mandatory requirements as stated in clause 49 of the listing agreement with respect to Corporate Governance:-

- (i) Remuneration Committee:- Already details have been given earlier.
- (ii) Whistler Blower policy:- Under this policy employees of the Company can report to the management about unethical behavior, actual or suspected fraud or violation of code of conduct or ethics policy. It is the company's policy to insure that the Whistler Blower are not victimized or denied direct access to the chairman of the Audit Committee. The existence of said policy mechanism has been communicated to all employees.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Company is in the business of financial activity. The key issues of the Management Discussion and Analysis are given below.

**(a) Industry Structure and Developments.**

Tremendous changes had happened in Textile Industry by way of rapid mechanization and governmental policy decisions. Number of big players had started to compete in market for survival along with their foreign collaborator. This leads to tight competition in the textile market and small players in the market found them to continue in their positions.

**(b) Strength**

The strength of the company is known from its reputation which the company has earned due to its quality business and cordial relation with its clients.

**( c ) Comment on Current year's performance**

Receipts	: The Receipt has significantly increased.
Operating Expenses	: The operating Expenses are well under control.
Operating Profits	: The Operating Profits are up to industry mark.
Indirect Expenses	: The Indirect Expenses are under control.
Depreciation	: Reasonable amount of Depreciation is provided.
Profit before tax	: Profit before tax is also showing an improving trend.
Taxation	: Taxation is Provided as per Income Tax Act.
Debtor/Sales	: Debtors are reasonable and realization period has decreased due to the policy of the Company.
Creditors/Purchase	: The Company has an established credit.

**d) Opportunities and Threats**

The impact of boom in capital market has provided a boost to the economy and it is set to grow at 20% to 25% supported by a smart growth in manufacturing and services sectors. This brings prosperity to a country and more and more people tend to spend more on consumer goods. Outlook for the year 2011 is positive. While the overall demand outlook for the year 2011 remains good, the Company expects the pressure on quality customers to continue due to competition

**(e) Segment wise performance**

The business of the Company falls under a single segment i.e. Share broking, Investment and trading in shares and derivatives for the purpose of Accounting Standard AS-17.

**(f) Outlook**

Booming economy and the continual growth in consumer spending is expected to give the necessary support to the Textile industry. The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments and working aggressively in the areas of productivity, efficiency and cost reductions.

**(g) Risk and concerns**

Stiff competition in the textile market and the multinational players in the creates greater risk of losing market share of the company. Further acute shortage of trained and efficient manpower may dent the hole on the profitability.

**(h) Internal control system**

Internal audit and other controls have been found to be adequate. These are reviewed periodically by the Audit Committee and found the performance satisfactory.

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

The Board of Directors,  
**Bonanza Industries Ltd.**  
Mumbai

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the F.Y ended on 31<sup>st</sup> March 2010.

The compliance of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review, and the information and explanations given to us by the Company.

Based on such a review to the best of our information and according to the explanations given to us, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said listing agreement.

On the basis of certificate issued by the company and the Minutes of meetings of the Shareholders/ Investors Grievance Committee of the Company, we state that, there were no investor grievances pending against the Company for a period exceeding one month.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency of effectiveness with which the management has conducted the affairs of the Company.

PLACE : MUMBAI  
DATE : 01-09-2009

For **MOTILAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Sd/-  
**MOTILAL JAIN**  
PROPRIETOR  
M.SHIP NO. 36811

**CEO/CFO Certification**

I, Mr. G.S. Arora, Chairman, certify to the Board that :

- a) We have reviewed financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March, 2010 and that to the best of their knowledge and belief :

These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ; These statements together present a true and fair view of the company's affairs and comply with existing accounting standards, applicable laws and regulations.

- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We 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 and
  - 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 Bonanza Industries Ltd.**

**Sd/-  
G.S.Arora  
Chairman**

**AUDITORS' REPORT**

To,  
The Members  
Bonanza Industries Limited, Mumbai

We have audited the attached Balance Sheet of BONANZA INDUSTRIES LTD., as at 31<sup>st</sup> March, 2010 and the annexed Profit and Loss Account and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements bases on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India, Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003 issued by the central Government of India in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, 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) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
- (c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account.
- (d) In our opinion and to the best of our information the said Balance Sheet and Profit & Loss Account and cash flow statement comply with the Accounting standard referred to in section 211(3c) of the companies act, 1956.
- (e) On the basis of written representations received from the directors, as on 31<sup>st</sup>, March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:-
  - i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and
  - ii. In so far as it relates to the Profit & Loss Account of the profit / (loss) of the company for the year ended on that date.
  - iii. In the case of the cash flow statement, of the cash flow for the year ended on that date.

PLACE : MUMBAI  
DATE : 01-09-2009

For **MOTILAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Sd/-  
**MOTILAL JAIN**  
PROPRIETOR  
M.SHIP NO. 36811

**Referred in paragraph 3 of our report of even date.**

- i) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. We are informed that, the fixed assets other than the assets let on lease, have been physically verified by the management at reasonable intervals during the year and no material discrepancies between the book records and physical inventory have been noticed on such verification.
- ii) Note of fixed assets of the company have been revalued during the year.
- iii) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- iv) No material discrepancy have been noticed between the physical stocks, as verified and book records.
- v) In our opinion on the basis of our examination of the stock record, the valuation of stock is fair and proper in Accordance with the normally accepted accounting principals.
- vi) The company has not taken any loans from companies, firms or other parties listed in registers maintained u/s. 301 of the Co. Act, 1956, except Fixed deposit. The rate of interest and other terms and conditions are in our opinion prima-facie non prejudicial to the interest of the Companies under the same management as defined u/s. (1B) of section 370 of the said Act.
- vii) The company has not granted or taken any loans, secured or unsecured to /from companies, firms or other parties covered in the register maintained u/s. 301 of the Act.
- viii) The company has not given any loans or advances in the nature of loans to the companies under the same management as defined under subsection (1B) of section 370 of the Companies Act 1956.
- ix) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of inventory (Shares & Securities).
- x) On the basis of information and explanation given to us, in respect of transactions entered into for purchase and sale of shares and securities and services rendered with the parties whose name are entered in the registered maintained under section 301 of the companies act, 1956 and aggregating during the year to Rs. 50,000 /- or more, we are of the opinion that the transactions are made at prices which are reasonable having regards to prevailing market price.
- xi) Stores Coal & Spare of Rs. 31,300 have been determined as unserviceable or damage and written off.
- xii) In our opinion and according to the information and explanation given to us, with regards to the deposits accepted from public the company has complied with direction issued by the Reserve Bank of India and the provisions of section 58A of the Companies Act, 1956.
- xiii) The company does not have any formal system of internal audit. However in our opinion an according to information and explanation given to us, the internal control procedures are adequate, considering the size and nature of business of the Company.
- xiv) The provision of the section 209(1) (d) of the Companies Act, 1956 regarding the maintenance of the cost records are not applicable.
- xv) As informed to us the provision of Provident Fund Act and employees state Insurance Act are not applicable to the company.
- xvi) According to the Information and explanation given to us no undisputed amounts is respect of Income-tax, Wealth Tax, Sales Tax, Custody Duty and Excise duty were outstanding as at 31<sup>st</sup> March 2010 for a period of more than six months from the date day become payable.
- xvii) According to the information and explanation given to us and based on the generally accept audit procedure carried out by us no personal expenses of employees or directors



- have been charged to Revenue Account, Other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xviii) In relation to the service activities of the company there exists a reasonable internal control system commensurate with the size of the company and nature of its business.
  - xix) In our opinion and on the basis of information and explanation given to us, the services rendered by the company do not require my allocation of men hours.
  - xx) The company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
  - xxi) The provision of any special statute applicable to chit funds, nidhi or mutual benefit society do not apply to the company.
  - xxii) The company has maintained proper records of transactions in respect of trading in shares and other securities and timely entries have been made therein. All shares, debentures and other securities held by the company in its own name except to the extent exemption granted u/s. 49 of the companies act, 1956 or in respect of certain investments which are either locked for transfer or held with valid transfer deed.
  - xxiii) In our opinion clause (xii), (xiv) and (xx) or para (a) of the aforesaid Order are not applicable to the company for the year under review.
  - xxiv) The company has not made any preferential allotment on shares to parties and companies covered in the register maintained u/s. 301 of the Co. Act.
  - xxv) The Company has not raised any money by public issue during the year.
  - xxvi) During the year the company has not issued any debenture.
  - xxvii) In respect of company's trading in equity activity, we are informed that there are no damaged stocks lying with the company.
  - xxviii) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

PLACE : MUMBAI  
DATE : 01-09-2010

For **MOTILAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Sd/-  
**MOTILAL JAIN**  
PROPRIETOR  
M.SHIP NO. 36811

**BALANCE SHEET AS AT 31ST MARCH, 2010**

<b>PARTICULARS</b>	<b>SCHE- DULE</b>	<b>AS AT 31/03/2010</b>	<b>AS AT 31/03/2009</b>
<b><u>SOURCES OF FUNDS</u></b>			
Equity Shares	A	12136960	12136960
Reserve & Surplus	B	2034025	2034025
<b>Loans Funds</b>	C	3466	3466
Un Secured Loans	E	1314027	1254869
	<b>Total</b>	<b>15488478</b>	<b>15429320</b>
<b><u>APPLICATION OF FUNDS</u></b>			
Fixed Assets	D	0	0
		<b>0</b>	<b>0</b>
<b><u>CURRENT ASSETS</u></b>			
Inventories	F	2563254	2563254
Sundry Debtors	G	230295	255292
Cash & Bank Balance	H	109050	101667
Loans & Advances	I	10375873	10388238
		<b>13278472</b>	<b>13308451</b>
Less : -			
Current Liabilities	J	-4896992	-4991806
<b>Net Current Assets (A-B)</b>		8381480	8316645
Accumulated Loss			
Profit & Loss Account		7106998	7112675
	<b>Total</b>	<b>15488478</b>	<b>15429320</b>
As per our report of even date attached			
<b>For MOTILAL &amp; ASSOCIATES</b>		On or behalf of Board	
CHARTERED ACCOUNTANTS		<b>for BONANZA INDUSTRIES LTD</b>	
SD/-		SD/-	
<b>(MOTILAL JAIN)</b>		<b>G. S. ARORA</b>	
Proprietor		(M.D.)	
		<b>S. S. ARORA</b>	
		(DIRECTOR)	
PLACE : MUMBAI			
DATE : 01-09-2010			

<b>PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2010</b>			
<b>PARTICULARS</b>	<b>SCHE DULE</b>	<b>AS AT 31/03/2010</b>	<b>AS AT 31/03/2009</b>
Sales		1257812	1159622
Other income		0	0
<b>TOTAL INCOME (A)</b>	<b>Total</b>	<b>1257812</b>	<b>1159622</b>
Trading Other Op. Exp.	K	252174	232493
Purchase		999961	921899
Depreciation		0	0
<b>TOTAL EXPENSE (B)</b>	<b>Total</b>	<b>1252135</b>	<b>1154392</b>
<b>Net Profit During the year</b>		5677	5230
(Loss) brought Forward from last year		7112675	7117905
Transfer to Sp. Reserve		0	0
<b>Balance Carried to Balance Sheet</b>		<b>7106998</b>	<b>7112675</b>
As per our report of even date attached			
<b>For MOTILAL &amp; ASSOCIATES</b>		On or behalf of Board	
CHARTERED ACCOUNTANTS		<b>for BONANZA INDUSTRIES LTD</b>	
SD/-		SD/-	SD/-
<b>(MOTILAL JAIN)</b>		<b>G. S. ARORA</b>	<b>S. S. ARORA</b>
Proprietor		(M.D.)	(DIRECTOR)
PLACE : MUMBAI			
DATE : 01-09-2010			

<b>SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31-03-2010</b>		
<b>PARTICULARS</b>	<b>3/31/2010 RS.</b>	<b>3/31/2009 RS.</b>
<b>SCHEDULE A</b>		
Share Capital Authorised	50000000	50000000
Issued Subscribed & Paid up	12136960	12136960
<u>1213696 Eq. sh. Of Rs. 10/- each (pr.yr. 1213696 shares</u> of Rs. 10/- each)	0	0
	12136960	12136960
<b>SCHEDULE B</b>		
<b>Capital Reserved</b>		
<b>General Reserves</b>		
Special Capital incentive received. Capitalised	1739900	1739900
Capital Expense recovered Capitalised	5000	5000
Capital reserved on forfeited shares	289125	289125
	2034025	2034025
<b>Schedule C</b>		
Loan Fund		
A) From Bank		
I) Cashcredit (secured by first charge of hypothication of all tengible movable assets, including raw materials, Work in progress, semi finished goods and book debts and guaranteed by directors.)		
One time settlement with bank	0	0
b) Eicher financial Services (for flat bed printing machinery purchase on H.P. basis)	3466	3466
	3466	3466
<b>SCHEDULE E</b>		
<b>UnSecured Loans</b>		
G.S. Arora (From Shareholder and Director)	1314027	1254869
	1314027	1254869
<b>SCHEDULE F</b>		
<b>INVENTORIES</b>		
Stock as valued & certified by the Management (At cost or market value whichever is lower) store & spares & coal		
	2563254	2563254
	<b>2563254</b>	<b>2563254</b>
<b>SCHEDULE G</b>		
<b>SUNDRY DEBTORS</b>		
(unsecured, unconfirmed considered good)		
More than six months	136579	149029
others	93716	106263
	<b>230295</b>	<b>255292</b>

<b>SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31-03-2010</b>		
<b>PARTICULARS</b>	<b>31/03/2010 RS.</b>	<b>31/03/2009 RS.</b>
<b><u>SCHEDULE H</u></b>		
<b><u>CASH &amp; BANK BALANCE</u></b>		
Fixed Deposits with Accured interest	86446	86446
Cash on hand	15846	10632
Bank Balance	6758	4589
	109050	101667
<b><u>SCHEDULE I</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
(unsecured, unconfirmed considered goods)		
1. Advances recoverable in cash or in kind of value to be received	10249772	10262137
2. Sundry deposits	115198	115198
3. Balance with central excise	10903	10903
	10375873	10388238
<b><u>SCHEDULE I</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
Sundry Creditors	2817811	2858062
Sundry Advance Payable	150743	162743
Liabilities for expenses	1673386	1703386
From Others	255052	267615
	4896992	4991806
<b><u>Provision for Taxation</u></b>	0	0
	4896992	4991806
<b>II Profit &amp; Loss Account</b>	7106998	7112675

<b>SCHEDULE - K TRADING &amp; OTHER EXPENSES</b>		
<b>PARTICULARS</b>	<b>31/03/2010</b>	<b>31/03/2009</b>
Rent	18000	18000
Auditor Fees	5000	5000
Telephone	30250	25967
Travelling & Conveyance	20628	19018
Printing & Stationery	12578	11596
Bank Charges	612	569
Miscellaneous Expenses	17372	11554
Admin Exp	32734	30789
Salary	115000	110000
	<b>252174</b>	<b>232493</b>
<p>As per our report of even date attached  <b>For MOTILAL &amp; ASSOCIATES</b>            CHARTERED ACCOUNTANTS            SD/-  <b>(MOTILAL JAIN)</b>            Proprietor            PLACE : MUMBAI            DATE : 01-09-2010</p>		
<p style="text-align: center;">On or behalf of Board  <b>for BONANZA INDUSTRIES LTD.</b>            SD/-                      SD/-  <b>G.S. ARORA</b>            <b>P. PANCHAL</b>            (M.D.)                      (DIRECTOR)</p>		

**ACCOUNTING POLICIES****Notes of Accounts:**

- [1] **BASIS OF ACCOUNTING:**  
These accounts have been prepared on the historical cost basis and on the accounting principles of going concern.  
All expenses and income, to the extent considered payable and receivable, respectively unless specifically stated to be otherwise, are accounted for on mercantile basis.
- [2] **FIXED ASSETS:**  
There are no fixed assets.
- [3] **DEPRECIATION**  
There are no fixed assets.
- [4] **INVESTMENTS**  
There are no investments.
- [5] **INVENTORIES**  
There are no investments.
- [6] **SALES**  
Sales are stated at gross value inclusive of Excise Duty less Trade Discount.
- [7] **MISCELLANEOUS EXPENDITURE**  
Share issue expenses and preliminary expenses are amortized over period of ten years.
- [8] Cost of Hire Purchase Finance charges are evenly distributed.

**NOTES OF ACCOUNTS:**

- (1) Figure for the previous year have been regrouped and recasted whenever necessary. Figures are rounded off to the nearest rupees.
- (2) Depreciation has been provided on SLM basis by adopting the rates prescribed under schedule XIV of the companies act, 1956. Deprecation on addition for the year has been provided on prorated period of uses.
- (3) In the absence of taxable profit arising in the foreseeable future, deferred tax as per accounting standard-22 prescribed by the institute of chartered accountants of India, arising on the timing difference on account of carried forward losses has not been considered.
- (4) During the year company has written off stores, coal and spares.

**CAPACITY FOR PROCESSING SYNTHETIC TEXTILES AND PRODUCTION**

	<b>Licensed Capacity</b>	<b>Installed Capacity</b>	<b>(Lakh Meters) Actual Production</b>
<b>2002-2003</b>	N.A.	56	----
<b>2001-2002</b>	N.A.	56	----

Actual capacity in terms of fabric is as per certificate given by management of which Auditors have relied.

License required but the company is registered with textile commissioner under Registration Certificate No. RC/(p)71 in the year 1983.

Manufacturing activities are suspended during the year due to labour unrest there is no production.

**SALES PURCHASE OPENING AND CLOSING STOCK****Sales**

There is no sales during the year.

**RAW MATERIAL CONSUMED**

There is no consumption of raw material during the year.

No provision has been made for Income tax for the current year in the absence of taxable profits.

In the opinion of Board, all the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.

Balance of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation which include certain old balances.

Figures in Bracket represent previous year figures.

Provision for gratuity has not been made since the company has decided to follow accounting system on cash basis.

As per our report of even date attached

**For MOTILAL & ASSOCIATES**

CHARTERED ACCOUNTANTS

SD/-

**(MOTILAL JAIN)**

Proprietor

PLACE : MUMBAI

DATE : 01-09-2010

On or behalf of Board

**for Bonanza Industries Ltd.**

SD/-

SD/-

**G.S. ARORA**

**P.PANCHAL**

(DIRECTOR)

(M.D.)



**AUDITORS' CERTIFICATE**

To,

The Board of Directors  
**BONANZA INDUSTRIES LTD.**  
MUMBAI

We have examined the attached Cash Flow Statement of **M/S. BONANZA INDUSTRIES LIMITED** for the year ended on 31-03-2010. The Statement has been prepared by the Company in accordance with the requirement of Listing Agreement Clause 32 with Mumbai Stock Exchange limited and is based on in agreement with corresponding Profit & Loss Account and Balance Sheet of the Company for 2009-10.

PLACE : Mumbai  
DATE : 01-09-2010

For **MOTILAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
SD/-  
**MOTILAL JAIN**  
PROPRIETOR  
**M. Ship no. 36811**

Additional information as required under part IV of Schedule VI of the Companies Act, 1956. Balance Sheet Abstracts and Company's General Business Profile:

**Registration Details :**

Registration No.	07196
State Code	11
Balance Sheet Date	31/03/2010

**Capital raised during the year :**

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**Position of mobilization and deployment of funds:**

Total Liabilities	:
Total Assets	:
Sources of Funds	
Paid Up capital	1.21 Cr
Reserves & Surplus	0.20 Cr.
Secured Loans	NIL
Unsecured Loans	0.13 Cr

**Application of Funds:**

Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	(0.43)Cr
Miscellaneous Exp. &	1.97 Cr
Accumulated Losses	

**Performance of Company :**

Turnover	0.12 Cr
Total Expenditure	0.12 cr
Profit / (Loss) before Tax	0.00
Profit / (Loss) after Tax	0.00
Earnings per Shares (Rs.)	0
Dividend Rate	NIL

**Generic Names of Principle Products,****Service of the Company :**

Items Code No.	N.A
Product Description	N.A

**BONANZA INDUSTRIES LIMITED**

101 Greenland Apts, Building No. – 3, JB Nagar Andheri (E), Mumbai 400059

**PROXY FORM**

I/We \_\_\_\_\_  
 Of \_\_\_\_\_ Be  
 ing a member/members of above named Company hereby appoint of  
 \_\_\_\_\_ or failing him / her  
 \_\_\_\_\_ of \_\_\_\_\_  
 as may / our proxy to attend and vote on my / our behalf at Annual General Meeting of the  
 Company to be held on 30<sup>th</sup> September 2010 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Affix Rupee One Revenue Stamp  Here
--

Note : This instrument of proxy shall be deposited at the Registered Office of the Company.

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**BONANZA INDUSTRIES LIMITED**

**ATTENDANCE SLIP**

101 Greenland Apts, Building No. – 3, JB Nagar Andheri (E), Mumbai 400059

PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

1. Name of the attending Member \_\_\_\_\_
2. Member's Folio Number \_\_\_\_\_
3. Name of the Proxy (In Block Letters) \_\_\_\_\_  
 (To be filled in if the Proxy attends instead of the Member)  
 (No. of Shares held: \_\_\_\_\_).

I hereby record my presence at the Annual General Meeting at the registered Office on 30<sup>th</sup> Sept, 2010 or at any adjournment thereof.

Member's / Proxy Signature