



Navkar Builders Limited

**16th Annual Report
2007-2008**

*Navkar Builders Limited***BOARD OF DIRECTORS**

Mr. Bhanvarlal Jain	Chairman
Mr. Dakshesh Shah	Managing Director
Mr. Ullas Shah	Joint Managing Director
Mr. Samir Patel	Joint Managing Director
Mr. Dinesh Jain	Director
Dr. Prakashbhai Shah	Director
Mr. Sunil Bohara	Director
Mr. Shailesh Shah	Director
Mr. Ramesh Patel	Director
Miss. Urmi D Shah	Company Secretary

Auditors

M/S. J.B. Shah & Co.,
Chartered Accountants
Ahmedabad

Registered Office

407, Sarita Complex,
Behind Hotel Classic Gold,
C. G. Road, Ahmedabad- 380009

Corporate Office

407, Sarita Complex,
Behind Hotel Classic Gold,
C. G. Road, Ahmedabad- 380009

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**NOTICE FOR SIXTEENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held at 407, Sarita Complex, B/h. Hotel Classic Gold, C.G.Road, Ahmedabad Gujarat, India on Wednesday the 27th day of August, 2008 at 10.30 a.m. to transact the following business:-

ORDINARY BUSINESS :

1. To receive and adopt the audited balance sheet as 31st March 2008 and profit & loss account of the company for the year ended on 31st March 2008 and the Report of the Directors' and Auditors.
2. To appoint Director in place of Mr. Ullas Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Samir Patel who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditor & fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

"RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Shailesh Shah, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

6. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution:

"RESOLVED THAT, pursuant to provisions of Section 260 and all other applicable provisions of the companies Act 1956 and Articles of Association of the Company, Mr. Rameshbhai Patel, who was appointed as an Additional Director by the Board of Directors, who hold the office as such only up to the conclusion of this Annual General Meeting, who is eligible to be appointed as Director of the Company u/s 255, 256 and 257 of the Companies Act, 1956 be and is hereby appointed as Director of the company whose term of office liable to determination for retire by rotation."

For & on behalf of the Board of Directors

Place: Ahmedabad

Sd/-
For, Navkar Builders Ltd. Dakshesh Shah

Date: 09.06.2008

Shailesh Shah
Director

Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Monday, the 18th August, 2008 to Wednesday, 27th August, 2008 (both days inclusive).
3. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
4. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT:**Item No. 5:-**

Mr. Shailesh Shah was appointed as an additional director of the company with effect from 01/10/2007, pursuant to the provision of Section 260 of the Companies Act, 1956 he holds office upto the ensuing Annual General Meeting of the Company. The Company was in receipt of a notice Section 257 of the Companies Act, 1956, along with requisite deposit proposing Mr. Shailesh Shah for the office of Director of the Company.

None of the Directors of the Company except Mr. Shailesh Shah, himself be deemed to be concerned or interested in the resolution set out at item no. 5 of the accompanying notice.

Item No. 6:-

Mr. Rameshbhai Patel was appointed as an additional director of the company with effect from 01/10/2007, pursuant to the provision of Section 260 of the Companies Act, 1956 he holds office upto the ensuing Annual General Meeting of the Company. The Company was in receipt of a notice Section 257 of the Companies Act, 1956, along with requisite deposit proposing Mr. Rameshbhai Patel for the office of Director of the Company.

None of the Directors of the Company except Mr. Rameshbhai Patel, himself be deemed to be concerned or interested in the resolution set out at item no. 6 of the accompanying notice.

Date : 09-06-2008

By and on Behalf of the
the Board of Director

Regd. Office :

407, Sarita Complex,
B/h. Hotel Classic Gold,
C.G.Road, Ahmedabad
Gujarat, India

For, Navkar Builders Ltd.

Shailesh Shah
Director

Managing Director

**DIRECTORS' REPORT**

To,
To,
The Members

The Directors' present the Sixteenth Annual report on the business and operations of your Company for the year 2007-2008.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

During the year under review the total income from operations was Rs. 113.34 Lacs as compared to Rs. 36.30 Lacs of that of the previous Year. The Company has provided Rs. 5.09 Lacs for depreciation. After making provision of Rs. 3.25 Lacs for current year income tax and after taking into account the current year net profit and total provisions for taxation, the surplus carried to Balance Sheet is Rs. 49.06 Lacs; the management has nothing to say much about the activities of the company. Right now various options are being explored and appropriate decision will be taken as early as possible to fully activate the company.

For, Uniform and Assured Quality, Faster construction speed, Storage, Savings in labour requirement and Eco friendly standard, your Company has introduced RMC (Ready-mixed Concrete) as a part of its development.

PARTICULARS OF EMPLOYEES:

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the companies (Particulars of employee) Rules 1975 as amended.

DIRECTORS:

During the year Mr. Manubhai Shah, Mr. Hemish Patel and Mrs. Sheetal Shah were resigned as on 01st October, 2007 and the Board took note of the same. Mr. Rameshbhai Patel and Mr. Shailesh Shah who had appointed as an additional directors of the company is eligible himself to appoint as a regular directors of the company, being director u/s 257 of the Companies Act, 1956. The Members are requested to regularize their appointment.

Mr. Ullas Shah and Mr. Samir Patel, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

CHANGE IN MANAGEMENT AND CONTROL OF THE COMPANY:

The management and control of the Company have been changed and Mr. Dakshesh Shah, Mr. Samir Patel and Mr. Ullas Shah have been entered as the new promoters of the Company for which Public Announcement ("PA") has been issued by the Manager to the Offer i.e., Chartered Capital And Investment Limited, on behalf of the Mr. Dakshesh Shah, Mr. Samir Patel and Mr. Ullas Shah collectively referred to as "the Acquirer" pursuant to and in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") to the Shareholders of Navkar Builders Limited (NBL) on 14th December, 2007 stating date of opening of offer as 06th February, 2008.

RESPONSIBILITY STATEMENT:

As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:



The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

As required under rule 3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

APPOINTMENT OF AUDITORS:

M/s. J. B. Shah & Co., Chartered Accountants the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

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.

CHANGE IN CAPITAL STRUCTURE:

During the Financial Year of the company the Capital structure of the company had not been changed.

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.

ACKNOWLEDGEMENT:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

For & on behalf of the Board of Directors

Place: Ahmedabad

Date: 09.06.2008

Shailesh Shah

Sd/-
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

The Company's philosophy on the corporate governance lays strong emphasis on transparency, accountability, full disclosure of material facts, and independence of Board, integrity and fair play with all stake holders. The Company will endeavor to constantly comply with and to continuously improve on the aspects with an overall view to earn trust and respect of the members, lenders and other stakeholders. All employees are guided by the company's policy on important issues, relationship with costumers, shareholders and statutory authorities.

2. BOARD OF DIRECTORS

a. Composition of Board of Directors as on 31.03.2007:

The Board of Directors of the Company comprised Ten Directors of whom one was executive Director and five non-executive Directors. The non-executive Directors also comprised two independent directors. The Chairman is a non-executive director.

Name of Director	Category
Mr. Dakshesh Shah	(Managing Director) Executive
Mr. Dinesh Jain	Independent and Non-Executive
Mr. Ullas Shah	Non-Executive
Mrs. Sheetal Shah	Non-Executive*
Mr. Manubhai Shah	Non-Executive*
Mr. Hemish Patel	Non-Executive*
Mr. Samir Patel	Non-Executive
Mr. Piyush Jain	Non- Executive
Mr. Bhanvarlal Jain	Non- Executive
Dr. Prakashbhai Shah	Non- Executive
Mr. Sunil Bohara	Non- Executive

* were resigned from 1st October, 2007

b. Number of Board of Director Meetings held and dates on which held:

Nine Board meetings were held during the year as against the minimum requirements of 4 meetings. The dates on which the meetings were held are 26th April, 2007, 19th May, 2007, 23rd May, 2007, 9th June, 2007, 11th June, 2007, 15th July, 2007, 01st August, 2007, 01st October, 2007, 10th October, 2007, 06th November, 2007, 27th December 2007, 12th January, 2008.


c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of other Directorship	No. of Board Meeting attended
Mr. Bhanvarlal Jain	Non Executive Chairman	N.A	8
Mr. Dakshesh Shah	Executive	N.A	8
Mr. Ullas Shah	Non Executive	N.A	8
Mr. Dinesh Jain	Independent and Non-Executive	N.A	4
Mr. Samir Patel	Non Executive	N.A	7
Mr. Hemish Patel	Non Executive	N.A	0
Mrs. Sheetal Shah	Non Executive	N.A	0
Mr. Piyush Jain	Independent and Non-Executive	N.A	8
Mr. Manubhai Shah	Non Executive	N.A	0
Mr. Shailesh Shah	Non Executive Director	N.A	4
Mr. Ramesh Patel	Non Executive Director	N.A	4
Dr. Prakashbhai Shah	Independent Director	N.A	6
Mr. Sunil Bohara	Independent Director	N.A	6

d. Pecuniary relationship or transactions of non-executive Directors:

The non-executive Directors have not entered into any such transactions.

The information as required under Annexure-I A to the Clause 49 of the Listing Agreement is made available to the Board of Directors.

AUDIT COMMITTEE:
a. Composition:

As on 31.03.2008, the Audit Committee comprised of three non executive Directors namely:

Mr. Sunil Bohara	Chairman	- Independent and Non-Executive
Mr. Dakshesh Shah	Member	- Non-Executive
Dr. Prakashbhai Shah	Member	- Independent and Non-Executive

Brief description of terms of reference:

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement.
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit



- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

b. Meeting:

Board Meeting:

- 8 Board Meetings were held during the financial year on 26th April, 2007, 19th May, 2007, 23rd May, 2007, 9th June, 2007, 11th June, 2007, 15th July, 2007, 01st August, 2007, 01st October, 2007, 10th October, 2007, 06th November, 2007, 27th December 2007, 12th January, 2008. Where all the members attended the said meetings. The Committee has regularly took a look of complete accounting system followed by the Company, reviewed the overall compliances and all other related matters.

Extra Ordinary General Meeting:

One Extra Ordinary General Meeting held on 30th November, 2007 during the financial year 2006-2007 for allotment of shares and warrants on preferential basis.

REMUNERATION COMMITTEE:

Mr. Sunil Bohara	Chairman	- Independent and Non-Executive
Mr. Dakshesh Shah	Member	- Non-Executive
Dr. Prakashbhai Shah	Member	- Independent and Non-Executive

Remuneration Committee of Mr. Sunil Bohara, Mr. Dakshesh Shah and Dr. Prakashbhai Shah are constituted for the purpose of considering remuneration of executive and non-executive directors. The company had not paid any remuneration to any non-executive directors.

5. SHAREHOLDERS GRIEVANCE COMMITTEE:

Mr. Ullas Shah, Director of the company was heading the committee. Miss. Urmi Shah was designated as the Compliance officer of the Company. However, Miss. Urmi Shah has been appointed as the Company Secretary with effect from 26th April, 2007 and designated as Compliance Officer.

The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The company has not received any complaints during the year under report. There was no transfer pending for registration.

A. GENERAL BODY MEETING:

- a. Location and time where last three AGMs were held :

Year	Date and time	Place
2005	30/09/2005 at 10.30 a.m.	Registered Office
2006	30/09/2006 at 10.30 a.m.	Registered Office
2007	27/09/2007 at 10.30 a.m.	Registered Office

Following special resolution was passed in the last Annual General Meeting

- Reappointment of directors.
- Appointment of Mr. Dakshesh Shah as managing director of the company.
- Appointment of Mr. Ullas Shah and Mr. Samir Patel as a joint managing director of the company.
- Increased In Authorised Share Capital & Alteration of Clause V of Memorandum of Association And Article of Association.
- Change of Name of the Company.
- Forfeiture of Shares.
- Commencement of Business other Than Main Object.



Following special resolution was passed through postal ballot last year.

- Shifting Of Registered Office From One City To Another City.
 - Disposal of Fixed Assets.
 - Amendment in Memorandum of Association.
- b. Note on Director seeking re-appointment at the ensuing Annual General Meeting:
Mr. Samir Patel, Mr. Ullas Shah are a directors retiring by rotation at the ensuing Annual General Meeting. They are successful businessmen having varied business interest and entities in the field of real estate and construction.

DISCLOSURES:

- a. Materially significant related party transactions:
The same are appropriately disclosed at Note No.8 of the Significant Accounting Policies and notes on accounts- schedules M of the Annual Accounts – Schedule M of the Annual Accounts of the Company.
- b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

CHANGE IN CAPITAL STRUCTURE:

During the Financial Year of the company the Capital structure of the company had been changed by Preferential Allotment of Equity Shares pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to the SEBI (Disclosure & Investor Protection) Guidelines 2000 ("SEBI Guidelines"). Thereby the present paid up capital of the Company came to Rs. 69,637,500/- as also reflected in the audited Balance Sheet as at 31st March, 2008.

8. CEO/CFO CERTIFICATION:
(Under Clause 49(V) of Listing Agreement)

I Certify that —

- a. I have reviewed the financial statements and the cash flow statement for the year 2007-08 and that to the best of our knowledge and belief:
- These statements 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 are in compliance 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 2007-08 which 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 the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
- Significant changes in internal control over the financial reporting during the year 2007-08;



- Significant changes in accounting policies during the year 2007-08 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we 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 over the financial reporting.

MEANS OF COMMUNICATIONS:

The half Yearly and quarterly results of the Company were published in English and vernacular daily newspaper named Western Times and are also regularly forwarded to the Mumbai Stock Exchange where the Company's share are listed. The Company has not considered it necessary to circulate half yearly results at the residence of shareholders as there is no significant up and down in the activities of the company having material impact on the shareholders interest.

Further the Company has not made any presentation to any financial institutional Investors/analysts or banks during the year.

The Management discussion and analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: Date, Time and venue: 27th day of August, 2008 at 10.30 a.m. at the Registered Office of the Company.
- b. Financial Year: 1st April 2007 to 31st March 2008.
- c. Financial Calendar:
 - i. 1st quarterly results – last week of July, 2007.
 - ii. 2nd quarter results – last week of October, 2007.
 - iii. 3rd quarter results – last week of January, 2008.
 - iv. 4th quarter results – last week of April, 2008.
- d. Date of Book Closure: Monday, 18th August, 2008 to Wednesday, 27th August, 2008
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges: Mumbai Annual listing fees for the financial Year upto 31-03-2008 has been paid.
- g. Stock Code: Mumbai 531494
- h. Demat ISIN number: **INE268H01010**
- i. Market price data: The Company has its high price for the month ended March, 2008 is 39.25 and low price for the month ended March, 2008 is 32.05 has been reported to take place.
- j. Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex: The Company has nothing to report on the matter.
- k. Registered and Transfer Agent: Pinnacle Share Registry Private Limited, Naroda, Ahmedabad w.e.f. 01-04-02 as the common agency both in respect of physical and demat shares.
- l. Share Transfer System: All the transfers are received and processed by share Transfer agents and are approved by share transfer committee. Share Transfer requests received in physical form are



registered within 30 days and demat requests are confirmed within 21 days.

m. Distribution of Shareholding as on 31.03.2008.

Share Holding of Nominal Value		Share No.	Holders	Share	Amount
Rs.	Rs.	No.	% to total	In Rs.	% to total
Up to	5,000	1213	48.46	543150	10.81
5,001 to	10,000	1181	47.18	828300	16.48
10,001 to	20,000	43	1.72	73100	1.45
20,001 to	30,000	12	0.48	29800	0.59
30,001 to	40,000	4	0.16	14400	0.29
40,001 to	50,000	7	0.28	34400	0.68
50,001 to	1,00,000	2	0.08	11500	0.23
1,00,001 &	above	41	1.64	3490250	69.46
Total		2503	100.00	5024900	100.00

Shareholding pattern

Sr. No.	Category	No. shares held	shareholding
a.	Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	2043500	33.49
b.	Other bodies corporate	12200	0.20
c.	Indian public	4059100	66.51
	TOTAL	6114800	100.00

Dematerialization of shares: As on 31-03-08 Demated shares accounted for 88.37% (5392600 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

Address for communication:

1. Pinnacle Share Registry Pvt. Ltd.
Near Ashoka Mills, Naroda,
Ahmedabad - 380025

2. Navkar Builders Limited,
4th Floor, Nalanda Enclave,
Pritamnagar 1st sloppe,
Ellisbridge, Ahmedabad.

n. Location of plants: Survey No. 444/A, Ambapur Gam, Adalaj Koba Road, Ghandhinagar

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

Place : Ahmedabad

Date: 09/06/2008

For, NAVKAR BUILDERS LIMITED
For, Navkar Builders Ltd.
Shailesh Shah
Director

Sd/-
Dakshesh Shah
Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Presently, most of the core industries are functioning at their peak capacity. As in India, the global construction market has also flourished in the last 3 years. The Indian Construction Sector is slowly and surely evolving into a strong, mature and industry-driven engine to achieve sustained economic growth. The organized segment is growing even faster as construction industry consolidates with large project sizes. The construction boom which is in the initial phase, in India would further help accentuate the economic growth, once the regulatory framework and financial markets stabilize.

OPPORTUNITIES, THREAT, OUTLOOK, RISKS AND CONCERNS

OPPORTUNITIES: The boom in the economy & the construction industry in the last few years has also led to the growth of the domestic competitors. The construction industry in India is surely on a high growth path, though at times showing a cyclical trend. Improvement of operational efficiency through better resource allocation & utilization and technological up-gradation & innovation would be crucial for strengthening the profitability while sustaining relative advantage with respect to the existing and potential competitors. With the increase in cost of construction, the management calculate enhancement of its Turnover of Ready Mix Concrete.

RISKS: There are a number of Corporate Functions which may give rise to risks unless proactively managed, adversely affecting the operations of the Company as a whole. The Company has taken specific steps to address the risks in these Corporate Functions and accordingly framed Corporate Level Risk Policies in areas such as Information Technology, Legal, Secretarial, taxation & Communication. Simultaneously, the cost of construction has also gone up due to changed construction norms.

THREAT: Competition from the existing and emerging local and International players continues to pose challenges to the Ready Mix Concrete in domestic markets. The Ready Mix Concrete has to reckon with aggressive bidding strategies from the new entrants. Increased competition also translates into serious pressures on cost. Increased competition also translates into serious pressures on cost. These added to soaring commodity prices and volatility of exchange rates pose a serious challenge to cost management.

OUTLOOK: The Company tries to mitigate the competition by continuously improving upon product, technology and process benchmarks of International majors, introducing new product variants, focused customer approach & differentiating on quality and price. In order to address the emerging opportunities, several strategic initiatives have been undertaken aimed at increasing capacities, developing world class products & services and process orientation.

SEGMENT WISE PERFORMANCE

The Company is operating only in one sector i.e. Ready Mix Concrete and therefore the segment reporting and performance standard is not applicable to the Company.

INTERNAL CONTROL

The company has adequate internal control system commensurate with size of its operations. It details the specific responsibilities and tasks enjoined upon the employees in certain positions. The Company has also formulated a Corporate Policy on Internal Controls to provide a structured framework for identifying and rectifying Internal Control weaknesses as also monitoring and reporting the same to the Corporate Management. Adequate records and documents have been regularly maintained as required under applicable laws. The same further checked by regular inspection and checks.

FINANCIAL PERFORMANCE

The Company has commenced Ready Mix Concrete Project and at the verge of achieving better financial performance. The Company has successfully implemented various operational excellence programs designed with the help of external consultants so as to optimise on cost and delivery commitments. The Company's cash flow position as at the year end continues to remain strong. Increased liquidity has strengthened the Company's confidence for launching new growth initiatives for the existing and emerging businesses of construction.



COMPLIANCE CERTIFICATE

To,
The Members,
Navkar Builders Ltd,
407, Sarita Complex,
B/h. Hotel Classic Gold,
C.G.Road, Ahmedabad

We have examined the compliance of Corporate Governance by Navkar Builders Ltd for the year ended on 31st March, 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions 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.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For, J B Shah & Co.
Chartered Accountants**

Place : Ahmedabad
Date : 09-06-2008

Sd/-
(Jasmin B. Shah)
Proprietor
M. No. : 46238

**Auditors' Report**

To
The Members,
Navkar Builders Limited

1. We have audited the attached balance sheet of Navkar Builders Limited (The Company) as at March 31, 2008 and also the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 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.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. 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 give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2008;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Ahmedabad

Date: 09/06/2008

For J B Shah & Co.
Chartered Accountants
Sd/-

Jasmin B. Shah
Proprietor

Membership No: 46238

Annexure referred to in paragraph 3 of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets were physically verified by management in the previous year in accordance with a planned programme which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
(c) The Company has not disposed off any fixed assets during the year.
2. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loan to 6(six) company/firms covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 324 Lacs and the year end balance of such loans was Rs 268.40 Lacs.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
(c) In respect of loans granted, repayment of principal and interest, where stipulated have been regular. In cases where the loans granted are repayable on demand, the repayment is within the date demanded.
(d) Based on the information and explanations provided by the management and our comments in clause 3(c) above, there is no overdue amount more than rupees one lakh of loans, granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
(e) As informed to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clauses 4(iii) (e), (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
8. As far as we are aware, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material



statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures, and as per the information and explanations given by the management and relevant confirmations from applicable banks, we are of the opinion that the Company has not defaulted in repayment of dues a bank. The Company did not have any debentures outstanding during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the Company has not accepted any term loan during the year.
17. According to the information and explanations given to us, the Company has not raised any short term or long term funds during the year.
18. The Company has made preferential allotment of 20,00,000 equity shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. As per our opinion, the prices at which shares have been issued are not prejudicial to the interest of the Company.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For, J B Shah & Co.
Chartered Accountants

Place : Ahmedabad

Date : 09-06-2008

Sd/-
(Jasmin B. Shah)
Proprietor
M. No. : 46238

BALANCE SHEET AS AT 31ST MARCH, 2008

		Rupees	
Schedule	Schedule	31/03/2008	31/03/2007
1. Shareholders' Funds			
Share Capital	A	69,637,500	45,613,500
Reserves and Surplus	B	5,180,775	4,001,324
		74,818,275	49,614,824
2. Loan Funds			
Secured Loans	C	20,262,176	-
3. Deferred Tax Liability, net		646,840	-
TOTAL		95,727,291	49,614,824
II. APPLICATION OF FUNDS			
1. Fixed Assets	D		
Gross Block		40,520,830	-
Less :- Depreciation		509,065	-
Net Block		40,011,765	-
Capital WIP		9,793,525	-
		49,805,290	-
2. Investments	E	500	500
3. Current Assets, Loans and Advances	F		
Inventories		1,477,644	-
Sundry Debtors		3,025,297	-
Cash and Bank Balances		5,955,734	12,464,743
Loans and Advances		37,521,750	37,539,581
		47,980,424	50,004,324
Less : Current Liabilities and Provisions	G		
Current Liabilities		2,697,803	390,000
Provisions		-	-
		2,697,803	390,000
Net Current Assets		45,282,621	49,614,324
4. Miscellenous Expenditure		638,880	-
TOTAL		95,727,291	49,614,824

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

FOR J. B. SHAH & CO.
CHARTERED ACCOUNTANTS

Sd/-
JASMIN B. SHAH
PROPRIETOR
M. NO. 46238

Dakshesh Shah
Chairman &
Managing Director

Samir Patel
Director

PLACE : AHMEDABAD
DATED : 09.06.2008

PLACE : AHMEDABAD
DATED : 09.06.2008

Shailesh Shah
Director


PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.

Particulars	Schedule	31/3/2008	31/3/2007
I. INCOME			
Sales/Income from Operations		7,016,250	1,809,764
Other Income	H	4,317,882	1,820,865
TOTAL		11,334,132	3,630,629
EXPENDITURE			
Cost of Goods Sold	I	6,374,336	992,610
Administrative and Selling Expenses	J	1,320,797	1,313,165
Employees' Remuneration and Benefits	K	461,190	513,040
Financial Charges	L	559,942	15,409
Depreciation		509,065	225,032
Preliminary Expenses Written Off		159,720	-
TOTAL		9,385,050	3,059,256
PROFIT BEFORE TAX		1,949,082	571,373
Current Tax		325,000	200,000
Deferred Tax		646,840	(771,603)
Fringe Benefit Tax		122,791	6,210
MAT Reserves		(325,000)	-
Earlier Year Tax		-	119,586
NET PROFIT		1,179,451	1,017,180
Balance Brought Forward		3,726,324	2,709,144
Surplus Carried to Balance Sheet		4,905,775	3,726,324
Earnings Per Share (in Rs.)			
Basic and diluted (Nominal Value of shares Rs.10)		0.23	0.22
Significant Accounting Policies and Notes to Accounts	M		

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For and on behalf of the Board of Directors

FOR J. B. SHAH & CO.
CHARTERED ACCOUNTANTS

Sd/-
JASMIN B. SHAH
PROPRIETOR
M. NO. 46238

Sd/-
Dakshesh Shah
Chairman &
Managing Director

Sd/-
Samir Patel
Director

PLACE : AHMEDABAD
DATED : 09.06.2008

PLACE : AHMEDABAD
DATED : 09.06.2008

For, Navkar Builders Ltd.

Shailesh Shah
Director

SCHEDULE ATTACHED TO & FORMING PART OF BALANCE-SHEET

Particulars	31/03/2008	31/03/2007
SCHEDULE- A : SHARE CAPITAL		
Authorised		
12,000,000 (6,000,000) Equity Shares of Rs. 10 each	120,000,000	60,000,000
	<u>120,000,000</u>	<u>60,000,000</u>
Issued, Subscribed Equity		
6,102,600 (5,024,900) Equity Shares of Rs. 10 each fully paid up	61,026,000	50,249,000
Less Allotment Money Due	-	4,635,500
Add: Amount of Forefited shares	4,611,500	-
	<u>65,637,500</u>	<u>45,613,500</u>

40,00,000 convertible warrents of Rs. 10 each Rs. 1 partly paid up (see Note #5)	4,000,000	-
	<u>69,637,500</u>	<u>45,613,500</u>

SCHEDULE- B : RESERVES AND SURPLUS

General Reserve	275,000	275,000
Profit and Loss Account	4,905,775	3,726,324
	<u>5,180,775</u>	<u>4,001,324</u>

SCHEDULE- C : UNSECURED LOANS

Term Loans		
From bank	20,262,176	-
(Various term loans secured by way of charge over assets of the Company)	<u>20,262,176</u>	<u>-</u>

SCHEDULE- D : FIXED ASSETS

	As at 01.04.06	Add. for the Year	Ded. for the Year	As at 31.03.07	As at 01.04.06	Add for the Year	Ded. for the Year	As at 31.03.07	As at 31.03.07	As at 31.03.06
Building	-	2,034,424	-	2,034,424	-	13,637	-	13,637	2,020,787	-
Plant & Machinery	-	37,695,589	-	37,695,589	-	485,009	-	485,009	37,210,580	-
Computer	-	150,880	-	150,880	-	1,871	-	1,871	149,009	-
Furniture & Fixtures	-	402,172	-	402,172	-	1,369	-	1,369	400,803	-
Vehicles	-	237,765	-	237,765	-	7,179	-	7,179	230,586	-
TOTAL	-	40,520,830	-	40,520,830	-	509,065	-	509,065	40,011,765	-
Capital WIP									9,793,525	-
PREVIOUS YEAR	6,905,380	513,172	7,418,552	-	3,106,334	225,032	3,331,366	-	-	3,799,046

SCHEDULE - E : INVESTMENTS**LONG TERM INVESTMENTS (At Cost)****UNQUOTED****TRADE INVESTMENTS**

50 Shares of Rs. 10 Each of MMC Bank	500	500
Total - Investments	<u>500</u>	<u>500</u>



SCHEDULE ATTACHED TO & FORMING PART OF BALANCE-SHEET

Particulars	31/03/2008	31/03/2007
SCHEDULE- F : CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
(a) Inventories		
(As taken, valued and certified by Management)		
Raw materials	1,477,644	-
	1,477,644	-
(b) Sundry Debtors		
(Unsecured, Considered Good)		
Over Six Months	-	-
Others	3,025,297	-
	3,025,297	-
(c) CASH AND BANK BALANCES		
Cash on hand	1,918,579	148
Balances with Scheduled Banks		
in Current Accounts	2,502,781	238,185
in Term Deposit Accounts	1,534,374	12,226,410
	<u>5,955,734</u>	<u>12,464,743</u>
(d) LOANS AND ADVANCES		
(Unsecured, considered good)		
Deposits	404,335	-
Advances recoverable in cash or in		
kind or for value to be received	36,358,525	37,450,657
Mat Credit Entitlement	325,000	-
Advance Taxes (Net of Provisions)	433,890	88,924
	<u>37,521,750</u>	<u>37,539,581</u>
SCHEDULE- G : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	2,633,764	390,000
Other Current Liabilities	64,039	-
	<u>2,697,803</u>	<u>390,000</u>
Provisions For Taxation		
	-	-
	<u>2,697,803</u>	<u>390,000</u>
SCHEDULE - H : OTHER INCOME		
Interest Received		
From Bank	-	732,824
From others	4,314,221	1,086,985
Miscellaneous Income	3,661	1,056
	<u>4,317,882</u>	<u>1,820,865</u>
SCHEDULE - I : COST OF GOODS SOLD		
Consumption of Raw Materials :		
Opening Stock	-	-
Add :- Purchases	6,142,054	295,695
	6,142,054	295,695
Less : - Closing Stock	1,477,644	-
(A)	4,664,410	295,695
Sub Contracting Charges (B)	521,936	306,815
Other Direct Expenses (C)	1,187,990	390,100
(D) = (A)+(B)+(C)	<u>6,374,336</u>	<u>992,610</u>

SCHEDULE ATTACHED TO & FORMING PART OF BALANCE-SHEET

Particulars	31/03/2008	31/03/2007
SCHEDULE - J : ADMINISTRATIVE AND SELLING EXPENSES		
Rent	107,010	-
Rates and Taxes	242,520	29,942
Repairs and maintenance Expenses	46,730	21,126
Electricity Expenses	10,028	58,455
Advertisement and Sales Promotion	357,235	8,738
Travelling, Conveyance and Vehicle Expenses	116,107	35,052
Communication Expenses	52,078	71,383
Auditors' Remuneration and expenses	56,180	30,000
Legal and Professional Expenses	45,083	37,254
Charity and Donations	-	2,291
Printing & Stationery	49,797	32,697
Loss on sale of assets	-	887,186
Insurance	60,632	-
Other Selling and Administrative Expenses	177,397	99,041
	1,320,797	1,313,165
SCHEDULE - K :		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages, Allowances and Bonus	446,443	512,369
Staff Welfare Expenses	14,747	671
	461,190	513,040
SCHEDULE - L : FINANCIAL CHARGES		
Interest on Fixed Loans	544,409	-
Bank Charges	15,533	15,409
	559,942	15,409

**Schedule : L****SCHEDULE L: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****1. Significant Accounting Policies****a) Basis of accounting**

The financial statements have been prepared on the historical cost convention to comply in all material respects, with the mandatory accounting standards issued by The Institute of Chartered Accountants of India ('ICAI'), generally accepted accounting principles, and provisions of Companies Act, 1956 ('the Act') following mercantile system of accounting as adopted consistently by the Company. Accounting policies not referred to otherwise, are consistent with generally accepted accounting principles.

b) Use of Estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated.

c) Revenue Recognition

Revenue from the sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer, as per the terms of the order. Interest Income is recognised on time proportion basis.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Capital Work in progress comprises of advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use as at the Balance Sheet date.

The carrying amounts of the assets belonging to each cash-generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying amounts exceed the recoverable amount of the assets' CGU, assets are written down to their recoverable amount.

e) Depreciation

Depreciation on fixed assets is provided on Straight Line method at the rates prescribed by Schedule XIV of the Companies Act, 1956.

f) Inventories

Inventories of raw materials are valued at the lower of the cost and estimated net realisable value.

g) Investments

Long Term Investments are carried at cost.

h) Retirement and other employee benefits

Retirement and other employee related benefits are provided for as and when paid.

i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit & Loss Account.

j) Income Tax

Tax expense for a year comprises of current tax, deferred tax and fringe benefit tax. Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

k) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

l) Segment Reporting

The business of the Company is only single segment of supplying infrastructure Projects (ready mix for structure of construction) and hence its operating only in one business segment. Again the Company operates only under one geographical segment. So the disclosures in pursuant to Accounting Standard (AS-17) issued by the ICAI are not applicable to the Company.

m) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized

2. The balance of sundry creditor, sundry debtors and loans and advances are subject to confirmation.

3. The Company has forfeited 9,22,300 (Nil) equity shares of the Company which were due but non receipt of call money from the shareholders of the Company.

4. The Company has issued equity 20,00,000 equity shares on preferential allotment basis as per SEBI (Disclosure & Investor Protection) Guidelines 2000 to directors of the Company after taking approval of shareholders.

5. The Company has issued 40,00,000 convertible warrants on preferential basis at a price of Re. 10 each and partly paid by Re. 1 each as per SEBI (DIP) guidelines. The warrant holder has to pay Re. 1/- each at the time of allotment of warrant. The warrant will be converted at the option of the allottee into equity shares of Re. 10/- each at par at any time within 18 months from the date of allotment, in case of option is not exercise within a period of 18 months from the date of allotment, Re. 1 paid on the date of allotment shall be forfeited.

6. Figures have been rounded off to the nearest rupee and previous year's figures have been regrouped, rearranged and reclassified wherever necessary to confirm with current year's figures.

7. In opinion of the directors, contingent liability not provided is Rs. Nil. (Previous Year Rs. Nil)

8. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances) : Rs. 348 Lacs (Nil).



9. Disclosure U/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006:

- a) Principal Amount remaining unpaid to suppliers as on March 31, 2008: NIL
- b) Amount of Interest due and remaining unpaid as on March 31, 2008: NIL
- c) Amount of Interest paid U/s.16: NIL
- d) Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act: NIL
- e) Amount of Interest accrued and remaining unpaid as on March 31, 2008: NIL

10. Break up of the accumulated Deferred Tax Liability is given below :-

Particulars	Deferred Tax Liability as at March 31,2007 Rs.	During the Year 2007-08 Rs.	Deferred Tax Liability as at March 31, 2008 Rs.
Deferred Tax Liability:			
Depreciation on Fixed Assets	Nil	850,780	850,780
Deferred Tax Assets:			
Unabsorbed Depreciation	Nil	(203,940)	(203,940)
Total Deferred Tax Liability	Nil	646,840	646,840

11. Directors Remuneration Paid during the year is Rs. Nil (Rs. 324,000)

12. Related Party Transactions:

As per Accounting Standard - 18 (AS 18) – 'Related Party Disclosures', as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

A. Related parties with whom transactions have taken place during the year

- a) Entities where key management personnel (KMP)/relatives of key management personnel (RKMP) have significant influence –
Parshva Alluminium Co. Pvt. Ltd., Parshva Texchem Pvt. Ltd., Gurjar Granth ratna Karyalaya, Gurjar Finance,
- b) Key management personnel
Dakshesh Shah, Samir B. Patel, Ullas Shah
- c) Relatives of key management personnel
Chandubhai B. Patel, Hemishbhai C.Patel

B. Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2008:

Particulars	Entities where KMP /RKMP has significant influence Rs	KMP Rs	RKMP Rs
Transactions			
Subscription to / purchase of Equity Shares	-	200 (Nil)	-
Loans / deposit given	257.00 (Nil)		67.00 (Nil)
Interest received / receivable	22.21 (Nil)		0.92 (Nil)
Loans / deposits outstanding	356.47 (Nil)		67.00 (Nil)

C. Disclosure of significant transactions with related parties

Type of the Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2008	2007
Subscription to / purchase of equity shares	KMP	Dakshesh Shah	66.67	Nil
	KMP	Samir Patel	66.67	Nil
	KMP	Ullash Shah	66.66	Nil
Loans given	Entities where KMP/ RKMP has significant influence	Parshva Alluminium Co. Ltd.	60.00	Nil
	Entities where KMP/ RKMP has significant influence	Parshva Rexchem Pvt. Ltd.	61.00	Nil
	Entities where KMP/ RKMP has significant influence	Gurjar Granth Ratna Karyalaya	11.00	Nil
	Entities where KMP/ RKMP has significant influence	Gurjar Finance	55.00	Nil
	Entities where KMP/ RKMP has significant influence	Chandubhai B. Patel	30.00	Nil
	Entities where KMP/ RKMP has significant influence	Yashnanad Engineers & Contractors	70.00	Nil
	Entities where KMP/ RKMP has significant influence	Hemishbhai C. Patel	37.00	Nil
Interest received / receivable	Entities where KMP/ RKMP has significant influence	Parshva Alluminium Co. Ltd.	9.89	Nil
	Entities where KMP/ RKMP has significant influence	Parshva Rexchem Pvt. Ltd.	3.69	Nil
	Entities where KMP/ RKMP has significant influence	Gurjar Granth Ratna Karyalaya	0.67	Nil
	Entities where KMP/ RKMP has significant influence	Gurjar Finance	4.16	Nil
	Entities where KMP/ RKMP has significant influence	Chandubhai B. Patel	0.43	Nil
	Entities where KMP/ RKMP has significant influence	Yashnanad Engineers & Contractors	2.87	Nil
	Entities where KMP/ RKMP has significant influence	Hemishbhai C. Patel	0.49	Nil



13. Disclosure as required by clause 32 of listing agreement with stock exchanges

Type of relationship	Name	Amount outstanding as at March 31, 2008	Maximum Amount outstanding during the year
Companies in which directors are interested	Parshva Alluminium Co. Ltd.	68.85	68.85
	Parshva Rexchem Pvt. Ltd.	60.93	60.93
	Gurjar Granth Ratna Karyalaya	11.53	11.53
	Gurjar Finance	59.16	59.16
	Yashnanad Engineers & Contractors	2.28	2.28

Note:

- a) All the above balances of loans are including accrued interest and are payable on demand.
- b) No loans have been granted by the Company to any person for the purpose of investing in the shares of Navkar Builders Limited.

14. Earnings per Share ('EPS')

PARTICULARS	April 1, 2006 to March 31, 2007	April 1, 2005 to March 31, 2006
Basic Earnings per share		
Net Profit attributable to equity shareholders		
Numerator for computation of basic and diluted EPS](a)	1,179,451	10,17,180
Weighted average number of equity shares in calculating basic EPS [Denominator for computation of basic & diluted EPS] (b)	5,218,884	4,561,350
Basic and Diluted Earning per share of face value of Rs. 10/- each (a/b)	0.23	0.22

15. Additional information pursuant to the provisions of paragraphs 3, 4B, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956.

a) Auditors' Remuneration and Expenses

Particulars	2007-08	2006-07
As Statutory and Tax Auditors	44,944	25,000
As Tax matters	11,236	5,000
Total	56,180	30,000

- a) As the Company is into the Execution of infrastructure Projects, it is not practicable to give other details pursuant to paragraphs 3, 4B, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956.
- b) During the year, there were no imports of raw materials, stores and spares or capital goods and there was no remittance in foreign currency on account of dividends. Also, there was no earning in foreign currency.

Schedules 'A' to 'L'

As per our report of even date

For and on behalf of the Board of Directors

FOR J. B. SHAH & CO.
CHARTERED ACCOUNTANTSSd/-
JASMIN B. SHAH
PROPRIETOR
M. NO. 46238Sd/-
Dakshesh Shah
Chairman &
Managing DirectorSd/-
Samir Patel
DirectorPLACE : AHMEDABAD
DATED : 09.06.2008PLACE : AHMEDABAD
DATED : 09.06.2008

(Sd/-) Navkar Builders Ltd
Shailesh Shah
Director



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2008

	31-03-2008	31-03-2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,949,082	571,373
Adjustments for		
Depreciation	509,065	225,032
Preliminary Expenditures Written off	159,720	-
Loss on sale of Fixed assets	-	887,186
Interest Income	(4,314,221)	(1,819,809)
	(3,645,436)	(707,591)
Operating Profit before Working Capital Changes	(1,696,354)	(136,218)
Adjustments for		
Decrease / (Increase) in Inventories	(1,477,644)	-
Decrease / (Increase) in Sundry Debtors	(3,025,297)	-
Decrease / (Increase) in Loans and Advances	687,797	412,221
(Decrease)/Increase in Current Liabilities & Provisions	2,307,803	(36,836)
	(1,507,341)	375,385
Cash Generated from Operations	(3,203,695)	239,167
Direct Taxes Paid (net of refunds)	(792,757)	(285,782)
Net Cash Flow from Operating Activities (A)	(3,996,452)	(46,615)
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	(50,314,355)	2,686,828
Preliminary Expenses Incurred	(798,600)	-
Interest Received	4,314,221	1,819,809
	(46,798,734)	4,506,637
Net Cash Flow from Investing Activities (B)	(46,798,734)	4,506,637
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	24,024,000	-
Proceeds From Borrowings	20,262,176	-
	44,286,176	-
Net Cash Flow from Financing Activities (C)	44,286,176	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (D) = (A+B+C)	(6,509,010)	4,460,022
Opening Balance of Cash and Cash Equivalents	12,464,743	8,004,721
Closing Balance of Cash and Cash Equivalents	5,955,734	12,464,743
Notes	(6,509,010)	

1 The figures in brackets represent outflows.

2 Previous periods' figures have been regrouped / reclassified, wherever necessary.

The schedules referred to above and the notes to accounts form an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

FOR J. B. SHAH & CO.
CHARTERED ACCOUNTANTSSd/-
JASMIN B. SHAH
PROPRIETOR
M. NO. 46238Sd/-
Dakshesh Shah
Chairman &
Managing DirectorSd/-
Samir Patel
DirectorPLACE : AHMEDABAD
DATED : 09.06.2008PLACE : AHMEDABAD
DATED : 09.06.2008

For, Navkar Builders Ltd.

Shailesh Shah
Director



AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Navkar Builders Limited derived from the financial statements for the year ended March 31, 2008 and March 31, 2007 and we found the same to be drawn in accordance with the requirements of Clause 32 of the listing agreement with the Stock Exchange

Place : Ahmedabad

FOR J. B. SHAH & CO.

Date 09.06.2008

CHARTERED ACCOUNTANTS

Sd/-

PROPRIETOR

M. NO. 46238

NAVKAR BUILDERS LIMITED

PROXY FORM

Members Folio No. _____

DP ID _____

Client ID _____

I/We _____ of _____
being a Member/Members of Navkar Builders Limited, hereby appoint
_____ or failing him
_____ of _____ or failing
him _____ of _____ as my/our Proxy to attend and vote
for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held
on 27th day of August, 2008 at any adjournment there of.

Signed this _____ Day of _____ 2007.

Signed by the said _____

of _____

Affix
Rs. 1/-
Revenue
Stampe

Note : If a member is unable to attend the Meeting, he may sign this form and send it to
the Company's Registered Office at : 1, Trimurti Hospital Building, Nr. S. T. Bus stand, Junagadh-
362001, so as to reach them not less than 48 hours before the Meeting

-----TERE HERE-----

NAVKAR BUILDERS LIMITED

1, Trimurti Hospital Building, Nr. S. T. Bus stand, Junagadh-362001

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting convened at
1, Trimurti Hospital Building, Nr. S. T. Bus stand, Junagadh-362001, on 27th day of August, 2008.

Members Folio No. _____

DP ID _____

Client ID _____

Name of the Member attending the Meeting

In case of proxy, Name of Proxy

(Signature of Member/Proxy)
(To be signed at the time of
handing over this slip)

Note : Members/Joint members are requested to bring the attendance slip with them.

Book Post

To, _____

If undelivered Please return to :
NAVKAR BUILDERS LIMITED
1, Trimurti Hospital Building,
Nr. S. T. Bus stand,
Junagadh-362001