

# **NAVCOM INDUSTRIES LIMITED**

Address:  
43 NAV MAHARASTRA HOUSE  
SHANIWAR PETH  
PUNE - 411 030

TRUE COPY

**PAN NO: AAACN6433D**

ANNUAL REPORT

FOR

FINANCIAL YEAR: 2010 - 2011

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

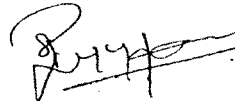
**NOTICE**

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of the Shareholders of Navcom Industries Limited will be held on Thursday, 29<sup>th</sup> day of September, 2011 at 11.30 A.M. at the Registered Office of the Company at B-12 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 2011, together with the Director's Report and the Auditor's Report thereon.
- 2) To appoint a Director in place of Mr. Pravin Lunkad, 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.

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By Order of the Board of Directors  
Navcom Industries Limited



Pravin Lunkad  
Director

Place :- Pune  
Date :- 20/08/2011

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
2. Notice is also given that the Register of Members and Share Transfer Books in respect of Equity Shares of the Company will remain close from Saturday, 24<sup>th</sup> September, 2011 to Thursday 29<sup>th</sup> September, 2011 (both days inclusive).

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

**DIRECTOR'S REPORT**

To,  
The Members,

The Directors present herewith the 20<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

**REVIEW OF OPERATIONS**

During the year under Report, the Sales of the Company were Rs. 5.82 Lacs and the Company suffered the Net Loss of Rs. 0.62 Lacs.

**MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

Management Discussions & Analysis have been separately dealt with and a separate Report is attached herewith.

**DIVIDEND**

Considering the Losses incurred by the Company the Directors do not recommend any Dividend.

**FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits.

**DIRECTORS**

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

**AUDITORS**

The Shareholder of Company in their Extra Ordinary General Meeting held on Wednesday 27<sup>th</sup> April, 2011 appointed 'Prakash E. Humbad & Co.', Chartered

Accountants as the new Auditors of the Company, in place of the casual vacancy caused due to the resignation of the earlier Auditors V. S. Mehta & Co. Chartered Accountants.

The term of appointment of 'Prakash E. Humbad & Co.', Chartered Accountants having Firm Registration Number 122956W will expire at the conclusion of the forthcoming 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.

### **AUDITORS' QUALIFICATION**

The Directors are of the opinion that the Auditors Qualification in respect of AS 22 are not applicable to the Company, considering the nature of transactions.

### **CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE**

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out and are annexed hereto. A Certificate from the Auditor of the Company certifying compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is also attached thereto.

### **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, 2011, 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.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earned :- Rs. Nil

Foreign Exchange outgo :- Rs. Nil

**DISCLOSURE UNDER STOCK EXCHANGE REQUIREMENTS**

The Equity Shares of the Company are listed on Stock Exchange Mumbai, The Pune Stock Exchange Ltd., Ahmedabad Stock Exchange, and Delhi Stock Exchange Association Ltd.

The Company has not paid the Listing Fees of these Stock Exchanges.

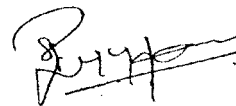
The trading of the Equity Shares on Stock Exchange Mumbai has been suspended since 10<sup>th</sup> September, 2001. All possible steps are being taken by the management to get shares traded at the floor of the Exchange.

**ACKNOWLEDGEMENT**

The Directors place on record their appreciation for the co-operation and support extended by the Shareholders and Well Wishers during these difficult days.

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By Order of the Board of Directors  
Navcom Industries Limited



Place :- Pune  
Date :- 20/08/2011

Pravin Lunkad  
Director

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Structure of the Company and thrust of the Business:**

The activities of the Company have been suspended on take over of all its Assets by the Bankers of the Company, on turning of the Credit facilities of the Company as NPA. The Debt Recovery Tribunal (DRT) has sold all the Assets of the Company including its Factory Land and Building and Plant & Machinery.

As such there is no major business activities carried out by the Company. The Company is looking after the proper time and opportunity to re-start the business activities.

### **Risks, Concerns and Outlook:**

The Promoters of the Company have experience in Oil & Food Industry and they are looking for the business opportunities in the same line. However as the Net worth of the Company is negative and the Company is facing liquidity problems there is risk and concern on the overall revival of the Company. However the Promoters are keen to revive the Company by best possible alternatives.

### **Internal Control Systems and its adequacy:**

At present the volume of the business of the Company is low and does not call for stringent internal controls and systems. However as the business of the Company will grow, the management will ensure that proper and effective systems are in place. The Company will strengthen the controls with the help of Professionals in the line.

### **Human Resource and Industrial Relations:**

The Promoters of the Company have rich experience as regards Human Resource and Industrial Relations. Once the activities of the Company are put in line and the Plans are finalised the management will take due care to appoint experts in the respective fields and will ensure that manpower development is strengthened.

### **CAUTIONARY STATEMENT:**

Statements made in this 'Management Discussion and Analysis Report' describing the Company's Projections, estimates, expectations or predictions may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**ANNEXURE TO THE DIRECTOR'S REPORT FOR THE YEAR ENDED  
31<sup>ST</sup> 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 3<sup>rd</sup> April, 2010, 30<sup>th</sup> April, 2010, 30<sup>th</sup> June, 2010, 8<sup>th</sup> July, 2010, 27<sup>th</sup> August, 2010, 15<sup>th</sup> September, 2010, 7<sup>th</sup> October, 2010, 5<sup>th</sup> January, 2011 and 20<sup>th</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> April, 2010, 8<sup>th</sup> July, 2010, 7<sup>th</sup> October, 2010, 5<sup>th</sup> 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 31<sup>st</sup> 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. 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 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> Annual General Meetings were held by the Company at its Registered Office on 29<sup>th</sup> September, 2008, 29<sup>th</sup> September 2009 and 29<sup>th</sup> 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](http://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

20<sup>th</sup> Annual General Meeting on 29<sup>th</sup> 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 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	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 <sup>th</sup> 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
<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 2010-2011:**

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.

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.

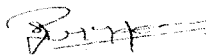
c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which 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.

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For Navcom Industries Limited

Place: Pune  
Date: 20<sup>th</sup> August, 2011

  
Pravin Lunkad  
Chairman

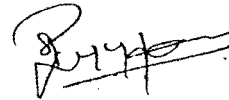
## DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

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.

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For Navcom Industries Limited



Pravin S. Lunkad  
Chairman

Place: Pune

Date: 20<sup>th</sup> 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 31<sup>st</sup> 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.

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For Prakash E. Humbad  
Chartered Accountants

Place: Pune  
Date: 20<sup>th</sup> August, 2011

Prakash E. Humbad  
Partner  
M. No. 112453

## 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 2011 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 except As 22, 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, 2011 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:



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Navcom Industries Ltd.

Director

- i) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2011 ;
- 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 information and explanation given to us, there are adequate internal control systems 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.
- (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.

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Navcom Industries Ltd.

  
Director



- (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 2011, 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 3 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 incurred cash loss during the financial year and 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.

NAVONN INDUSTRIES LTD

Navonn Industries Ltd

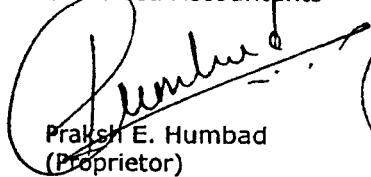
Director





- (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 Prakash E. Humbad & Co..  
Chartered Accountants



Prakash E. Humbad  
(Proprietor)  
M. No.112453  
FRN No.122956W  
Place : Pune



Navcom Industries Ltd.  
Director

Date : 20<sup>th</sup> May, 2011

NAVCOM INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE	31ST MARCH, 2011		31ST MARCH, 2010
	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
	<b>TOTAL</b>		<b>168,051,970</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	C	121,750	121,750
Less: Depreciation		34,911	32,235
Net Block			89,515
		86,839	
Investments	D		98,950
			98,950
<b>Current Assets, Loans &amp; Advances</b>			
Interest Accrued	E	2,599,013	2,599,013
Sundry Debtors		684,265,670	684,265,670
Cash & Bank Balances		18,131,310	18,131,310
Loans, Advances & Deposits		287,211,673	287,211,673
		992,207,666	992,207,666
Less: Current Liabilities and Provisions	F	1,185,103,855	1,185,044,670
Net Current Assets			(192,837,004)
		(192,896,189)	
Profit and Loss Account	G		360,700,509
		360,762,370	
	<b>TOTAL</b>		<b>168,051,970</b>
		168,051,970	168,051,970
<b>Contingent Liabilities (Note 1, Schedule 3)</b>			
<b>NOTES ON ACCOUNTS</b>			
3			
<p>As per our report of even date attached                      For Prakash E. Humbad &amp; Co.                      Chartered Accountants</p> <p>Prakash E. Humbad                      Proprietor                      M. No. 112453                      FRN NO :122956W                      Pune</p> <p>Date : 20<sup>th</sup> May, 2011</p> <p>For and on behalf of the Board of Directors</p> <p>Pravin S. Lunkad                      Director                      Pune</p> <p>G.M. Kalshetti                      Director</p>			

**TRUE COPY**

Navcom Industries Ltd.  
 Director

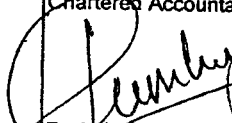
NAVCOM INDUSTRIES LIMITED

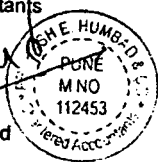
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

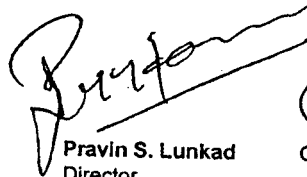
SCHEDULE		2010-2011 RUPEES	2009-10 RUPEES
<b>INCOME</b>			
Sales		582,230	552,858
	<b>TOTAL</b>	<b>582,230</b>	<b>552,858</b>
<b>EXPENDITURE</b>			
Cost of Goods sold	1	584,448	529,452
Other Expenses	2	56,967	54,709
Depreciation	C	2,676	2,676
	<b>TOTAL</b>	<b>644,091</b>	<b>586,837</b>
Loss for the year		(61,861)	(33,979)
Balance Brought forward from Previous Year ( Loss )		(360,626,361)	(360,592,382)
Balance carried to Balance sheet		(360,688,222)	(360,626,361)
NOTES ON ACCOUNTS	3		

As per our report of even date attached For and on behalf of the Board of Directors  
For Prakash E. Humbad & Co..

Chartered Accountants

  
Prakash E. Humbad  
Proprietor  
M. No. 112453  
FRN NO 122956W  
Pune



  
Pravin S. Lunkad  
Director

Pune

  
G.M. Kalshetti  
Director

Date : 20<sup>th</sup> May, 2011

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Navcom Industries Ltd.

  
Director

# NAVCOM INDUSTRIES LIMITED

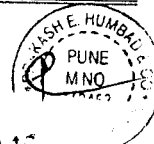
## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	31ST MARCH, 2011 RUPEES	31ST MARCH, 2010 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 Less : Calls in Arrears	<u>88,369,970</u> <u>6,021,500</u> <u>82,348,470</u>	<u>88,369,970</u> <u>6,021,500</u> <u>82,348,470</u>
<b>SCHEDULE B - RESERVES &amp; SURPLUS</b>		
Share Premium As per last Balance Sheet Less : Calls In Arrears	<u>101,268,000</u> <u>18,064,500</u> <u>83,203,500</u>	<u>101,268,000</u> <u>18,064,500</u> <u>83,203,500</u>
Capital Incentive	<u>2,500,000</u>	<u>2,500,000</u>
	<u>85,703,500</u>	<u>85,703,500</u>

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Navcom Industries Ltd

Director



NAVCOM INDUSTRIES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE C : FIXED ASSETS

PARTICULAR	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.10 RUPEES	ADDITIONS DURING THE YEAR RUPEES	DEDUCTION DURING THE YEAR RUPEES	AS AT 31/03/11 RUPEES	AS AT 1.4.10 RUPEES	ADDITIONS DURING THE YEAR RUPEES	DEDUCTION DURING THE YEAR RUPEES	AS AT 31/03/11 RUPEES	AS AT 31/03/11 RUPEES	AS AT 31/03/2010 RUPEES
LEASEHOLD LAND	121,750	0	0	121,750	32,235	2,676	0	34,911	86,839	89,515
previous year	121,750	0	0	121,750	26,883	2,676	0	34,911	86,839	89,515
	121,750	0	0	121,750	26,883	2,676	0	32,235	89,515	0

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 Navcom Industries Ltd.  
 Director

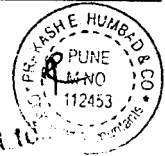


	31ST MARCH 2011 RUPEES	31ST MARCH 2010 RUPEES
<b>SCHEDULE D - INVESTMENTS</b>		
Long Term (At Cost, unquoted, Non-trade)		
2,160 Fully paid Shares of Rs. 25/- each in Vasantdada Shetkari Sahakari Bank Ltd.	54,000	54,000
25 Fully paid Shares of Rs. 10/- each in Greater Bombay Co-operative Bank Ltd.	250	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

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Navcom Industries Ltd.

*[Signature]*  
Director



## NAVCOM INDUSTRIES LIMITED

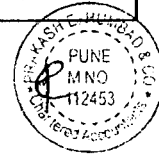
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	31ST MARCH, 2011		31ST MARCH 2010
	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)		684,265,670	684,239,104
<b>Cash &amp; Bank Balances</b>			
Cash on Hand	378,126		378,126
Balnces with Scheduled Banks			
In Current Accounts	2,193,181		2,193,181
In Fixed Deposit	15,551,252		15,551,252
In Current Accounts			
With Vasantdada Shetkari Co-Op *	3,410		3,410
With Solapur Gramin Bank LTD. *	5,341		5,341
		18,131,310	18,131,310
(* Refer Note No. 9 in Schedule 3)			
<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		367,515
		287,211,673	287,211,673
		992,207,666	992,181,100

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Director



**NAVCOM INDUSTRIES LIMITED**

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011**

	31st MARCH, 2011		31st MARCH 2010
	RUPEES	RUPEES	RUPEES
<b>SCHEDULE F - CURRENT LIABILITIES &amp; PROVISIONS</b>			
<u>Current Liabilities</u>			
Sundry Creditors	1,008,461,430		1,008,402,245
Advances Received	116,940,299		116,940,299
Unclaimed Dividend	71,750		71,750
Retention Money	325,134		325,134
Dues to Directors	59,263,685		59,263,685
Bank Balances Overdrawn	41,557		41,557
		1185103855	1,185,044,670
		<u>1185103855</u>	<u>1,185,044,670</u>
<b>SCHEDULE G - PROFIT AND LOSS ACCOUNT</b>			
Balance Brought Forward From Profit and Loss Account		(360,700,509)	(360,666,530)

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Navcom Industries Ltd

*[Signature]*  
Director





**NAVCOM INDUSTRIES LIMITED.**

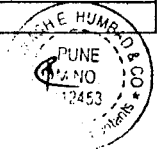
**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	2010-2011 RUPEES	2009-2010 RUPEES
<b>SCHEDULE 1 - COST OF GOODS SOLD</b>		
Opening Stock	0	-
Add : Purchases	584448	529452
	584448	529452
Less: Closing Stock	0	-
	<b>584448</b>	<b>529452</b>

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**Navcom Industries Ltd.**

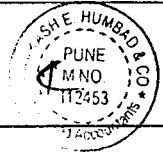
*[Signature]*  
**Director**



**NAVCOM INDUSTRIES LIMITED.**

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011**

	2010-2011 RUPEES	2009-2010 RUPEES
<b>SCHEDULE 2 - OTHER EXPENSES</b>		
Legal & Professional Fees	5000	5000
Other Expenses (including	2750	0
ROC filing fees, Trademark renewal fees )	3762	10567
Balance W/off	45455	39142
	56967	54709



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Navcom Industries Ltd

*[Handwritten Signature]*  
Director

**NAVCOM INDUSTRIES LIMITED**

**SCHEDULE 3: NOTES ON ACCOUNTS**

**NOTES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 AND  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	2010-2011 RUPEES	2009-2010 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 has 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 has loss for the year and being a sick company 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:

Basic and Diluted Earnings per Share	Rupees -0.0007	Rupees -0.0004
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Navcom Industries Ltd.

Director



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)

	2010-11	2009-10
<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.34833.62

10. Stocks & Sale of Goods.

(Qty in KG)

	2010-11	2009-10
	<b>Feed Supplement</b>	<b>Feed Supplement</b>
<b>Purchases</b>		
Quantity	24375	24160
Value	Rs. 584448	Rs. 529452
<b>Sales</b>		
Quantity	24375	24160
Value	Rs. 582230	Rs. 552858

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.

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Navcom Industries Ltd.  
Director



### 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.

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Director

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

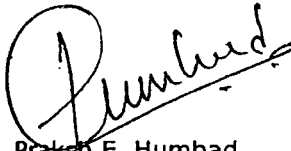
16. We have complied with the Auditing and Accounting Standard - 22 ( Initial Engagement - Opening Balances) issue by the Institute of Chartered Accountants of India, in respect of verification of opening balances as stated in the previous years certified balance sheet by the Company.

Signatures to Schedules A to G and 1 To 3

As per our report of even date attached

for and on behalf of the Board of Directors

For Prakash E. Humbad & Co..  
Chartered Accountants



Prakash E. Humbad  
Proprietor  
M. No. 112453  
FRN No: 122956W

Pune

Date : 20<sup>th</sup> May, 2011



Pravin Lunkad  
Director



G.M. Kalshetti  
Director

Pune.

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NAVCOM Industries Ltd.

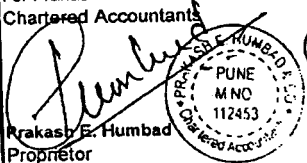


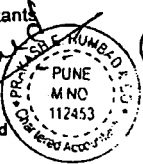
Director

NAVCOM INDUSTRIES LIMITED		2010-11
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2011		Rupees
(A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	(61,861)
	ADJUSTMENTS FOR DEPRECIATION	2,676
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(59,185)
	LESS:ADJUSTMENTS FOR:	
	TRADE & OTHER RECEIVABLES	0
	TRADE PAYABLES	59,186
	CASH GENERATED FROM OPERATIONS	0
	CASH INFLOW / (OUTFLOW) BEFORE EXTRAORDINARY ITEMS	0
	EXTRAORDINARY ITEMS	0
	NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	0
(B)	<b>CASH FLOW INVESTING ACTIVITIES :</b>	0
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	0
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALEMTS (A) + (B) + (C)</b>	0
	CASH AND CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)	18,131,310
	CASH AND CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING BALANCE)	18,131,310

For Prakash E. Humbad & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

  
Prakash E. Humbad  
Proprietor  
M. No. 112453  
FRN NO :122956W  
Pune




  
Pravin S. Lunkad  
DIRECTOR

  
G.M. Kalshetti  
DIRECTOR

Place : Pune

Date : 20<sup>th</sup> May, 2011

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Navcom Industries Ltd.  
  
Director.

**NAVCOM INDUSTRIES LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

**I. REGISTRATION DETAILS**

Registration No.: 63431  
State code.: 25  
Balance Sheet Date: 31.03.2011

**II CAPITAL RAISED DURING THE YEAR**

( Amount in Thousands)  
RUPEES

Public Issue NIL  
Right Issue NIL  
Bonus Issue NIL  
Private Placement NIL

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:**

( Amount in Thousands)  
RUPEES

Total Liabilities: 168,052  
Total Assets: 168,052

**Sources of Funds:**

Paid up Capital 82,348  
Share Application Money 0  
Reserve and Surplus 85,704  
Secured Loans 0  
Unsecured Loans 0

**Application of Funds:**

Net Fixed Assets 87  
Investments 99  
Net Current Assets -192,896  
Miscellaneous Expenditure 360762

**IV PERFORMANCE OF COMPANY**

Turnover 582  
Total Expenditure 644  
Profit / (Loss) before tax -62  
Profit / (Loss) after tax -62  
Earning Per Share ( In Rs. ) 0  
Dividend Rate ( % ) NIL

**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY ( AS PER MONETARY TERMS) \***

Item Code No. ( ITC Code )  
Product Description

As per our report of even date attached.

For Prakash E. Humbad & Co.,  
Chartered Accountants

Prakash E. Humbad  
Proprietor  
M. No. 112453  
FRN NO :122956W



For NAVCOM INDUSTRIES LIMITED

Pravin S. Lunkad  
Director

G.M. Kalshetti  
Director

Date : 20<sup>th</sup> May, 2011

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