

**NAVCOM INDUSTRIES LIMITED**  
**B-12 CHICHOLI MIDC**  
**PUNE SOLAPUR ROAD, SOLAPUR 413006**

**NOTICE**

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of the Shareholders of Navcom Industries Limited will be held on Monday, 29<sup>th</sup> day of September, 2008 at 11.30 A.M. at the Registered Office of the Company at B-13 Chicholi MIDC, Pune Solapur Road, Solapur 413006, to transact the following business :-

- 1) To receive consider and adopt the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2008, together with the Director's Report and the Auditor's Report thereon.
- 2) To appoint a Director in place of Mr. Vilas Bagate, who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Auditors for the current year and to fix their remuneration.

By Order of the Board of Directors  
Navcom Industries Limited



Pravin Lunkad  
Director

Place :- Pune  
Date :- 25/08/2008

NOTES :-

1. A MEMBER ENTITLED TO ATTEND & VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY

**NAVCOM INDUSTRIES LIMITED**  
**B-12 CHICHOLI MIDC,**  
**PUNE SOLAPUR ROAD, SOLAPUR 413006.**

**DIRECTOR'S REPORT**

To,  
The Members,

The Directors have pleasure in presenting the 17<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2008.

**REVIEW OF OPERATIONS**

During the year under Report, the Sales of the Company were Rs. 5.30 Lacs and the Company suffered the Net Loss of Rs. 6.17 Lacs.

**DIRECTORS**

Pursuant to the provisions of Articles of Association Mr. Vilas Bagate the Director retires by rotation, and being eligible offers himself for re-appointment. .

**AUDITORS**

The present Auditors V. S. Mehta & Co., Chartered Accountants will retire at the conclusion of this Annual General Meeting. They have expressed their willingness to continue for the current year. You are requested to reappoint them and to fix their remuneration.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217 (2AA) as amended by the Companies (Amendment) Act, 2000 the Directors hereby state:

- a) that while preparing the annual accounts for the period ended 31st March, 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period.
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that the Directors had prepared the annual accounts on a going concern basis.

#### **PARTICULARS OF EMPLOYEES**

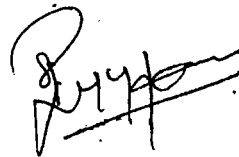
The statement under Section 217(2A) of the Companies Act, 1956 is not furnished as none of the Employees have drawn salary above the limits prescribed therein.

#### **ADDITIONAL INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956**

Information required in respect of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is NIL.

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By Order of the Board of Directors  
Navcom Industries Limited



Pravin Lunkad  
Director

Place :- Pune

Date :- 25/08/2008

**ANNEXURE TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH, 2008**

**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 2007-2008 was Four Directors, comprising of all the Four Directors as Non-Executive Directors. During the financial year under review i.e. 2007-2008 Nine Board Meetings were held.

All the Directors were present to these Board meetings.

**3. Audit Committee**

The Audit Committee was constituted in June 2002. At close of financial year 2007-2008 i.e. as on 31<sup>st</sup> March, 2008 it comprises of three Directors. Audit Committee held total Four Meetings during the Financial Year under review. 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. 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 2007-2008 i.e. as on 31<sup>st</sup> March, 2008 it comprises of three Directors. As the Shares of the Company are suspended for trading w.e.f. 10<sup>th</sup> 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 14<sup>th</sup>, 15<sup>th</sup> and 16<sup>th</sup> Annual General Meetings were held by the Company at its Registered Office on , 30<sup>th</sup> September, 2005, 30<sup>th</sup> September, 2006, and 29<sup>th</sup> September 2007. 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. Vilas Bagate, Age 33 years seeks reappointment in the ensuing Annual General Meeting. His particulars are as under:-

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. Vilas Bagate Age: 33	Nil	3	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 does not have any Website.

- . 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 is a part of the Annual Report.

## 10. General Shareholder Information

AGM: - Date, Time and Venue

17<sup>th</sup> Annual General Meeting on 29<sup>th</sup> September, 2008 at 11.30 A. M at the Registered Office of the Company.

Financial Calendar April – March

Date of book closure 25/09/2008 to 29/09/2008

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 10<sup>th</sup> 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 <sup>th</sup> September, 2001 and hence Not Applicable.
Share Transfer Agents	The Company so far has not appointed any Share Transfer Agents
Address for Correspondence:	Nav Maharashtra House, 5 <sup>th</sup> Floor 43 Shaniwar Peth, Pune - 411030
Email Id	pslnmcom@pn3.vsnl.net.in
Phone	020-32944144

Distribution of shareholding: The shareholding pattern as of 31/03/2008 is as follows:  
& shareholding pattern

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
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
<b>TOTAL</b>	<b>88,36,997</b>	<b>100</b>

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 2007-2008:**

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

## 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 31<sup>st</sup> March, 2008 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.

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For V. S. Mehta  
Chartered Accountants

Place: Pune  
Date: 25<sup>th</sup> August, 2008

V. S. Mehta  
Partner  
M. No. 32042



## AUDITOR'S REPORT

To,

**The Members of NAVCOM INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of **NAVCOM INDUSTRIES LIMITED** as at 31<sup>st</sup> March 2008, and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit *except in some cases confirmation of balances of Debtors, Creditors, banks and other parties under Loans and Advances*
4. In our opinion proper books of account as required by law have been kept by the Company.
5. In our Opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Company's Act, 1956.
6. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of Account.
7. On the basis of the written representations, etc. received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
8. In our opinion and to the best of our knowledge and according to the information and explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2008 ;
- ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- iii) In case of Cash Flow Statement, of cash flows for the year ended on that date.

9. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:

(i) (a) The company has maintain record showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management at the year-end and no discrepancies have been noticed.

(ii) Since there being no inventory, question of physically verification and maintenance of its records does not arise.

(iii) As per information and explanation given, the Company has not granted / taken loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the explanations given to us, there exist an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventory and with regard to sale of goods.

(v) (a) On the basis of the audit procedures performed by us, and according to the information, explanation and representation given to us, we are of the opinion that, the transactions required to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lakh in respect of any party during the year have been made at price which are reasonable having regard to prevailing market price at the relevant time.

(vi) The Company has not accepted any deposits from the public.

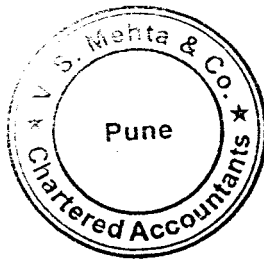
(vii) In our opinion, company's internal audit system is commensurate with size and nature of its business.

- (viii) Since there is no manufacturing activity during the year, maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us the Company is *generally* regular in depositing undisputed statutory dues with the appropriate authorities, relating to sales tax, service tax, income tax and other statutory dues as applicable and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2008, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues outstanding of sales tax, income tax under Income Tax Act, 1961 ('IT Act'), custom duty, wealth tax, excise duty under Central Excise Act, 1944 ('Excise Duty') except as stated under contingent liability in note no 1 in sch 4 to accounts.
- (x) Accumulated losses of the Company at the end of the financial year are more than fifty per cent of its net worth. The company has achieved cash profit during the financial year however there was a cash loss in the financial year immediately preceding the financial year.
- (xi) According to the information and explanation given to us, the Company has not granted loans or advances on the basis of security by way of pledge or shares, debentures and other securities.
- (xii) According to the information and explanation given to us and in our opinion, the Company is not a chit fund or nidhi mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) According to the information and explanation given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanation given to us, during the year no term loans were raised and as regards for earlier years the term loans were applied for the purpose for which the same were obtained.
- (xvi) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that, *prima facie*, no funds raised on short-term basis have been used for long-term investments.

- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- (xviii) The company has not issued any debenture during the year.
- (xix) The Company has not raised money through any public issue during the year.
- (xx) According to the information and explanation given to us no fraud on or by the company has been noticed or reported during the year.
- (xxi) The other clauses of the CARO are not applicable to the company.

**For V.S.MEHTA & CO.  
Chartered Accountants**

*V.S. Mehta*  
**V.S.MEHTA**  
Partner, M. No.32042  
**Place : Pune**  
**Date : 25<sup>th</sup> August 2008.**



# NAVCOM INDUSTRIES LIMITED

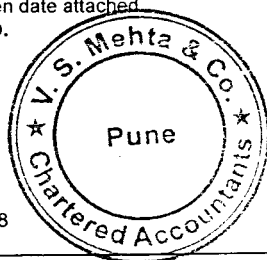
BALANCE SHEET AS AT 31ST MARCH, 2008

	SCHEDULE	31ST MARCH, 2008		31ST MARCH, 2007
		RUPEES	RUPEES	RUPEES
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	A	82,348,470		82,348,470
Reserves & Surplus	B	85,703,500		85,703,500
			168,051,970	168,051,970
	TOTAL		168,051,970	168,051,970
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	C	121,750		121,750
Less: Depreciation		26,881		24,205
Net Block			94,869	97,545
<b>Investments</b>				
	D		98,950	98,950
<b>Current Assets, Loans &amp; Advances</b>				
Interest Accrued	E	2,599,013		2,599,013
Sundry Debtors		684,784,600		684,219,613
Cash & Bank Balances		18,131,310		18,771,747
Loans, Advances & Deposits		287,211,673		287,221,257
		992,726,596		992,811,630
<b>Less: Current Liabilities and Provisions</b>	F	1,185,460,827		1,184,931,638
<b>Net Current Assets</b>			(192,734,231)	(192,120,008)
Profit and Loss Account	G		360,592,382	359,975,483
	TOTAL		168,051,970	168,051,970
<b>Contingent Liabilities</b> (Note 1, Schedule 4)				
<b>NOTES ON ACCOUNTS</b>				
	4			

As per our report of even date attached  
FOR V.S. MEHTA & CO.  
Chartered Accountants

*V.S. Mehta*  
V.S. MEHTA  
Partner  
Pune

Date : 25<sup>th</sup> August 2008



For and on behalf of the Board of Directors

*V.P. Bomble*  
UMESH P. BOMBLE  
Director  
Pune

Date : 25<sup>th</sup> August 2008

*Sambhaji G. Satpute*  
SAMBHAJI G. SATPUTE  
Director

# NAVCOM INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008

	31ST MARCH, 2008		31ST MARCH, 2007
	RUPEES	RUPEES	RUPEES
<b>SCHEDULE A - SHARE CAPITAL</b>			
<b>Authorised</b>			
1,50,00,000 Equity Shares of Rs. 10/- each		<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued and Subscribed</b>			
88,36,997 Equity shares of Rs. 10/- each		<u>88,369,970</u>	<u>88,369,970</u>
<b>Paid up</b>			
88,36,997 Equity Shares of Rs. 10/- each		88369970	88,369,970
Less : Calls in Arrears		6021500	6,021,500
		<u>82,348,470</u>	<u>82,348,470</u>
<b>SCHEDULE B - RESERVES &amp; SURPLUS</b>			
Share Premium			
As per last Balance Sheet		101,268,000	101,268,000
Less : Calls In Arrears		18,064,500	18,064,500
		<u>83,203,500</u>	<u>83,203,500</u>
Capital Incentive		2,500,000	2,500,000
General reserve			
As per last Balance Sheet		-	14,900,000
Less - Adjusted against debit balance of Profit and Loss Account		-	14,900,000
		<u>85,703,500</u>	<u>85,703,500</u>

NAVCOM INDUSTRIES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008

SCHEDULE C : FIXED ASSETS

PARTICULAR	GROSS BLOCK		AS AT 31/03/08 RUPEES	AS AT 1,4.07 RUPEES	DEPRECIATION		NET BLOCK	
	AS AT 1,4.07 RUPEES	ADDITIONS DURING THE YEAR RUPEES			DEDUCTION DURING THE YEAR RUPEES	AS AT 31/03/08 RUPEES	ADDITIONS DURING THE YEAR RUPEES	DEDUCTION DURING THE YEAR RUPEES
LEASEHOLD LAND	121,750	-	121,750	24,207	2,676	-	94,867	97,543
	236,415,930	-	121,750	123,223,861	2,676	123,199,656	94,867	97,543
previous year	239,355,773	-	121,750	123,561,717	-	123,537,512	97,543	NIL

	31ST MARCH 2008 RUPEES	31ST MARCH 2007 RUPEES
<b>SCHEDULE D - INVESTMENTS</b>		
Long Term (At Cost, unquoted, Non-trade)		
2,160 (Previous year 1,080) Fully paid Shares of Rs. 25/- each in Shetkari Sahakari Bank Ltd.	54,000	54,000
25 (Previous year 25) Fully paid Shares of Rs. 10/- each in Greater Bombay Co-operative Bank Ltd.	250	250
Kisan Vikas Patra	1,000	1,000
National savings Certificates (kept as Security Deposit with Government / other Authorities )	43,700	43,700
	<u>98,950</u>	<u>98,950</u>
Note :		
Aggregate Face value of shares	54,250	54,250



# NAVCOM INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008

	31ST MARCH, 2008		31ST MARCH 2007
	RUPEES	RUPEES	RUPEES
<b>SCHEDULE E - CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Interest Accrued		2,599,013	2,599,013
<b>Sundry Debtors</b> (Unsecured, considered Good, Over six months)		684,784,600	684,219,613
<b>Cash &amp; Bank Balances</b>			
Cash on Hand	378,126		378,126
Balances with Scheduled Banks			
In Current Accounts	2,193,181		2,808,202
In Fixed Deposit	15,551,252		15,551,252
In Current Accounts			
With Shetkari Co-Op. Bank Ltd. *	3,410		28,826
With Solapur Gramin Bank LTD. *	5,341		5,341
With Solapur nagari audyog sah bank mydt	-		-
(* Refer Note No. 9 in Schedule 4)		18,131,310	18,771,748
<b>Loans, Advances and Deposits</b> (Unsecured, considered Good) Advances recoverable in cash or in kind or for value to be received			
For Expenditure	287,270,120		287,270,120
Advance Tax (Net)	(425,963)		(425,963)
Deposits	367,515		377,100
		287,211,673	287,221,257
		<u>992,726,596</u>	<u>992,811,631</u>

# NAVCOM INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2008

	31st MARCH, 2008 RUPEES	31st MARCH 2007 RUPEES
<b>SCHEDULE F - CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities		
Sundry Creditors	1,008,818,402	1008289213
Advances Received	116,940,299	116940299
Unclaimed Dividend	71,750	71750
Retention Money	325,134	325134
Dues to Directors	59,263,685	59263685
Bank Balances Overdrawn	41,557	41557
	<u>1185460827</u>	<u>1184931638</u>
	<u>1185460827</u>	<u>1184931638</u>
<b>SCHEDULE G - PROFIT AND LOSS ACCOUNT</b>		
Balance Brought Forward From Profit and Loss Account	360592382	852110248
Less : Adjusted Against General Reserve	0	14900000
Less : Adjusted Against Capital Reserve	0	477234765
	<u>360592382</u>	<u>359975483</u>
	<u>360592382</u>	<u>359975483</u>

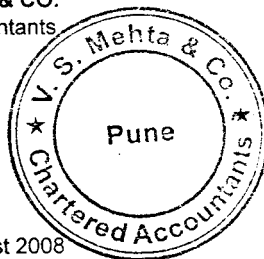
**NAVCOM INDUSTRIES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

	SCHE- DULE	2007-2008 RUPEES	2006-2007 RUPEES
<b>INCOME</b>			
Sales		529,989	400,950
Interest		-	85,365
Other Income		-	967,394
	TOTAL	529,989	1,453,709
<b>Expenditure</b>			
Cost of Goods sold	1	520,190	392,040
Payments to and Provisions for Employees	2	-	22,700
Other Expenses	3	624,022	71,511,722
Depreciation		2,676	-
	TOTAL	1,146,888	71,926,462
Loss for the year		(616,899)	(70,472,753)
Earlier Years Expenses (Net)		-	-
Balance Brought forward from Previous Year		(359,975,483)	(289,502,730)
Balance carried to Balance sheet		(360,592,382)	(359,975,483)
NOTES ON ACCOUNTS	4		

As per our report of even date attached  
For **V.S.MEHTA & CO.**  
Chartered Accountants

*V.S. Mehta*  
**V.S.MEHTA**  
Partner



Pune  
Date : 25<sup>th</sup> August 2008

For and on behalf of the Board of Directors

*U.P. Bomble*  
**UMESH P. BOMBLE**  
Director

*Sambhaji G. Satpute*  
**SAMBHAJI G. SATPUTE**  
Director

Pune  
Date : 25<sup>th</sup> August 2008

## NAVCOM INDUSTRIES LIMITED.

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 2008

	2007-2008	2006-2007
	RUPEES	RUPEES
<b>SCHEDULE 1 - COST OF GOODS SOLD</b>		
Opening Stock	0	-
Add : Purchases	520190	392,040
	520190	392,040
Less: Closing Stock	0	-
	<b>520190</b>	<b>392,040</b>
<b>SCHEDULE 2 - PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries Wages, Allownce, etc.	0	1,700
Gratuity	0	21,000
	<b>0</b>	<b>22,700</b>

## NAVCOM INDUSTRIES LIMITED.

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH, 2008

	2007-2008 RUPEES	2006-2007 RUPEES
<b>SCHEDULE 3 - OTHER EXPENSES</b>		
Legal & Professional Fees	5000	5,000
Bank commission, Finance Charges	0	148
Other Expenses (including office expenses, filing fees etc.)	4000	-
Loss on sale of asset	0	52,960,197
Balance W/off	615022	18,546,376
	<u>624022</u>	<u>71,511,722</u>

# NAVCOM INDUSTRIES LIMITED

## SCHEDULE 4 : NOTES ON ACCOUNTS

### NOTES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2008 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	2007-2008 RUPEES	2006-2007 RUPEES
1. Contingent Liabilities :		
a) Claims against Company not acknowledged as debts.	*	*
*cannot be ascertained for want of adequate record		
2. Payments provided or made during the year		
Directors		
Meeting fees	* Nil	* Nil
* In view of the heavy losses suffered by the Company, directors of the Company have decided not to accept the meeting fees.		
3. Amount paid and/or provided to the Auditors:		
Audit Fees	5000	5000
4. Taxes on Income:		
The Company provides tax liability on the basis of current tax and deferred tax. Since company being a sick and having unabsorbed depreciation and other available deductions, the Company is not liable for Income Tax as well as Tax on profit under section 115 JB of the Income Tax Act, 1961 . Therefore, no provision for current tax liability has been made. As regards deferred tax, no asset has been recognized because of uncertainty of its realization.		
5. Necessary provisions for revenue and expenses have been made in the accounts on the basis of the available record and estimate of the management.		
6. Sick Company :		
The Company has become a 'sick industrial company' within the meaning of provisions of Section 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985.		

7. Earnings Per Share:

	Rupees	Rupees
Basic and Diluted Earnings Per Share	-0.070	-7.97

8. Related Party Disclosure:

Related Party Disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

A] Description of Relationship

Key Management Personnel

-- --

B] No transactions were carried out with related parties in the ordinary course of business.

9. Particulars of Banks with Non-Scheduled Bank ( No interested Director )

	2007-08	2006-07
<b>Solapur Gramin Bank</b>		
Maximum Balance During the Year	Rs.5341.49	Rs.5341.49
<b>Vasantdada Shetkari Sah. Bank</b>		
Maximum Balance During the Year	Rs.34833.62	Rs.28825.62

10. Stocks & Sale of Goods.

	(Qty in KG)	
	2007-08	2006-07
	Feed Supplement	Feed Supplement
<b>Purchases</b>		
Quantity	23645	2970
Value	Rs. 520190	Rs. 392040
<b>Sales</b>		
Quantity	23645	2970
Value	Rs. 529989	Rs. 392040

11 Figures for previous year have been regrouped wherever considered necessary and practicable.

12 Significant Accounting Policies

12.1 Accounting System

1] The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2] Financial statements are based on historical cost. These costs are not adjusted to reflect impact of changing value in the purchasing power of money.

## 12.2 Revenue Recognition

Sale of goods is recognized on shipment or dispatch to customer, sale of goods on Consignment basis is recognized on sale of the relative goods by consignee.

## 12.3 Fixed Assets and Depreciation

1] Fixed Assets are stated at cost less depreciation. Cost comprises cost of acquisition or construction and other attributable costs. Administrative Expenses and interest up to the date of commencement of production are capitalized in proportion of cost of major assets.

2] Expenditure on leasehold land is amortized over the period of its tenure.

## 12.4 Investment

Investments are stated at cost.

## 12.5 Inventories

Stocks of raw materials, packing materials, stores, spares and fuel are stated at cost and are valued on FIFO basis. Goods in transit in bonded warehouse are valued at costs incurred till the year end. Goods in process are stated at estimated cost ascertained by reducing gross margin, if any from the estimated selling price. Finished goods are valued at cost or selling price whichever is lower, wherein cost includes material costs, labour and Factory overheads.

## 12.6 Sundry Debtors, Advances and Deposits

Balances considered irrecoverable are written off and those considered doubtful are provided for.

## 12.7 Contingent liabilities :

Contingent Liabilities are disclosed in the accounts by way of giving note and giving nature of liability and its quantum , if ascertained.

## 12.8 Deferred Revenue Expenses

Revenue expenses of a substantial magnitude which are expected to benefit for some years in future are charged to Profit & Loss Account over numbers of years considering relative benefit of the expenditure.



13 Retirement benefits.

Retirement benefits to employees are provided for by payments to provident fund and by payment of gratuity on retirement of employees after putting in qualifying years of service.

14 Taxation:

Taxes include current taxes and deferred taxes. Current tax is based on tax payable in respect of taxable income for the year.

Deferred tax is computed on the basis of timing differences between book and tax profits for the year and is accounted for using the prevailing tax rates and law. Deferred tax assets arising from temporary timing differences are recognized to the extent there is a reasonable certainty about its realization in future.

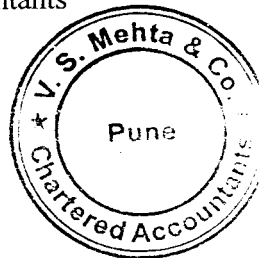
15. In view of uncertainty of realization, no provision for deferred tax asset has been made in the accounts

Signatures to Schedules A to I and 1 To 6

As per our report of even date attached  
**V.S. MEHTA & CO.**  
Chartered Accountants

For and on behalf of the  
Board of Directors

*V.S. Mehta*  
**V.S. MEHTA**  
Partner  
Pune 25<sup>th</sup> August 2008

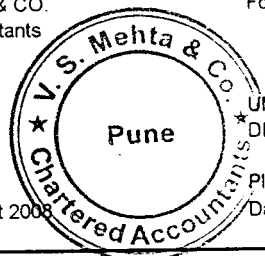


*U.P. Bomble*  
**UMESH P. BOMBLE** **SAMBHAJI G. SATPUTE**  
Director Director  
Pune, 25<sup>th</sup> August 2008

NAVCOM INDUSTRIES LIMITED		2007-2008
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2008		Rupees
<b>(A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	-616899
	ADJUSTMENTS FOR DEPRECIATION	2676
	INTEREST AND FINANCIAL CHARGES	0
	PRELIMINARY EXPENSES AMORTISED	0
	LOSS ON SALE OF ASSETS	0
	INTEREST & DIVIDEND INCOME	0
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-614223
	LESS:ADJUSTMENTS FOR:	
	TRADE & OTHER RECEIVABLES	-555403
	INVENTORIES	0
	TRADE PAYABLES	529189
	CASH GENERATED FROM OPERATIONS	(640437)
	INTEREST PAID	0
	CASH INFLOW / (OUTFLOW) BEFORE EXTRAORDINARY ITEMS	(640437)
	EXTRAORDINARY ITEMS	
	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(640437)
<b>(B)</b>	<b>CASH FLOW INVESTING ACTIVITIES :</b>	
	PURCHASES OF FIXED ASSTES	0
	SALE OF FIXED ASSTES	0
	SALE/(PURCHASE) OF INVESTMENTS	0
	INTEREST & DIVIDEND RECEIVED	0
	NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES	0
<b>(C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
	PROCEEDS FROM ISSUE OF SHARE CAPITAL	0
	SHARE CAPITAL	0
	SHARE PREMIUM	0
	PROCEEDS OF CAPITAL INCENTIVE SUBSIDY	0
	PROCEEDS FROM LONG TERM BORROWING	0
	NET CASH INFLOW / (OUTFLOW) GENERATED IN FINANCING ACTIVITIES	0
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	(640437)
	CASH AND CASH EQUIVALENTS AS AT 01.04.2007 (OPENING BALANCE)	18771747
	CASH AND CASH EQUIVALENTS AS AT 31.03.2008 (CLOSING BALANCE)	18131310

For V.S.MEHTA & CO.  
Chartered Accountants

*V.S. Mehta*  
V.S.MEHTA  
Partner



For and on behalf of the Board of Directors

*V.P. Bomble*  
UMESH P. BOMBLE  
DIRECTOR

*Sambhaji G. Satpute*  
SAMBHAJI G. SATPUTE  
DIRECTOR

Place : Pune

Date : 25<sup>th</sup> August 2008

Place : Pune

Date : 25<sup>th</sup> August 2008