

Twelveth Annual Report 2003-2004



Navkar Builders Ltd.



Navkar Builders Ltd.

Board Of Directors

Bhanwarlal Jain	Chairman
Sanjay B. Kothary	Managing Director
Dr. D. P. Chikhalia	Director
Jaydeep Kothary	Director
Dinesh Jain	Director
Dr. Pravin Sojitra	Director

Auditors

J. B. Shah & Co.

Chartered Accountants
Ahmedabad.

Registered Office

1, Trimurti Hospital Building,
Near S. T. Bus Stand,
Junagadh 362 001

Corporate Office

4th Floor, Nalanda Enclave,
Opp. Hotel Chicago
Pritamnagar, Ellisbridge,
Ahmedabad 380 006.



NOTICE

NOTICE is hereby given that the 12th ANNUAL GENERAL MEETING of the Shareholders of NAVKAR BUILDERS LIMITED will be held at the Registered Office of the Company at 1, Trimurti Hospital Building, Nr. S. T. Bus Stand, Junagadh - 362001 on Wednesday the 18th day of August, 2004 at 10.30 a.m. to transact the following Ordinary and Special Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as at 31st March, 2004, the profit & loss Account for the year ended on that date and the Reports of Directors' and Auditors thereon.
2. To appoint Director in place of Mr. Dinesh Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification[s] the following resolution as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to SEBI [Delisting of Securities] Guidelines, 2003 including any amendments thereof from time to time and subject to such consents, permissions or sanctions as may be required from any authority and subject to all other applicable rules, regulations and instructions of any authority as applicable in this regard, the Board of Directors of the Company be and is hereby authorised to seek Voluntary De-listing of Equity shares of the Company listed at Saurashtra and Kutch Stock Exchange Limited [Rajkot], The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited, Delhi and for that matter to apply to the said Stock Exchanges and / or any other concerned authority[ies] for Voluntary Delisting of the Equity shares from the said Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle all questions, difficulties or doubts as may arise with regard to the voluntary delisting of shares, as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of the Committee or Director[s] or officers of the Company to do all such acts, deeds or things as may be necessary, to give effect to this resolution."

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE PROXY MUST REACH TO THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Register of Members and share transfer books will remain closed from 16th August, 2004 to 18th August, 2004 [both days inclusive].
3. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
5. As a matter of convenience, the shareholders are requested to inform their queries, if any, the Company in advance so as to enable the Company to properly reply the same at the time of Meeting.

Date : 26th June, 2004

Regd. office :

1, Trimurti Hospital Building

Nr. S. T. Bus Stand, Junagadh - 362 001.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHANWARLAL JAIN
CHAIRMAN



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES
ACT, 1956 IN RESPECT OF SPECIAL BUSINESS - ITEM NO. 4 OF
THE NOTICE OF 12th ANNUAL GENERAL MEETING**

Presently the Company's shares are listed at the following Stock Exchanges in India.

1. The Saurashtra and Kutch Stock Exchange Limited, Rajkot
2. The Stock Exchange, Ahmedabad
3. The Stock Exchange, Mumbai
4. The Delhi Stock Exchange Association, Delhi.

In view of the following reasons it is now proposed that the Company shall seek Voluntary Delisting of its Equity shares from The Saurashtra and Kutch Stock Exchange Limited, Rajkot, The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association, Delhi:

1. There is no/almost nil trading volume in all the above mentioned stock exchanges since last number of years.
2. Looking to the overall business operations/income of the Company and the trading volume, the cost on account of listing fees and other paper work involved in continuing the listing of shares at those three stock exchange, is disproportionately higher. And therefore delisting from all the three stock exchanges will prove as a major cost reduction step.
3. The Company will continue listing at the Stock Exchange, Mumbai which will provide trading floor to the shareholders / investors.

Further at the time of public issue of the Company in terms of the prospectus of the Company, it was intended to provide easy liquidity to the investors. However, there is almost nil trading at the above mentioned three stock exchanges. Moreover, with the extensive network of the Stock Exchange, Mumbai [BSE] and the extension of BSE terminals to other cities as well, the investors have easy access to online dealings in the Company's shares across the country. Further, if we look at the trading in securities at various stock exchanges, we will found that except at the Stock Exchange, Mumbai [BSE] and National Stock Exchange [NSE], at no other Stock Exchange of India there is a material volume of trading in any category of shares. The NSE and BSE both have nation-wide terminals and therefore the shareholders / investors have found it easy and convenient to trade at those stock exchanges only.

Looking to the above, it is considered desirable to delist equity shares of the Company from the said three stock exchanges.

In line with the SEBI [Delisting of Securities] Guidelines, 2003 and approval from any other authority, if any, required, the members approval is being sought by a Special Resolution for enabling voluntary delisting of the shares from the said stock exchanges.

In view of the continued listing at the Stock Exchange, Mumbai, the proposed delisting of the Company's shares from other three stock exchanges as and when the same takes place will not adversely affect the investors.

The board, therefore, proposes the resolution as set out in item no. 4 of the Notice under the head : Special Business for approval of shareholders as a special resolution.

The directors commend the resolution for acceptance.

None of the Directors is interested in this resolution.

Date : 26th June, 2004

Regd. office :

1, Trimurti Hospital Building

Nr. S. T. Bus Stand

Junagadh - 362 001.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHANWARLAL JAIN
CHAIRMAN



DIRECTORS' REPORT

To
The Members

Your Directors present herewith-12th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS AND OPERATIONAL REVIEW

During the year under review, the total income from operations was Rs. 27.80 lacs as compared to Rs. 28.25 lacs of that of the previous year. The company has provided Rs. 3.89 lacs for depreciation. After making provision of Rs. 70,576/- for current year income tax and after taking into account the current year net profit and total provisions for taxation, the net profit carried to Balance Sheet is Rs. 24.24 lacs. There is not much improvement in construction industry. In view of the overall political instability there does not seem any possibility of real economic growth in a near future. However, the Board is considering alternative business proposals for diversification.

DIRECTORS

Mr. Dinesh Jain, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. There is no change in the Board of Directors of the Company during the year.

DEPOSITS

The Company has not received any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

J. B. Shah & Co., Chartered Accountants, Ahmedabad, the Auditor of the Company retire at the ensuing Annual General Meeting and is recommended for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217[2AA] of the Companies Act, 1956, your Directors hereby confirm that:

1. in the preparation of accounts the applicable accounting standards have been followed.
2. the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company at the end of 31st March, 2004 and of the profit and loss account for the year ended on that date.
3. 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 any frauds and other irregularities.
4. the annual account for the year ended 31st March, 2004 have been prepared on a going concern basis.



DE-LISTING OF SHARES FROM STOCK EXCHANGES

At present the Company's Equity shares are listed on Saurashtra & Kutch Stock Exchange [Rajkot], The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad and Delhi Stock Exchange association [Delhi]. With the extensive network of the Stock Exchange, Mumbai – BSE and also extension of its terminals to other cities as well, investors have easy access to online dealing in the Company's shares across the country. Further in view of the very low trading volume and almost " Nil " trading reported over a long period of time at Saurashtra and Kutch Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange and on the other hand looking to the cost involved in a continued listing, it is considered by the Board that the continued listing is not justified and therefore the same be discontinued at all the said three Stock Exchanges. The company's shares will remain listed on the Mumbai Stock Exchange and hence the proposed delisting of the Company's Shares will not adversely affect any investor including the members located in regions where the said Stock Exchanges are situated. The de-listing will be carried out in accordance with the SEBI De-listing Guidelines, 2003.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing Agreement, forms part of this Report and the same is annexed hereto.

REPORT ON CORPORATE GOVERNANCE

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance is annexed hereto.

SEGMENT

Your Company is engaged in a single segment only.

CONSERVATION OF ENERGY ETC.

The details of conservation of Energy, technology absorption, foreign exchange earnings and outgo are not applicable to the Company as the Company is engaged in construction activity.

PARTICULARS OF EMPLOYEES

The Company had no employees covered under Section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGMENTS

The Directors extend their sincere thanks to all agencies, customers, banks and others associated with the Company including employees of the Company, for their co-operation, continued support, assistance, trust and confidence reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ahmedabad
26th June, 2004.

BHANWARLAL JAIN
CHAIRMAN



REPORT ON CORPORATE GOVERNANCE

The Board of Directors of the Company gives due support to the principles behind the good Corporate governance. Given below is a report on corporate governance:

1. COMPANY'S PHILOSOPHY

Keeping in view the motive behind the introduction of systems and procedures of Corporate Governance by the Securities and Exchange Board of India - a prime corporate regulatory authority of India, We at Navkar Builders Limited believes in total transparency in sharing all relevant information with all associated with the Company namely, Directors, shareholders, customers, government, borrower and employees. The Company is confident that sharing of information with those who can be considered as patron for the working and growth of the Company, would definitely contribute in improving the overall performance of the Company and would also help in strengthening the relations of the Company with all of them.

2. BOARD OF DIRECTORS

a. Composition of Board of Directors as on 31.3.2004

The board of Directors of the Company comprises six Directors of whom two are executive Directors and four non-executive Directors. The non-executive Directors also comprise two independent directors. The chairman is a non-executive director.

NAME OF DIRECTOR	CATEGORY
Mr. Bhanwarlal Jain [Chairman]	Non-Executive
Mr. Sanjay Kothary [Managing Director]	Executive
Mr. Jaydeep Kothary	Executive
Dr. Devraj Chikhalia	Independent & Non-executive
Mr. Dinesh Jain	Non-executive
Dr. Pravin Sojitra	Independent & Non-executive

b. Number of Board of Directors [BOD] Meetings held and dates on which held

10 Board meetings were held during the year as against the minimum requirement of 4 meetings. The dates on which the meetings were held are 30.4.03, 1.7.03, 31.7.03, 25.8.03, 22.10.03, 31.10.03, 31.1.04, 28.2.04, 18.3.04, 30.3.04.

c. Attendance of Directors at Meetings of BOD and last AGM

Name of Director	Attendance particulars		No. of other Directorships and Committee Memberships/ chairmanship		
	Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Bhanwarlal Jain	6	No	1	-	-
Mr. Sanjay Kothary	10	Yes	-	-	-
Mr. Jaydeep Kothary	9	Yes	-	-	-
Dr. Devraj Chikhalia	6	Yes	-	1	1
Mr. Dinesh Jain	4	No	1	1	-
Dr. Pravin Sojitra	4	Yes	-	2	1