

**ANNEXURE TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED
31ST MARCH, 2011**

REPORT ON CORPORATE GOVERNANCE

(As required under Clause No. 49 of the Listing Agreement entered in to with the Stock Exchange)

1. The Company's philosophy on the code of Corporate Governance.

The Company strongly believes that the system of Corporate Governance protects the interest of all the Shareholders by calculating transparent business operations and accountability form management and monitor and ensures compliance with Law and Regulations.

2. Board of Directors.

The strength of the Board at the close of the financial year 2010-2011 was Three Directors, comprising of all the Three Directors as Non-Executive Directors. During the financial year under review i.e. 2010-2011 Ten Board Meetings were held on 3rd April, 2010, 30th April, 2010, 30th June, 2010, 8th July, 2010, 27th August, 2010, 15th September, 2010, 7th October, 2010, 5th January, 2011 and 20th March, 2011.

All the Directors were present to these Board Meetings.

Name of The Director	Category of Directorship	No. of Board Meeting attended	Attendance at the last AGM	No. of other Directorship held	No. of Committees of which Member of other companies
Mr. Pravin S. Lunkad	Chairman (NED) (P)	10	Yes	Nil	Nil
Mr. Prashant Kumbhare (*)	Director (NED)(I)	7	Yes	Nil	Nil
Mr. Gurasidhdapa Kalashetti(*)	Director (NED)(I)	7	Yes	Nil	Nil
Mr. Vilas Bagate (**)	Director (NED)(I)	3	No	Nil	Nil
Mr. Sambhaji genbhau satpute(**)	Director (NED)(I)	3	No	Nil	Nil
Mr. Umesh bomble (**)	Director (NED)(I)	3	No	Nil	Nil

(*) Appointed w.e.f. 30/06/2010

(**) Resigned w.e.f 30/06/2010

NED= Non Executive Director

P = Promoter Director

I= Independent Director

3. Audit Committee

The Audit Committee was constituted in June 2002. At close of financial year 2010-2011 i.e. as on 31st March, 2011 it comprises of three Directors, viz. Mr. Pravin S. Lunkad, Chairman Promoter Non Executive Director, Mr. . Prashant Kumbhare Non Executive Independent Director and Mr. Gurasidhdapa Kalashetti, Non Executive Independent Director. Audit Committee held total Four Meetings during the Financial Year under review, on 30th April, 2010, 8th July, 2010, 7th October, 2010, 5th January, 2011. All the members were present to all Meetings. The terms of reference of the Audit Committee includes the matters specified in Clause 49 (II) of Listing Agreement with Stock Exchanges.

4. Remuneration Committee

The Remuneration Committee was constituted in June 2002, which at present comprises of Mr. Pravin S. Lunkad, Chairman Promoter Non Executive Director, Mr. . Prashant Kumbhare Non Executive Independent Director and Mr. Gurasidhdapa Kalashetti, Non Executive Independent Director. However as the Company does not have any Executive Directors and the Managerial staff, it did not meet during the Year under report.

5. Shareholder's / Investor's Grievance Committee

The Shareholder's / Investor's Grievance Committee was constituted in June 2002. At close of financial year 2010-2011 i.e. as on 31st March, 2011 it comprises of three Directors, viz. Mr. Pravin S. Lunkad, Chairman Promoter Non Executive Director, Mr. . Prashant Kumbhare Non Executive Independent Director and Mr. Gurasidhdapa Kalashetti, Non Executive Independent Director. As the Shares of the Company are suspended for trading w.e.f. 10th September, 2001 there are no transfers, payment of Dividend and as such there are hardly any complaint Letters received by the Company. The details of complaints received and resolved are NIL. The numbers of pending share transfers are NIL.

6. General Body Meetings

Details of Last Three Annual General Meetings held:

The 17th, 18th and 19th Annual General Meetings were held by the Company at its Registered Office on 29th September, 2008, 29th September 2009 and 29th September, 2010. There were no Special Resolutions required to be passed through Postal Ballot at any of the above Annual General Meetings.

7. Disclosures

There are no materially significant transactions made by the Company with its Promoters, Directors, Relatives or the Management which have potential conflict with the Interest of the Company at large. There were no penalties strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter relating to Capital markets during the last three years.

8. Particulars of Directors eligible for reappointment

Mr. Pravin Lunkad, Age 56 years who seeks reappointment in the ensuing Annual General Meeting is the Director of the Company.

Sr. No.	Name of the Director / Qualification (Age)	Shareholding in the Company (No. of equity Shares held)	Committee Positions in the Company	Relationship with other Directors if any	Directorships held in other companies/ Committee positions held in other companies
1	Mr. Pravin Lunkad Bcom Age: 56 Years	28,76,100	1	Nil	Nil

9. Means of Communication

. Half yearly / Quarterly Results: The results of the Company are not published in the newspapers; half yearly / Quarterly results are not sent to each household of shareholders.

. Website:

The Company's Website www.navcomindustries.com is under construction.

. Presentation to Institutional Investors or Analysis's.

No presentations were made to Institutional Investors or to Analysts during the year under review.

. MD&A Reports

The Management Discussion and Analysis Report attached separately is a part of the Annual Report.

10. General Shareholder Information

AGM: - Date, Time and Venue

20th Annual General Meeting on 29th September, 2011 at 11.30 A. M at the Registered Office of the Company.

Financial Calendar April – March

Date of book closure 24/09/2011 to 29/09/2011

Dividend Payment Dates Not Applicable since Company has not declared any Dividend

Listing on Stock Exchanges The Company's Shares are presently listed on Mumbai, Pune, Ahmedabad and Delhi Stock Exchanges. The Annual Listing Fees of these Stock Exchanges have not been paid since 2001. The Trading of the Shares on Mumbai Stock Exchange has been suspended w.e.f 10th September, 2001.

BSE Stock Code 519200

ISIN Number The Company has not applied to NSDL & CDSL the Depositories for Dematerialization of Shares.

Market Price Data & Price during Financial Year under Report, Performance in comparison To BSE Sensex.	The Shares of the Company are suspended from Trading on Mumbai Stock Exchange w.e.f 10 th September, 2001 and hence Not Applicable.
Share Transfer Agents	Satellite Corporate Services Private Limited B-302 Sony Apartments. Opp. St. Jude High School Jari Mari, Sakinaka Mumbai 400 072 Phone:- 022 285 20461 E-mail ID:- service @satellitecorporate.com
Address for Correspondence:	Nav Maharashtra House. 5 th Floor 43 Shaniwar Peth, Opp. Shaniwar Wada Pune – 411030
Email Id	pslnmcom@pn3.vsnl.net.in
Phone	020-32944144

Distribution of shareholding: The shareholding pattern as of 31/03/2011 is as follows:
& shareholding pattern

Category	No. of Shares	%
Promoters & their Relatives	42,25,200	47.81
Resident Individuals	33,69,997	38.14
Mutual Funds & UTI	6,65,300	7.53
Private Corporate Bodies	26,800	0.30
Banks / Financial Institutions	3,41,300	3.86
NRIS / OCBs	2,08,400	2.36
TOTAL	88,36,997	100

Plant Location The Company at present does not have any Plant/Factory

11. Monthly High and low quotations along with the volume of shares traded at Bombay Stock Exchange Ltd., during 2010-2011:

The Shares of the Company are suspended from Trading on Mumbai Stock Exchange w.e.f 10th September, 2001 and hence Not Applicable.

12. Dematerialisation of Shares : Nil

13. The Company has not issued any GDR/ADR Warrants or any Convertible Instruments.

CEO CERTIFICATION

I, Pravin Lunkad, Chairman of the Company, responsible for the finance function certify that:

a) We have reviewed the financial statements and cash flow statements for the year ended March 31, 2011 and to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

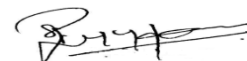
ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2011 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference
ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Navcom Industries Limited



Pravin Lunkad
Chairman

Place: Pune
Date: 20th August, 2011

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

To the members of NAVOM INDUSTRIES LIMITED

Pursuant to clause 49 I (D) (ii) of the Listing Agreement, I hereby declare that all the Board Members and senior management Personnel are aware of the Code of Conduct laid down by the Board as made effective by the Management. All Board Members and senior management Personnel have affirmed compliance with the Code of Conduct.

For Navcom Industries Limited



Pravin S. Lunkad
Chairman

Place: Pune

Date: 20th August, 2011

AUDITORS REPORT ON CORPORATE GOVERNANCE

To,
The Members of
Navcom Industries Limited.

We have examined the compliance of the conditions of Corporate Governance by Navcom Industries Ltd., for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

In our opinion and to the best of our information and explanations given to us the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement in all material respect.

We state that no investor grievance are pending for period exceeding one month against Company as per the record maintained by the Share Holders/ 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 Prakash E. Humbad
Chartered Accountants

Place: Pune
Date: 20th August, 2011

Prakash E. Humbad
Partner
M. No. 112453