

Thirteenth Annual Report 2004-2005



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 13th 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 Friday the 30th day of September, 2005 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, 2005, 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. Jaydeep Kothary who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Pravin Sojitra who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, the re-appointment of Mr. Sanjay Kothary, Director of the Company as Managing Director of the Company for a period of five years w.e.f. 1st May, 2005 be and is hereby approved on the following terms and conditions :

1. SALARY : Rs. 22,000/- per month.
2. PERQUISITES AND AMENITIES :
This shall include House rent allowance, medical allowance / medical reimbursement, Leave travel concession, club fees, dress purchase and maintenance allowance, gardener and such other services, perquisites and benefits as may be fixed by the Board of Directors of the Company in consultation with the Managing Director.
The aggregate value of the various perquisites and amenities as may be sanctioned to and enjoyed by the Managing Director shall not exceed Rs. 96,000/- per annum.
3. RETIRAL BENEFITS :
A. Contribution to Provident Fund, superannuation fund or annuity fund as per the rules of the Company, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
B. The Managing Director shall be entitled to Gratuity benefit at a rate not exceeding half a month's salary for each completed year of service.
4. CAR AND TELEPHONE :
In addition to above, the Company shall provide a Car and telephone at residence with complete maintenance thereof to the Managing Director for use for the business of the Company and the same will not be considered as perquisites. However personal long distance calls on telephone and use of Car for private purposes shall be billed by the Company to the Managing Director.
5. The Company will reimburse to the Managing Director such expenses as he may incur on behalf of the Company.
6. The managing Director would be entitled to leave on full pay and allowances as per the rules of the Company not exceeding one month leave for every eleven months of service.
7. The Managing Director shall not be entitled to receive any sitting fee for attending the meetings of the Board of Directors or committee thereof from the date of his re- appointment.
8. Perquisites and amenities shall be valued as per Income-tax Act, 1961.
9. The appointment may be terminated by either party giving the other party two month's notice, or the Company paying two month's salary in lieu of the notice.
10. If at any time the appointee ceases to be a Director of the Company for any causes whatsoever, he shall cease to be the Managing Director of the Company.
11. The appointee is not liable to retire by rotation.
12. POWERS AND RESPONSIBILITIES :
Subject to the superintendence, control, and direction of the Board of Directors of the Company, the appointee shall have the general conduct and management of the whole of business and affairs of the Company except in the matters which may be specifically required to be done by the Board either by the Companies Act, 1956 or by the Articles of Association of the Company and the appointee shall also exercise and perform such powers



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and duties as the Board of Directors of the Company (hereinafter called the "Board") may from time to time determine. He shall also do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

The appointee shall unless prevented by ill health or disability throughout the said term, devote adequate time, attention and abilities to the business of the Company and in all respect conform to and comply with directions given and regulations made by the Board and he shall well and faithfully serve the Company and use his best endeavors to promote the interest of the Company The appointee shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever for his own or for whatever purpose of any confidential information or knowledge obtained by him during his employment as to the business affairs of the Company or as to any trade secrets or secret process of the Company and the appointee during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

FURTHER RESOLVED that in the event of any re-enactment or recodification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, this Resolution shall continue to remain in force and the reference to various provisions of the Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued there under.

RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized to communicate to Mr. Sanjay Kothary his re-appointment and terms and conditions of his re-appointment and to take all necessary actions as may be required 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 share transfer books will remain closed on 29th September and 30th September, 2005.
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 : 13th August, 2005

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 13TH ANNUAL GENERAL MEETING

The period of appointment of Mr. Sanjay Kothary as managing Director has expired on 30th April, 2005. In accordance with the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII thereof and Subject to approval of the members of the Company in general meeting, the Board of Directors of the company has re-appointed him for a further term of five years w.e.f 1st May, 2005. The re-appointment has been made without any change in the terms and conditions as approved by the members on 30th September, 2000.

As per the provisions of Schedule XIII, consent of the members is necessary for any such appointment. The re-appointment and terms of remuneration has been approved by a remuneration committee of the Board.

Except Mr. Sanjay Kothary and Mr. Jaydeep Kothary, none other directors are interested in the resolution.

Date : 13th August, 2005

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 13th Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS AND OPERATIONAL REVIEW

During the year under review, the total income from operations was Rs. 36.25 lacs as compared to Rs. 27.81 lacs of that of the previous year. The company has provided Rs. 2.98 lacs for depreciation. After making provision of Rs. 1.12 lacs 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. 26.35 lacs.

There appears to be a round change in economic environment in the country. Stock market is booming like anything and has broken all previous records. General feeling is that there is fast economic growth. It has also been felt that with fast growing infrastructure industry, the construction industry is also on the verge of rapid development in terms of commercial construction. However, if one looks from the reality angle, the demand from the ultimate customers is not growing with the so called growth rate. The management feels that real growth will come only if the present developing scenario lasts for another two years.

DIRECTORS

Mr. Jaydeep Kothary and Mr. Pravin Sojitra, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves 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

Shri J. B. Shah & Co., Chartered Accountant, 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, 2005 and of the profit 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, 2005 have been prepared on a going concern basis.

DE-LISTING OF SHARES FROM STOCK EXCHANGES

In terms of the special resolution passed by the members at the last annual general meeting and in accordance with the SEBI [De-listing Guidelines, 2003], the Company's shares are voluntarily delisted from Ahmedabad



and Delhi Stock Exchanges. The Company has already forwarded all the papers as required by the Suarashtra & Kutch Stock Exchange [Rajkot] for de-listing of shares from the said stock exchange and is waiting for confirmation.

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 as 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

13th August, 2005

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 31.3.2005

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. D. P. 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

Nine Board meetings were held during the year as against the minimum requirement of 4 meetings. The dates on which the meetings were held are 29.4.2004, 26.6.2004, 1.7.2004, 29.7.2004, 16.8.2004, 30.10.2004, 29.1.2005, 28.2.2005, 21.3.2005.

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	4	yes	1	-	-
Mr. Sanjay Kothary	9	yes	-	-	-
Mr. Jaydeep Kothary	9	yes	-	-	-
Dr. D. P. Chikhalia	4	yes	-	1	1
Mr. Dinesh Jain	4	no	1	1	-
Dr. Pravin Sojitra	5	yes	-	2	1