

Naukar Builders Limited

ANNUAL REPORT

FOR THE YEAR

2013-2014



Navkar Builders Limited

Board of Directors

Mr. Dakshesh Shah	Chairman & Managing Director
Mr. Samir Patel	Joint Managing Director
Mr. Shailesh Shah	Independent and Non Executive Director
Mr. Rameshchandra Patel	Independent and Non Executive Director
Mr. Sunil Bohara	Independent and Non Executive Director
Mr. Prakashbhai Shah	Independent and Non Executive Director

Auditors

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

Registered Office

407, Sarita Complex,
Behind Hotel Classic Gold,
C. G. Road, Ahmedabad- 380009
Email Id: navkarbuilders@yahoo.co.in
Website: www.navkarbuilders.com

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NOTICE FOR ANNUAL GENERAL MEETING

NOTICE is here by given that Annual General Meeting of the Company will be held at 407, Sarita Complex, B/h. Hotel Classic Gold, C. G. Road, Ahmedabad – 380006 on the 30th September, 2014 at 10.30 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the audited balance sheet as 31st March, 2014 and profit & loss account of the company for the year ended on 31st March, 2014 and the Report of the Directors' and Auditors.
2. To re-appoint Director in place of Mr. Shailesh Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Rameshchandra Patel who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditor & fix their remuneration.

By Order of the Board of Directors

Place : Ahmedabad
Date : 29/05/2014

Sd/-
(Dakshesh Shah)
Managing Director
DIN: 00561666

Sd/-
(Samir Patel)
Director
DIN: 01852150

Sd/-
(Shailesh Shah)
Director
DIN: 02231177

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2014 to 30th September, 2014 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
3. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demate form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
4. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

5. Voting through Electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No.

CIR/CFD/DIL/6/2012 dated 13th July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

PROCEDURE FOR E-VOTING

In case of members receiving AGM Notice by e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or

	folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for “NAV KAR BUILDERS LIMITED”

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com. and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 25th September, 2014 (11:00 A.M.) and ends on 27th September, 2014 (6:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. the record date), being 22nd September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22nd September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 25th September, 2014 (11:00 A.M.) and ends on 27th September, 2014 (6:00 P.M.).

The Company has appointed Rupal Patel, Practising Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
7. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.
8. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Sharepro Services (India) Pvt. Ltd. Registrar and Share Transfer agent of the Company immediately.
9. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
10. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Cameo Corporate Services Limited, Mumbai, Registrar and Share Transfer agent of the Company.
11. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.

12. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

By Order of the Board of Directors

Place : Ahmedabad

Date : 29/05/2014

**Sd/-
(Dakshesh Shah)
Managing Director
DIN: 00561666**

**Sd/-
(Samir Patel)
Director
DIN: 01852150**

**Sd/-
(Shailesh Shah)
Director
DIN: 02231177**

ANNEXURE TO THE NOTICE

Notes on directors seeking appointment/re-appointment as required under Clause 49 of the listing agreement entered into with Stock Exchanges:

PROFILE OF DIRECTORS BEING RE-APPOINTED:

Item No. 2

Name	Mr. Shaileshbhai Shah
Date of Birth	27/05/1962
Directorship in other Public limited Companies	Nil
Membership of Committees of other Public Limited Companies	Nil
Director of Company since	01/10/2007
No. of Shares Held	Nil

Item No. 3

Name	Mr. Rameshchandra Patel
Date of Birth	04/01/1962
Directorship in other Public limited Companies	Nil
Membership of Committees of other Public Limited Companies	Nil
Directors of Company since	01/10/2007
No. of Shares Held	1600

By Order of the Board of Directors

Place : Ahmedabad

Date : 29/05/2014

Sd/-
(Dakshesh Shah)
Managing Director
DIN: 00561666

Sd/-
(Samir Patel)
Director
DIN: 01852150

Sd/-
(Shailesh Shah)
Director
DIN: 02231177

DIRECTORS' REPORT

To,
The Members

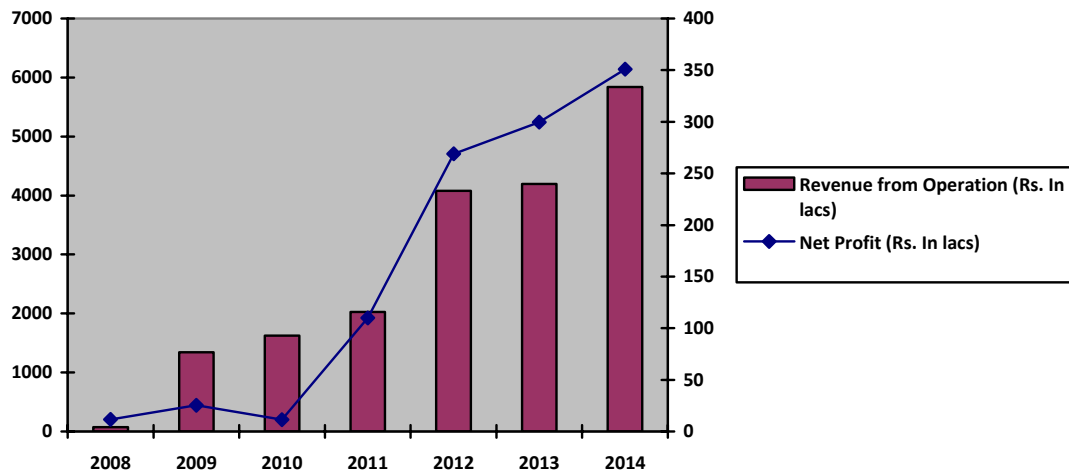
The Directors' present the Annual report on the business and operations of your Company for the year 2013-2014.

FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2014 (₹)	Year Ended 31.03.2013 (₹)
Gross Sales/Income	59,04,24,904	419, 530,790
Less Depreciation	1,57,13,518	15,449,500
Profit/(Loss) before Tax	5,05,54,039	48,074,045
Taxes/Deferred Taxes	1,54,43,985	20,964,372
Profit/(Loss) After Taxes	3,51,10,054	29,950,684
P& L Balance b/f	76,416,828	4,64,66,144
Profit/ (Loss) carried to Balance Sheet	11,15,26,882	76,416,828

During the year under review the total income was ₹ 59,04,24,904 as compared to ₹ 419, 530,790 of that of the previous Year. The Company has provided ₹ 1,57,13,518 for depreciation. After making all necessary provisions for current year and after taking into account the current year net profit and total provisions for taxation, the surplus carried to Balance Sheet is ₹ 3,51,10,054.

Revenue from Operations:



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:

Mr. Shailesh Shah and Mr. Rameshchandra Patel, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

RESPONSIBILITY STATEMENT:

Director confirms that:

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 complied and details for it attached at the end of Director report.

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.

CORPORATE SOCIAL RESPONSIBILITY

Every year 5th June is observed as the World Environment Day around the world and is of immense importance for the Navkar Group. In the year 2013-2014, one specific area which was related to our work. Sustainability is a complex concept incorporating a wide range of social, environmental and economic issues.

This is our commitment to manage our construction activities, business processes and supply chain safely and in ways that minimize adverse environmental and social impacts.

This is a commitment to safeguard the health and safety of our employees and neighbors', to support the local economy and to treat our staff fairly. It is about creating wealth for all our stakeholders, embracing diversity, minimizing resource consumption and reducing our greenhouse gas emissions.

However, we recognize that we will have to be innovative and draw on our key strength - our motivated staff - in order to deliver the lasting positive outcomes that are at the core of our commitment to sustainability.

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.

By Order of the Board of Directors

Place : Ahmedabad

Date : 29/05/2014

Sd/-
(Dakshesh Shah)
Managing Director
DIN: 00561666

Sd/-
(Samir Patel)
Director
DIN: 01852150

Sd/-
(Shailesh Shah)
Director
DIN: 02231177

**DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY:**

SR NO.	Particulars	Unit	2013-2014	2012-2013
(I)	POWER AND FUEL CONSUMPTION			
1.	Electricity			
(a)	Purchased	Kwh	266505	411058
	Total Amount	Rs.	2878821	3679332
	Rate/Unit	Rs./ Kwh	10.80	8.95
(b)	Own		--	--
	Generation (Units)		--	--
2.	Coal		--	--
	Quantity	Kg	--	--
	Total Cost	Rs.	--	--
	Average Rate	Rs./Kg	--	--
3.	High Speed Diesel/ LDO		--	--
	Quantity	Liters	--	--
	Total Cost	Rs.	--	--
	Average Rate	Rs./ Liters	--	--
4.	Other Internal Generation		--	--
(II)	Consumption per unit of production:			

Report on Corporate Governance
(Pursuant to Clause 49 of the Listing Agreement)

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 believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities, it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

2. BOARD OF DIRECTORS

2.1 Composition of Board of Directors as on date of Report:

The Board of Directors of the Company comprised Six Directors of whom four were non-executive Directors. The Chairman is an executive Managing Director.

Name of Director	Category
Mr. Dakshesh Shah	Managing Director
Mr. Samir Patel	Joint Managing Director
Mr. Prakash Shah	Independent and Non Executive Director
Mr. Sunil Bohara	Independent and Non Executive Director
Mr. Shailesh Shah	Independent and Non Executive Director
Mr. Rameshchandra Patel	Independent and Non Executive Director

2.2 Responsibilities of the Board:

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to

time such delegated powers and their utilization for effective functioning of the Company.

2.3 Board Meetings and Attendance Record of Directors:

The meetings of the Board of Directors are held at periodical intervals and are generally at the Board Room of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

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

Five Board meetings were held during the year

24/05/2013, 14/08/2013, 14/11/2013, 12/02/2014, 25/02/2014

Extra Ordinary General Meeting:

One Extra Ordinary General Meeting was held on 24th March, 2014 during the year under review.

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

Name of Director	Category of Directorship	No. of other Directors	No. of Board Meeting attended
Mr. Dakshesh Shah	Managing Director	5	4
Mr. Samir Patel	Managing Director	Nil	5
Mr. Shailesh Shah	Independent and Non Executive Director	Nil	5
Mr. Ramesh Patel	Independent and Non Executive Director	Nil	5
Mr. Prakashbhai Shah	Independent and Non Executive Director	Nil	5
Mr. Sunil Bohara	Independent and Non Executive Director	Nil	5

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.

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Shailesh Shah retire by rotation at the ensuing Annual General Meeting and offer himself for re-appointment.

(a) Profile of Mr. Shailesh Shah Director being Re- appointed

Name	Mr. Shailesh Shah
Date of Birth	27/05/1962
Director of the Company	01/10/2007
No. of shares held in the company	Nil
No. of warrants held in the company	Nil
Directorship in other company	Nil

Mr. Rameshchandra Patel retire by rotation at the ensuing Annual General Meeting and offer himself for re-appointment

(b)Profile of Mr. Rameshchandra Patel Director being Re- appointed

Name	Mr. Rameshchandra Patel
Date of Birth	04/01/1962
Director of the Company	01/10/2007
No. of shares held in the company	1600
No. of warrants held in the company	Nil
Directorship in other company	Nil

2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have

been made by the Directors who are on the Board of the Company as on 31st March, 2014 and the same is reproduced herein below :

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees held as Chairman on other public Companies	No. of Committees held as member in other public Company
1.	Mr. Dakshesh Shah	5	--	1
2.	Mr. Samir Patel	--	--	--
3.	Mr. Shailesh Shah	--	--	--
4.	Mr. Rameshchandra Patel	--	--	--
5.	Mr. Sunil Bohara	--	--	--
6.	Mr. Prakash Shah	--	--	--

3. COMMITTEE OF BOARD

The Company had four Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Sub-Committee (Quarterly Results Review Committee)
4. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956 as below.

a. Composition:

As on 31-03-2014, the Audit Committee comprised of three Directors namely:

Mr. Sunil Bohara	Chairman	- Director
Mr. Prakash Shah	Member	- Director
Mr. Shailesh Patel	Member	- Director

The Audit Committee of the Board of Directors of the Company, *inter-aila*, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

Brief description of terms of reference:

A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.

C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:

- 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.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

3.2 Remuneration Committee:

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director:

Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2014

Name	Executive / Non-Executive	Salary	Bonus	Sitting Fees	Contribution to PF	Perquisites	Total
Dakshesh Shah	Executive	25,92,000	-	-	-	-	25,92,000
Samir Patel	Executive	25,92,000	-	-	-	-	25,92,000
Shailesh Shah	Non Executive	-	-	-	-	-	-
Rameshchandra Patel	Non Executive	-	-	-	-	-	-
Sunil Bohara	Non Executive	-	-	-	-	-	-
Prakash Shah	Non Executive						

The Composition of remuneration committee are as under;

Mr. Sunil Bohara	Chairman	- Director
Mr. Dakshesh Shah	Member	- Director
Mr. Prakashbhai Shah	Member	- Director

Remuneration Committee constituted for the purpose of considering remuneration of executive and non-executive directors.

Non- Executive Director

The Company has not paid any sitting fees to any of the Directors of the Company.

Remuneration Policy

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

3.3 Sub-Committee (Quarterly Results Review Committee):

The Sub-Committee (Quarterly Results Review Committee) comprises as under:

Mr. Sunil Bohara	Chairman	- Director
Mr. Dakshesh Shah	Member	- Director
Mr. Prakashbhai Shah	Member	- Director

The Committee is responsible for approving quarterly un-audited financial statements and monitoring the performance of the Company. Three meeting were held on the following dates:

24/05/2013	14/08/2013	14/11/2013	12/02/2014
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3.4 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Mr. Sunil Bohara	Chairman	- Director
Mr. Dakshesh Shah	Member	- Director
Mr. Prakashbhai Shah	Member	- Director

Mr. Daksheshbhai was designated as the Compliance officer of the Company.

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. 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 status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions as on 31st March, 2014 is given below :

Complaints Status: 01.04.2013 to 31.03.2014

- Number of complaints received so far : Nil
- Number of complaints solved : Nil
- Number of pending complaints : Nil

4. GENERAL BODY MEETING:

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

Year of AGM	Date of the AGM	Time	Place of AGM Held
2013	27/09/2013	10.30 a.m.	407, Sarita Complex, B/h. Hotel Classic Gold, C.G.Road, Ahmedabad – 380006
2012	27/09/2012	10.30 a.m.	407, Sarita Complex, B/h. Hotel Classic Gold, C.G.Road, Ahmedabad – 380006
2012	27/09/2012	10.30 a.m.	407, Sarita Complex, B/h. Hotel Classic Gold, C.G.Road, Ahmedabad – 380006

2013

No special business had been transacted in the said Annual General Meeting.

2012

- Change in terms and conditions of Mr. Dakshesh R. Shah Managing Director of the Company.
- Change in terms and conditions of Mr. Samir Patel, Joint Managing Director of the Company.

2011

No special business had been transacted in the said Annual General Meeting.

5. DISCLOSURES:

a. Materially significant related party transactions:

The same are appropriately disclosed at the Note No. 24 of Significant Accounting Policies and notes on accounts 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.

6. CEO/CFO Certification:

(Under Clause 49(V) of Listing Agreement)

We Certify that --

a. We have reviewed the financial statements and the cash flow statement for the year 2013-14 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 2013-14 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 2013-14;

- Significant changes in accounting policies during the year 2013-14 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.

7. MEANS OF COMMUNICATIONS:

The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient.

The Company's financial results and official news releases are displayed on the Company's website i.e www.navkarbuilders.com.

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately

WHISTLE BLOWER POLICY:

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentiality to Whistle blowers.

The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2014, no Protected Disclosures have been received under this policy.

8. GENERAL SHAREHOLDER INFORMATION:

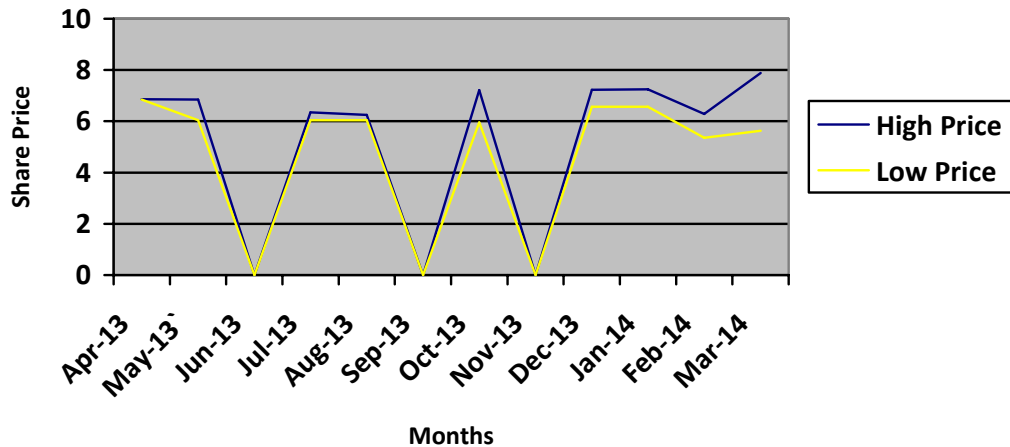
- a. Annual General Meeting: 30th September, 2014
Date, Time and venue: 10.30 a.m. at the Registered Office of the Company.
- b. Financial Year: 1st April, 2013 to 31st March, 2014.
- c. Financial Calendar:
 - i. 1st quarterly results – second week of August, 2014
 - ii. 2nd quarterly results – second week of November, 2014
 - iii. 3rd quarterly results – second week of February, 2015.
 - iv. 4th quarterly results – Last week of May, 2015.
- d. Date of Book Closure: 23rd September, 2014 to 30th September, 2014
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges:

BSE Limited Annual listing fees for the financial Year up to 31.03.2014 has been paid.
- g. Stock Code: **BSE 531494**
- h. Demat ISIN number: **INE268H01010**
- I. Market price data: Price per share has been reported to take place as follows:

Month	High Price	Low Price
April 2013	6.86	6.85
May 2013	6.85	6.04
June 2013	---	---
July 2013	6.34	6.04

August 2013	6.25	6.04
September 2013	---	---
October 2013	7.22	5.96
November 2013	---	---
December 2013	7.23	6.57
January 2014	7.25	6.57
February 2014	6.29	5.36
March 2014	7.88	5.63

- j. Performance of the Company's shares in comparison with broad-based indices as BSE's Sensex: The Company has Sustainable growth.



- k. Registered and Transfer Agent: M/s. Sharepro Services (India) Pvt. Ltd. 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 15 days.

m. Distribution of Shareholding as on Dated 31.03.2014.

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
Up to	5,000	1071	65.11	2844430	1.63
5,001 to	10,000	427	25.96	3252600	1.86
10,001 to	20,000	69	4.19	1033390	0.59
20,001 to	30,000	18	1.09	471440	0.27
30,001 to	40,000	9	0.55	302140	0.17
40,001 to	50,000	8	0.49	360120	0.21
50,001 to	1,00,000	9	0.55	605480	0.35
1,00,001 &	above	34	2.07	165663400	94.92
Total		1645	100.00	174533000	100.00

n. Shareholding pattern as on 31.03.2014

Category	No of Shares held	% of Shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	6970700	53.25
b. Other bodies corporate	25471	0.19
c. Indian public	4316329	32.97
d. other	1777500	13.58
TOTAL	13090000	100.00

Dematerialization of shares: As on 31.03.2014. Demated shares accounted for 96.27% (12601200 Equity Shares) of total equity.

o. Outstanding ~~GDR / ADR~~ Warrants: Due to expiry of time period, 10,50,000 convertible warrants issued on preferential basis has been treated as forfeited.

p. Address for communication:

Sharepro Services (India) Pvt. Ltd. 416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ashram Road, Ellisbridge, Ahmedabad – 380006.	Navkar Builders Limited, 407, Sarita Complex, Behind Hotel Classic Gold, C. G. Road, Ahmedabad- 380009.
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q. Location of plants:

- a. Plot No.444/A, Adalaj-Koba Road, Village: Ambapur, Adalaj, Dist.: Gandhinagar.
- b. Block No.: 923-924, Village : Dumad, Nr. Dumad Four Road, Taluka & Dist. : Vadodara.
- c. Block No.: 186-B, 188, village : Laxmipura, Taluka : Daskroi(Narol), Dist. Ahmedabad
- d. Plot no. 1160,1161-A, village : Sanghana, ta.: Matar, dist. Kheda

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.

By Order of the Board of Directors

Place : Ahmedabad

Date : 29/05/2014

**Sd/-
(Dakshesh Shah)
Managing Director
DIN: 00561666**

**Sd/-
(Samir Patel)
Director
DIN: 01852150**

**Sd/-
(Shailesh Shah)
Director
DIN: 02231177**

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL OVERVIEW:

Ready Mix Concrete demand growth has lagged GDP growth in past two years due to slowdown in real estate sector and lack of order inflows from infrastructure sector. Lower-than-expected demand coupled with incremental supplies has also resulted in declining capacity utilizations for the companies. Sector has also witnessed continued cost pressures in terms of higher power, fuel and raw material costs.

INDUSTRY STRUCTURE:

Navkar Builders Ltd, a company in realty development since last 19 years and now among the fastest growing companies in the Ready Mix Concrete industry. The Company had expanding operations across nation and within 2 years coming with 40 plants in Ready Mix Concrete across India. The Company has a long standing reputation as a consistent sectoral leader amongst the public sector construction companies in the construction business with specialization in Ready Mix Concrete Business. The Company has been earning profits every year right from the second year of its inception of Ready Mix Concrete business. After commencing business as a construction company it diversified progressively since incorporation to roads, buildings, commercial complexes, as well as to metro works. The Company has executed many land mark construction projects in the last more than 15 years in the Country.



OPPORTUNITIES:

The boom in the economy & the construction industry in the last few years have 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:

Your Company has robust Business Risk Management (BRM) practices to identify, evaluate business risks and opportunities. The business risks and opportunities so identified are integrated into the business plan and a detailed action plan to mitigate the identified business risks is thereafter drawn up and its implementation monitored.

The key business risks identified by the Company and its mitigation plans are as under:

- **Competition Risks:** The Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging its newly created capacities to increase market share, enhance brand equity and visibility, enlarge product portfolio and service offerings. It would also leverage on its infrastructure, commercial and institutional sales team to offer better value to large customers.
- **Financial Risk:** Execution of projects abroad perforce necessitates parking of funds in foreign banks for operational purposes. Such parking is amenable to foreign exchange rate fluctuations. In order to hedge this risk, foreign exchange movements are constantly monitored and conversion of funds from one currency to another is done on the basis of cross currency movements with excess funds being repatriated to India in accordance with the applicable laws. The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas.
- **People Risks:** With the industry growing at a fast pace and demand for experienced and trained manpower outstripping supply, the ability to retain existing talent and attract new professional talent assumes crucial importance.

The Company however takes pride in executing prestigious works in the nation building task. The Company has taken measures with the help of the Government to provide adequate security, facilities, and also insurance coverage in such places.

The Company has a formal Enterprise Risk Management framework in place which will be reviewed periodically.

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.

CURRENT & FUTURE OUTLOOK:

The year under review ended with softening of inflation and interest rates which augured well for better growth prospects of the economy. This trend would benefit infrastructure, construction and real estate sectors which would in turn spur demand growth in the cement sector.

The economy is expected to grow at a healthy pace in the medium to long term due to its strong fundamentals and steady domestic consumption. 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.

CURRENT GLOBAL SCENARIO:

Currently, the global economy is in severe slowdown mode amidst deepening credit crunch and upsetting developmental targets of economies across the world. In the prevailing scenario, infrastructure remains a top priority for addressing developmental gaps as it is considered omnipotent with potentials of lifting economies out of the financial turmoil. The governments around the world are pumping money to generate demands for goods and services by creating jobs through higher spending into physical and social infrastructure. Likewise, the Indian government on its part is not lagging behind on this score and has taken concrete steps to revive the sector to regain its past glory.

Now the construction activities have started picking up. Recently, the Government has issued contracts worth Rs 1,861 crore relating to projects in mining, railway, infrastructure, commercial buildings, and some of the construction companies are also coasting along with a steady flow of contracts. About 90% of these contracts are from the Government agencies and this is going to be the mainstay of business in construction sector for some time to come till such orders start flowing from the private sector. It is indeed to the credit of some of the construction companies that despite odds, these companies have shown exemplary perseverance in tackling recession to carry out construction work, others would also ride well

through the present dull phases the situation improves. It is expected that sooner rather than later, the sleepy construction project sites would pulsate with construction work once again and one would see trucks loads of men, materials and machinery moving to and fro with men and women working on a war footing to translate country's development vision into a concrete reality. Shedding its initial pessimism, the construction equipment sector is also getting into optimistic mode and is busy in giving final touches to their expansion plans to add new manufacturing facilities sensing a demand pull in the next 6-8 months. All in all, the construction industry was no doubt down but not out.

FUTURE OUTLOOK:

Over the next 5 years, the size of the RMC industry is estimated to grow at 20 percent, from Rs. 155-160 billion in 2009-10 to Rs 395-400 billion in 2015-16. During the same period, demand in volume terms is estimated to increase at a CAGR of 18 per cent, from 48-50 million cubic metres to 105-110 million cubic metres. Though the penetration of RMC is higher in the metropolitan and Tier I cities as compared to all India average, there is scope for further penetration of RMC in these cities with higher verticalisation and expected infrastructure development.

Ready Mix Concrete industry is perhaps among the fastest growing sector in India with compound annual growth. In the coming years the Country will witness increased construction activity with faster development in our cities and infrastructure. RMC is expected to play a very important role in the scenario.

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.



PROJECT DESCRIPTION:

The project envisages setting up of a unit manufacture Ready Mix Concrete for Construction.

Ready – Mix Concrete (RMC) is a concrete, pre-mixed in designed proportions under strict quality control, and delivered to construction sites for ready use in construction elements and structures. When it is supplied at site, it is of desirable quality, freshly mixed, and meets the standard specifications. Transportation of RMC of the site is done in a transit mixer – a special purpose lorry, which has a revolving mixer to keep the mass within from solidifying.

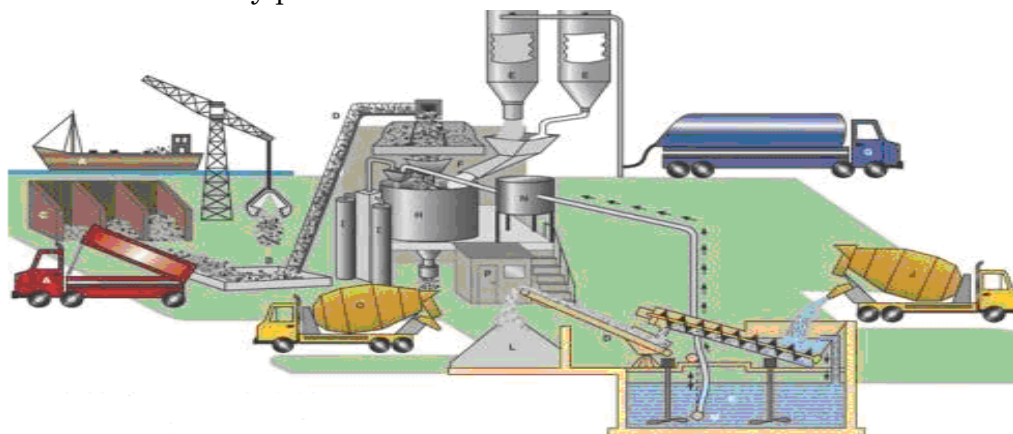
As per the Indian Standard IS: 4926 – 1976 (re-affirmed 1999) RMC is defined as “Concrete delivered at site or into the purchaser’s vehicle in a plastic condition and required no further treatment before being placed in the position in which it is to set and harden”.

The basic properties of RMC, depending upon the mix proportion, include:

- Workability of concrete
- Strength of concrete
- Durability of concrete

Applications

RMC is suitable for large construction projects like dams, canals, large housing/ commercial projects, industrial structures as well as small and medium projects. It can be used by even small one item consumers. Advantages of RMC vis-à-vis on site concrete Consistent quality of concrete is obtained. Reduces storage of cement and other materials at site. Reduced labor requirement at site. Possibility of documentation of mix design. Reduction in wastage of raw materials (cement, etc.) site. Environment friendly product



QUALITY CONTROL:

The main focus for our manufacture and supply is Quality. Our labs are equipped with sophisticated equipments to render the best possible quality in our products. The quality is monitored at every stage, right from receipt of raw material to dispatch and placing of concrete, which ensures that consistent quality reaches the customer. Several tests are conducted to maintain the quality of the concrete such as water consistency, strength and chemical analysis, workability etc.



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 optimize 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

MISSION:

To be recognized nationally and internationally as a specialized construction organization comparable with the best in the field covering the entire spectrum of construction activities and services in the infrastructure sector.

OBJECTIVES:

The objectives of the Company in line with Company's Mission, Key Values, and Code of Corporate Governance are:-

- i) To effectively position the Company so as to meet the infrastructure needs of the changing economic scene in India and abroad.
- ii) To earn global recognition by providing high quality products and services in time and in conformity with the best practices.
- iii) To enhance the size and value of the business activities of the Company so as to achieve sustainable growth in inflation period.
- iv) To achieve optimal returns on the capital employed.

INTERNAL CONTROL SYSTEM:

The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas. The Company however takes pride in executing prestigious works in the nation building task. The Company has taken measures with the help of the Government to provide adequate security, facilities, and also insurance coverage in such places. The Company has a formal Enterprise Risk Management framework in place which will be reviewed periodically.

The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas.

The Company however takes pride in executing prestigious works in the nation building task. The Company has taken measures with the help of the Government to provide adequate security, facilities, and also insurance coverage in such places. The Company has a formal Enterprise Risk Management framework in place which will be reviewed periodically.

By Order of the Board of Directors

Place : Ahmedabad

Date : 29/05/2014

**Sd/-
(Dakshesh Shah)
Managing Director
DIN: 00561666**

**Sd/-
(Samir Patel)
Director
DIN: 01852150**

**Sd/-
(Shailesh Shah)
Director
DIN: 02231177**

COMPLIANCE CERTIFICATE

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

We have examined the compliance of Corporate Governance by Navkar Builders Ltd for the year ended on 31st March, 2014, 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 to 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

Date: 29/05/2014
Place: Ahmedabad

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

Independent Auditor's Opinion

**To,
The Members of Navkar Builders Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Navkar Builders Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profits of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For, J. B. Shah & Co.
Chartered Accountants
Firm Reg. No. 121333W

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238

Place: Ahmedabad
Date: 29 - 05 - 2014

**Annexure to Independent Auditor's Report
Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report to the members of Navkar Builders Limited (the Company) for the year ended 31st March, 2014. We report that:**

i. Fixed Assets:

- (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 programmed 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.

ii. Inventories:

- (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.

iii. Loans:

- (a) The Company has granted unsecured loan to company/firms covered in the register maintained under Section 301 of the Companies Act, 1956 (the Act).
- (b) As informed to us, the Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (c) 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.
- (d) In respect of loan taken, repayment of the principal amount is as stipulated and payment of interest has been regular.

iv. **Internal Controls:**

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.

v. **Related Party Transactions:**

(a) 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.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees 5 lakh have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. **Public Deposits:**

The Company has not accepted any deposits from the public.

vii. **Internal Audit:**

In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

viii. **Cost Records:**

In our opinion and accordingly to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, are of the opinion that prima facie the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. **Statutory Dues:**

(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.

x. **Accumulated Losses:**

The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year and in the immediately preceding financial year.

- xi. 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.
- xii. 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. Accordingly, the provisions of clause 4(xii) of the CARO are not applicable.
- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not allotted equity shares on preferential basis to parties and convertible warrants to the companies covered in the Register maintained under Section 301 of the Companies Act, 1956. The price at which these equity shares have been issued has been determined as per the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, which in our opinion, is not prejudicial to the interest of the Company.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issue during the year.

xxi. 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
Firm Reg. No. 121333W

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238

Place: Ahmedabad
Date: 29 - 05 - 2014

NAVKAR BUILDERS LIMITED
BALANCE SHEET AS AT MARCH 31, 2014
All amounts in rupees unless otherwise stated

	Particulars	NOTE	As at March 31,2014	As at March 31,2013
I.	<u>EQUITY AND LIABILITY</u>			
	Shareholders' Funds			
	Share Capital	1	174,533,000	133,525,000
	Reserves and Surplus	2	119,135,882	84,616,453
			293,668,882	218,141,453
	Share Application Money Pending Allotment		-	-
	Non-current Liabilities			
	Long-Term Borrowings	3	80,166,854	86,886,119
	Deferred Tax Liabilities	4	33,780,403	27,534,946
	Other Long-Term Liabilities	5	85,643,351	83,925,515
			199,590,608	198,346,579
	Current Liabilities			
	Short Term Borrowings	6	102,383,120	94,570,368
	Trade Payables	7	12,040,525	22,405,139
	Other Current Liabilities	8	156,984,031	323,210,034
	Short-Term Provisions	9	8,539,085	1,827,211
			279,946,761	442,012,751
	TOTAL		773,206,251	858,500,783
II.	<u>ASSETS</u>			
	Non-current assets			
	Fixed Assets	10		
	Fixed Assets (Net of Depreciation)		365,521,528	333,990,548
	Capital Work-in-Progress		6,610,514	2,500,000
			372,132,042	336,490,548
	Non-current Investments	11	500,000	-
	Long Term Loans and Advances	12	6,662,495	5,294,781
	Current Assets			
	Inventories	13	83,509,973	56,277,907
	Trade Receivables	14	109,464,183	76,004,286
	Cash and Cash Equivalent	15	25,367,781	25,776,284
	Short-Term Loans and Advances	16	175,569,778	358,656,977
			393,911,714	516,715,454
	TOTAL		773,206,251	858,500,783
	Significant Accounting Policies and Notes to Accounts	1 to 29		

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, J. B. Shah & Co.
Chartered Accountants
Firm Reg. No: 121333W

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238

Place :- Ahmedabad
Date :- 29/05/2014

For and on behalf of the Board of Directors of
Navkar Builders Limited

Sd/-
Samir Patel
Managing Director

Sd/-
Shailesh Shah
Director

Place :- Ahmedabad
Date :- 29/05/2014

NAVKAR BUILDERS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

All amounts in rupees unless otherwise stated

Particulars	NOTE	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
<u>INCOME</u>			
Revenue from Operations	17	584,168,927	418,690,697
Other Income	18	6,255,977	840,093
TOTAL REVENUE		590,424,904	419,530,790
<u>EXPENDITURE</u>			
Cost of Materials Consumed	19	449,262,108	280,970,610
(Increase)/Decrease in Inventories of Finished Goods		(10,748,087)	(6,391,922)
Employee benefits Expense	20	28,458,701	26,184,539
Finance Costs	21	37,431,501	26,536,855
Depreciation and amortisation expenses	10	15,713,518	15,449,500
Other expenses	22	19,753,124	28,707,164
TOTAL EXPENSES		539,870,866	371,456,746
PROFIT BEFORE TAX		50,554,039	48,074,044
Current Tax		10,114,726	11,000,000
Deferred Tax		6,245,457	9,964,372
Income Tax Earlier Years		-	(896,011)
MAT Reserves		(916,198)	(1,945,000)
PROFIT FOR THE YEAR		35,110,054	29,950,683
Earnings/(loss) Per Share (in Rs.) (Refer Note 24)	23		
-Basic (Nominal Value of share Rs.10)		2.66	2.32
-Diluted (Nominal Value of share Rs.10)		2.66	2.27
Significant Accounting Policies and Notes to Accounts	1 to 28		

The schedules referred to above and the notes to accounts form an integral part of the Profit & Loss Account

As per our report of even date
For, J. B. Shah & Co.
Chartered Accountants
Firm Reg. No: 121333W

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238

Place :- Ahmedabad
Date :- 29/05/2014

For and on behalf of the Board of Directors of
Navkar Builders Limited

Sd/-
Samir Patel
Managing Director

Sd/-
Shailesh Shah
Director

Place :- Ahmedabad
Date :- 29/05/2014

NAVKAR BUILDERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014
All amounts in rupees unless otherwise stated

Particulars	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	51,470,237	48,074,045
Adjustments for:		
Loss on Sale of Assets		110,867
Provision for diminution in investment		500
Effect of Exchange Rate Change	1,733,620	1,275,484
Depreciation	15,713,518	15,449,500
Finance Cost	37,431,501	26,536,855
Share Fofeiture Account - towards share capital	(2,625,000)	
Share Fofeiture Account - towards Securities Premium	(590,625)	
Interest Income	(809,339)	(634,698)
Operating Profit before Working Capital Changes	102,323,912	90,812,552
Movements in Working Capital :		
Decrease / (Increase) in Inventories	(27,232,066)	(48,868,286)
Decrease / (Increase) in Sundry Debtors	(33,459,897)	1,736,777
Decrease / (Increase) in Loans and Advances	181,719,486	(295,114,229)
(Decrease)/Increase Other Long-Term Liabilities	1,717,836	69,102,988
(Decrease) / Increase in Current Liabilities	(178,324,236)	275,747,498
Cash (used in) / generated from operations	46,745,034	93,417,301
Direct Taxes Paid (net of refunds)	3,402,851	13,215,147
Net cash (used in) / generated from operating activities (A)	43,342,183	80,202,154
B.CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	(51,355,013)	(39,516,827)
Purchase of Investments	(500,000)	
Loss on Sale of Assets	-	(110,867)
Provision for diminution in investment	-	(500)
Interest Received	809,339	634,698
Net cash (used in) / generated from investing activities (B)	(51,045,674)	(38,993,496)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Share Capital	43,633,000	5,115,625
Proceeds From Long Term Borrowings	(6,719,265)	(62,492,261)
Proceeds From Short Term Borrowings	7,812,752	57,381,716
Interest Expense	(37,431,501)	(26,536,855)
Net cash (used in) / generated from financing activities (C)	7,294,987	(26,531,775)
D.NET INCREASE IN CASH AND CASH EQUIVALENTS (D)=(A+B+C)	(408,504)	14,676,883
Cash and cash equivalents at the beginning of the year	25,776,285	11,099,402
Cash and cash equivalents at the end of the year	25,367,781	25,776,285
	As at	As at
Components of cash and cash equivalents	March 31, 2014	March 31, 2013
Cash and cheques on hand	3,951,171	4,409,911
With Scheduled Banks		
- in Current Account	1,356,100	15,213,782
- in Term Deposit Accounts	20,060,510	6,152,591
	25,367,781	25,776,284

Notes

- 1) The figures in brackets represent outflows.
- 2) Previous periods' figures have been regrouped / reclassified , wherever necessary, to confirm to current year presentation.

As per our report of even date
For, J. B. Shah & Co.
Chartered Accountants
Firm Reg. No: 121333W

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238

Place :- Ahmedabad
Date :- 29/05/2014

For and on behalf of the Board of Directors of
Navkar Builders Limited

Sd/-
Samir Patel
Managing Director

Sd/-
Shailesh Shah
Director

Place :- Ahmedabad
Date :- 29/05/2014

Navkar Builders Limited

Notes on Financial Statements for the Year ended 31st March, 2013

Note No.	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
1	Share Capital		
	Authorised share capital :- 20,000,000 (20,000,000) Equity Shares of Rs. 10 each	20,00,00,000	20,00,00,000
		20,00,00,000	20,00,00,000
	Issued, Subscribed & Paid-up Share Capital:- 1,74,53,300 (13090,000) Equity Shares of Rs. 10 each fully paid up Add: Amount of Forfeited shares	17,45,33,000 -	13,09,00,000 -
		17,45,33,000	13,09,00,000
	0,(10,50,000) Convertible warrants of Rs.10 each Rs.2.5 partly paid up	-	26,25,000
	Total	17,45,33,000	13,35,25,000

1.1 List of Share Holders having more than 5% holding

Sr. No.	Name of Shareholder	As at 31 March, 2014		As at 31 March, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Navkar Fiscal Services (P) Ltd	50,30,583	38.43	46,43,500	35.47
2	Samirbhai C Patel	7,78,867	5.95	7,78,867	5.95
3	Ullashbhai M Shah	-	-	7,74,167	5.91
4	Daksheshbhai R Shah	11,61,250	8.87	7,74,166	5.91
5	Yogesh B Parikh	9,25,000	7.07	9,25,000	7.07
6	Renuka Parekh	8,52,400	6.51	8,52,400	6.51

1.2 The Reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March,2014	As at 31st March,2013
Balance as at the beginning of the year	1,30,90,000	1,18,80,000
Issued during the year	43,63,300	12,10,000
Balance as at the end of the year	1,74,53,300	1,30,90,000

1.3 Terms and Rights attached to equity Shares

The company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend proposed by the Board of Directors is subject to approval of the Shareholding in the ensuing Annual General Meeting.

1.4 The company has not issued any Right/ Bonus shares during any preceding year

1.5 The company has issued 43,63,300 (12,10,000) Equity Shares.

1.5.1 The Company has issued 10,50,000 convertible warrants on preferential basis at price of Rs.10/- each and partly paid by Rs.2.5/- each as per SEBI (DIP) Guidelines, 2000 as per approval by BSE letter dated 12th June,2012. The warrant holder has to pay Rs.7.5/- per warrant at time of allotment of warrant. The warrant will be converted at the option of the allottees into equity shares of Rs.10/- each at par at any time within 18 months from the date of allotment, **Said amount of allotment has been forfeited due to non fulfilment of conditions of payments of unpaid calls.**

NAVKAR BUILDERS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

Particulars	As at March 31,2014	As at March 31,2013
2 : RESERVES AND SURPLUS		
Capital Reserve		
Add: Transferred on forfeited of shares	46,11,500	46,11,500
TOTAL (A)	46,11,500	46,11,500
Securities Premium Reserve		
As per last Balance sheet	33,13,125	-
Add: On issue of shares	(5,90,625)	33,13,125
TOTAL (B)	27,22,500	33,13,125
General Reserve		
As per last Balance sheet	2,75,000	2,75,000
Add: During the Year	-	-
TOTAL (C)	2,75,000	2,75,000
Profit and Loss Account		
As per last balance sheet	7,64,16,828	4,64,66,144
Add: Profit for the Year	3,51,10,054	2,99,50,683
TOTAL (D)	11,15,26,882	7,64,16,828
TOTAL (A+B+C+D)	11,91,35,882	8,46,16,453
3 : LONG-TERM BORROWINGS		
Secured		
A) Term Loans		
- From bank (I)	3,73,53,680	6,54,13,635
B) Other Loans		
- From bank (I)	2,16,44,906	2,06,60,414
- Vehicle Loans (II)	20,68,268	8,12,070
Unsecured	1,91,00,000	-
TOTAL	8,01,66,854	8,68,86,119

Nature of security and term of repayment

Term Loan from Bank

Term Loans from Union Bank of India of Rs.678.12 lac (1011.66 lac) of which Rs. 373.54 lac (654.14 lac) has been as long term borrowing and Rs. 304.58 lac (357.52 lac) as current maturities of long term borrowing. are secured by way of Hypothication of Plant & Machineries situated at Plants of the Company, Specific Immovable properties of company and others and Personal Guarantee of two directors, one shareholder and Corporate Guarantee of Associate Comapnies.

Principal repayble in equal monthly/quarterly installments.

Interest is payable on Monthly Basis. Applicable Rate of Interest is B.R. + 5% p.a. i.e. at Present 15.25% p.a.

Loan from Banks

Loans from Various Banks of Rs. 216.45 lac (206.6 lac) are secured by way of mortgage on the Plant & Machineries which are situated at Plants of the company and Personal Gaurantee of Directors.

Principal repayble in equal monthly installments.

Applicable rate of interest is within the range of 10.25% - 12% p.a.

Vehicle Loans from Banks

Vehicle loans of Rs. 20.68 Lac (8.12) are secured against respective vehicles under the Hire Purchase Contract.

Principal repayble in equal monthly installments.

Applicable rate of interest is 12% p.a.

NAVKAR BUILDERS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

4 : DEFERRED TAX LIABILITIES (NET)		
- Opening Balance (Related to Fixed Assets)	2,75,34,946	1,75,70,574
- Current Year (Related to Fixed Assets)	62,45,457	99,64,372
TOTAL	3,37,80,403	2,75,34,946
5: OTHER LONG TERM LIABILITIES LIABILITIES		
Creditors for Capital Expenditure	1,56,43,351	1,39,25,515
Advance received from Customers	7,00,00,000	7,00,00,000
TOTAL	8,56,43,351	8,39,25,515
6: SHORT TERM BORROWINGS		
Secured		
Cash Credit with Banks	10,23,83,120	9,45,70,368
TOTAL	10,23,83,120	9,45,70,368

Nature of Security

Cash Credit with Union Bank of India are secured by hypothecation of present and future stock and book debts of company, Personal Guarantee of two directors, one shareholder and Corporate Guarantee of Associate companies in tune of sanction limits.

Interest is payable on Monthly Basis. Applicable Rate of Interest is B.R. + 4.75% p.a. i.e. at Present 15% p.a.

7: TRADE PAYABLES*		
Micro, Small and Medium Enterprise		-
Others	1,20,40,525	2,24,05,139
TOTAL	1,20,40,525	2,24,05,139
* As per information available with company, none of the creditors qualify as supplier under The Micro, Small and Medium Enterprises Development Act,2006 ("the Act") and accordingly no disclosure is made pursuant to section 22 of the Act.		
8: OTHER CURRENT LIABILITIES		
Current Maturities of long term Debt (Refer note 3)	4,98,44,170	3,57,52,300
Creditors for Capital Expenditure	13,31,413	8,45,635
Other Payables	6,05,17,862	5,24,38,009
Advance received from Customers	4,52,90,586	23,41,74,090
8.1 Other payables includes creditors for expenses and statutory dues		
TOTAL	15,69,84,031	32,32,10,034
9: SHORT TERM PROVISION		
Provision For Taxation (Net of advance taxes)	85,39,085	18,27,211
TOTAL	85,39,085	18,27,211

NAVKAR BUILDERS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

Particulars	As at March 31,2014	As at March 31,2013
11 : NON-CURRENT INVESTMENTS		
LONG TERM INVESTMENTS (At Cost)		
UNQUOTED		
TRADE INVESTMENTS		
50 (50) Shares of Rs. 10 Each of MMC Bank		500
Less: Provision for diminution in investment		500
QUOTED		
Units 50000, (Nil) Union KBC Fixed Maturity Plan Series -7-Growth	5,00,000	
market value :		
Union KBC Fixed Maturity Plan Series -7-Growth 5,31,720/-		
TOTAL	5,00,000	-
12 : LONG TERM LOANS & ADVANCES		
Deposits	66,62,495	52,94,781
TOTAL	66,62,495	52,94,781
13 : INVENTORIES		
Raw materials	6,56,87,725	4,92,03,746
Finished Goods	77,52,432	70,74,161
WIP	1,00,69,816	-
TOTAL	8,35,09,973	5,62,77,907
14 : TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Over Six Months	-	3,14,50,636
Others	10,94,64,183	4,45,53,650
TOTAL	10,94,64,183	7,60,04,286
15: CASH AND CASH EQUIVALENT		
Cash on hand	39,51,171	44,09,911
Balances with Scheduled Banks		
in Current Accounts	13,56,100	1,52,13,782
in Term Deposit Accounts	2,00,60,510	61,52,591
TOTAL	2,53,67,781	2,57,76,284
16: SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans and Advances	15,98,81,280	34,35,99,554
MAT Credit Entitlement	1,56,88,498	1,47,72,300
Advances to creditors for goods	-	2,85,123
TOTAL	17,55,69,778	35,86,56,977

NAVKAR BUILDERS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

Particulars	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
17 : INCOME FROM OPERATION		
Sale of Products	58,91,24,263	42,67,19,186
Less: Excise Duty	49,55,336	80,28,488
TOTAL	58,41,68,927	41,86,90,697
18 : OTHER INCOME		
Interest	8,09,339	6,34,698
Miscellaneous Income	1,01,709	2,05,395
Forward Contract Gain	21,29,304	-
Other Income	32,15,625	-
TOTAL	62,55,977	8,40,093
19 : COST OF MATERIAL CONSUMED		
Raw material consumed:		
Opening Stock of Raw Material	4,92,03,746	67,27,382
Purchase		
Cement	2,73,74,409	6,93,74,430
Others	37,88,90,849	13,05,09,153
	40,62,65,258	19,98,83,583
Less: Closing stock of Raw Material	6,56,87,725	4,92,03,746
Sub Total:	38,97,81,278	15,74,07,219
Manufacturing expenses		
a. Labour Charges	93,32,564	64,85,487
b. Electric Power, Fuel	1,38,22,739	2,70,33,324
c. Freights Inward, Loading and Unloading charges	2,73,64,579	7,75,47,497
d. Repairs and maintenance Expenses	89,60,948	1,24,97,083
Sub Total:	5,94,80,830	12,35,63,391
TOTAL	44,92,62,108	28,09,70,610
Changes in Inventories of Finished goods, W.I.P and Stock in Trade		
a Opening Stock:		
Finished Goods	70,74,161	6,82,239
Work-in-Progress	-	-
Total (a)	70,74,161	6,82,239
b Closing Stock:		
Finished Goods	77,52,432	70,74,161
Work-in-Progress	1,00,69,816	-
Total (b)	1,78,22,248	70,74,161
TOTAL (a+b)	(1,07,48,087)	(63,91,922)
19.1 : During the year, there were no imports of Raw materials, Stores and Spares.		

NAVKAR BUILDERS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

Particulars	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
20 :EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Allowances and Bonus	2,78,23,738	2,49,26,511
Staff Welfare Expenses	6,34,963	12,58,028
TOTAL	2,84,58,701	2,61,84,539
20.1 Directors Remuneration Paid during the year is Rs. 51,84,000 (Previous Year Rs.51,84,000)		
21 :FINANCE COST		
Interest Expenses	3,48,27,021	2,53,30,315
Other borrowing cost	26,04,480	12,06,539
TOTAL	3,74,31,501	2,65,36,855
22 : OTHER EXPENSES		
Advertisement and Sales Promotion	6,05,530	92,108
Freight Outward	22,45,483	8,95,539
Foreign exchange fluctuation loss	17,33,620	12,75,484
Rent	46,99,384	42,97,848
Rates and Taxes	29,35,036	1,23,00,912
Travelling Expenses	9,12,639	11,92,917
Communication Expenses	7,13,355	7,73,721
Payment to Auditor	2,24,720	1,12,360
Donation	10,000	-
Legal and Professional Expenses	9,47,807	8,07,744
Printing & Stationery	82,986	2,00,028
Insurance	8,42,170	3,35,887
Other Administrative Expenses	38,00,395	38,63,011
Bad debts written off	-	8,63,864
Loans and advances written off	-	15,84,374
Provision for diminution of investment	-	500
Loss on sale of fixed assets	-	1,10,867
TOTAL	1,97,53,124	2,87,07,164
22.1 : PAYMENT TO AUDITORS AS:		
(a) Auditor		
Statutory Audit Fees	1,68,540	84,270
Tax Audit fees	56,180	28,090
TOTAL	2,24,720	1,12,360
23. Earnings/ (Loss) per Share ('EPS')		
Particulars	April 1, 2013 to March 31, 2014	April 1, 2012 to March 31, 2013
Basic Earnings/(Loss) per share		
a Net Profit attributable to equity shareholders	3,51,10,054	2,99,50,683
b Weighted average number of equity shares	1,31,85,634	1,29,24,247
Basic Earning/(loss) per share of face value of Rs. 10/- each (a/b)	2.66	2.32
Diluted Earnings/(Loss) per share		
b Weighted average number of equity shares (b)	1,31,85,634	1,29,24,247
c Add: Potential weighted average equity shares that could arise on conversion on share warrants	-	2,62,500
d Weighted average number of equity shares for diluted EPS (d)=(b+c)	1,31,85,634	1,31,86,747
Diluted Earning/(loss) per share of face value of Rs. 10/- each (a/d)	2.66	2.27

NAVKAR BUILDERS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2014

NOTE - 10 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2013	Addition for the Year	Deduction for the Year	As at 31.03.2014	As at 01.04.2013	Addition for the Year	Deduction for the Year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Leasehold Land	1,76,83,796	12,07,000	-	1,88,90,796	-	-	-	-	1,88,90,796	1,76,83,796
Building	7,63,55,866	72,72,880	-	8,36,28,746	39,29,320	21,11,631	-	60,40,952	7,75,87,794	7,24,26,546
Plant & Machinery	26,12,51,793	3,48,75,000	-	29,61,26,792	2,93,85,330	1,25,33,199	-	4,19,18,529	25,42,08,264	23,18,66,463
Computer	8,47,175	2,99,100	-	11,46,275	3,50,691	1,32,950	-	4,83,642	6,62,633	4,96,484
Furniture & Fixtures	97,12,613	2,94,534	-	1,00,07,147	13,80,929	5,69,764	-	19,50,693	80,56,454	83,31,684
Vehicles	38,52,354	32,95,985	-	71,48,339	6,66,778	3,65,974	-	10,32,752	61,15,587	31,85,576
Total	36,97,03,597	4,72,44,499	-	41,69,48,095	3,57,13,049	1,57,13,518	-	5,14,26,567	36,55,21,528	33,39,90,547
Capital WIP									66,10,514	25,00,000
Previous Year	32,79,86,770	4,19,84,592	2,67,765	36,97,03,597	2,03,62,947	1,54,49,500	99,398	3,57,13,049	33,39,90,548	30,76,23,823

Notes:

1) Capital work in progress includes advances for capital goods Rs. 66,10,514/-

NAVKAR BUILDERS LIMITED
SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 1956, read with General Circular 15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs, in respect of section 133 of the Companies Act, 2013 under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

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 and disclosures relating to contingent 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.

Revenue from the Construction contracts is recognised on the basis of percentage of completion method as specified under AS 7 issued by the Institute of the Chartered Accountants of India. Accordingly the revenue is recognised after assessing the stage of completion as at the Balance Sheet date.

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.

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

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process, stores and spares, packing materials, trading and other products are determined on weighted average basis.

g) Investments

Long Term Investments are carried at cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

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) Excise Duty / Service Tax and Sales Tax / Value Added Tax

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided as also provision made for goods lying in bonded warehouses. Sales tax / Value added tax paid is charged to Profit and Loss account.

k) Income Tax

Tax expense for a year comprises of current tax, deferred 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.

Minimum Alternate Tax (MAT) credit is recognised as an asset when and to the extent there is a convincing evidence that the company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as asset in accordance with recommendations contained in the Guidance Note issued by Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay Income Tax higher than MAT during the specified period.

l) 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.

The number of equity shares and potentially dilutive equity shares are adjusted for share warrants as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at face value.

m) Segment Reporting-*

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

n) 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 assets are not recognized.

o) Hedging Contracts Disclosure

In respect of derivative contracts, premium paid gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account.

Notes on Financial Statements for the Year ended 31st March, 2014

24. 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.,
Yashnanad Engineers & Contractors,
Parshwa Texchem (I) P. Ltd,
Wild wood resorts & realties Pvt. Ltd
Anar Project Ltd

- b)** Associate Company

Navkar Fiscal Services Private Limited

- c)** Key management personnel

Dakshesh R. Shah,
Samir C. Patel

B. Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2014:

Particulars	Entities where KMP /RKMP has significant influence	KMP	Rs. In Lacs	
			Associate Company	
Transactions				
Loans / deposit received	183.50	Nil	Nil	
	(Nil)	(Nil)	(Nil)	
Sales	219.88	Nil	Nil	
	(160.99)	(Nil)	(Nil)	
Payment to Key Managerial Personnel	Nil	51.84	Nil	
	(Nil)	(51.84)	(Nil)	
Loans / deposits outstanding	91.61	Nil	20.16	
	(91.61)	(Nil)	(19.58)	

C. Disclosure of significant transactions with related parties

(Rs. In Lacs)

Type of the Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2014	2013
Advances given	Entities where KMP/ RKMP has significant influence	Parshva Alluminium Co. Ltd.	Nil	Nil
Advances given	Associate Company	Navkar Fiscal Services Private Limited	Nil	Nil
Sales	Entities where KMP/ RKMP has significant influence	Yashnanad Engineers & Contractors	219.88	160.99
Advances received	Entities where KMP/ RKMP has significant influence	Wild Wood Resorts & Realities Pvt. Ltd.	63.50	-
Advances received	Entities where KMP/ RKMP has significant influence	Parshwa Texchem (I) P. Ltd	120.00	-
Subscription to Convertible Warrants	Associate Company	Navkar Fiscal Services Private Limited	-	32.16
Forfeiture of Convertible Warrants	Associate Company	Navkar Fiscal Services Private Limited	32.16	-
Payment to Key Managerial Personnel	Key Managerial Personnel	Dakshesh R. Shah	25.92	25.92
	Key Managerial Personnel	Samir C. Patel	25.92	25.92

25. Disclosure as required by clause 32 of listing agreement with stock exchanges
(Rs. In Lacs)

Type of relationship	Name	Amount outstanding as at March 31, 2014	Maximum Amount outstanding during the year
Companies in which directors are interested	Parshva Alluminium Co. Ltd.	91.61	91.61
Companies in which directors are interested	Navkar Fiscal Services Private Limited	20.16	19.58
Total		111.77	111.19

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.
26. In opinion of the directors, contingent liability not provided is Rs. Nil. (Previous Year Rs. Nil)
27. Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (Nil).
28. 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.

As per our report of even date

For and on behalf of the Board of Directors of

For, J. B. Shah & Co.
Chartered Accountants
Firm Reg. No. 121333W

Navkar Builders Limited

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238
Place: Ahmedabad
Date: 29-05-2014

Sd/-
Samir Patel
Managing Director

Sd/-
Shailesh Shah
Director

Place: Ahmedabad
Date: 29-05-2014

25. Disclosure as required by clause 32 of listing agreement with stock exchanges
(Rs. In Lacs)

Type of relationship	Name	Amount outstanding as at March 31, 2014	Maximum Amount outstanding during the year
Companies in which directors are interested	Parshva Alluminium Co. Ltd.	91.61	91.61
Companies in which directors are interested	Navkar Fiscal Services Private Limited	19.58	19.58
Total		111.19	111.19

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.
26. In opinion of the directors, contingent liability not provided is Rs. Nil. (Previous Year Rs. Nil)
27. Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (Nil).
28. 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.

As per our report of even date

For and on behalf of the Board of Directors of

For, J. B. Shah & Co.
Chartered Accountants
Firm Reg. No. 121333W

Navkar Builders Limited

Sd/-
Jasmin B. Shah
Proprietor
M.No. 46238
Place: Ahmedabad
Date: 29-05-2014

Sd/-
Samir Patel
Managing Director

Sd/-
Shailesh Shah
Director

Place: Ahmedabad
Date: 29-05-2014



**Reg. Add: 407, Sarita Complex, Behind Hotel Classic Gold, C. G. Road,
Ahmedabad- 380009**

**ATTENDANCE SLIP
ANNUAL GENERAL MEETING – 30th September, 2014 AT 10.30 A.M.**

DP Id.		Client Id. / Ben. A/c.	
Folio No.		No. of Shares	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on 30th September, 2014 at 10.30 A.M. at 407, Sarita Complex, Behind Hotel Classic Gold, C. G. Road, Ahmedabad- 380009

Full Name of the Shareholder / Proxy (In Block Letter)

Signature

=====

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L45200GJ1992PLC017761

Name of the company: NAVKAR BUILDERS LIMITED

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

Name of the member (s)	
Registered address	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

I/We, being the member (s) of shares of the above named company, hereby appoint:

1. Name:
Address:
E-mail Id:
Signature:.....,or failing him,

2. Name:
Address:
E-mail Id:
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 30th day of September, 2014 at 10.30 A.M. at 407, Sarita Complex, Behind Hotel Classic Gold, C. G. Road, Ahmedabad- 380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2014		
2	Re-election of Mr. Shailesh Shah as a Director of the Company		
3	Re-election of Mr. Rameshchandra Patel as a Director of the Company		
3	Reappointment of M/s. J.B. Shah & Co. as Auditor & fix their remuneration		



Signed this..... day of..... 20....
Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If Undelivered, please return to:-
Sharepro Services (India) Pvt. Ltd.
Unit: Navkar Builders Limited
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ashram Road, Ellisbridge,
Ahmedabad – 380006