

NATRAJ FINANCIAL & SERVICES LIMITED

Regd. Off: 410, 4th Floor, Maker Chamber V, Nariman Point, Mumbai: 400 021

Ph. No.: +91-22-43417777

DIRECTORS' REPORT TO THE MEMBERS

The Directors hereby present their report on the operations of the Company and its financial results for the year ended March 31, 2010.

1. Financial Results

	(Rupees in lacs)	
	For the year ended	
	<u>31.03.2010</u>	<u>31.03.2009</u>
Total Income	1356.72	35.94
Profit before Tax	45.52	11.12
Provision for Tax		
- Current Tax	15.24	1.61
- Deferred Tax	(0.73)	1.72
Profit after Tax	31.01	7.40

2. Dividend:

The Directors of the Company do not recommend dividend for the year under review due to future expansion plans.

3. Operations:

During the year under review, the Company has earned Net Profit after Tax to the tune of Rs.31.01 lacs as against Net Profit incurred to the tune of Rs.7.40 lacs for the corresponding previous financial year.

4. Directors:

During the year under review, there has been change in the Management of the Company as mentioned below:

Mr. Manoj Kumar Punamiya, was appointed as Managing Director on 02/09/2009.

Mr. Kumarpal Javerchand Punamiya was appointed as Director on 10/02/2010 to fill in the casual vacancy occurred due to resignation of Mr. Kailash Shriram Agarwal.

Mr. Damodar Hari Pai was appointed as an Additional Director on 19/03/2010 and company has received notice u/s 257 of the Companies Act, 1956 proposing his candidature for reappointment subject to members' approval at the forthcoming annual general meeting.

5. Amalgamation

Pursuant to order dated July 16, 2010 of Hon'ble Mumbai High Court, Luxury Exports Private Limited has been amalgamated with the Company with April 1, 2009 as appointed date. Details

of the scheme have been disclosed in Note no 1 of Schedule 16 to the Accounts in the annual report.

Consequently, Balaji Corporation Private Limited which was a subsidiary of erstwhile Luxury Exports Private Limited has become a subsidiary of our company and accordingly Statement u/s 212 of the Companies Act, 1956 is enclosed to the accounts.

6. Preferential Issue

During the year under review the company has allotted 73,00,000 new Equity Shares through the Postal Ballot under section 81(1A) and other applicable provision of The Company Act, 1956. These shares were successfully listed on October 23, 2009.

7. Employees:

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

8. Deposits from Public:

The Company has not raised any deposits from public during the year under review.

9. Corporate Governance:

A report on Corporate Governance is enclosed herewith. Further due to change in the Management of the Company various committees of the Board of Directors are reconstituted as under:

Re-constitution of Audit Committee:

Mr. Nitin Rathod	- Chairman, Independent & Non Executive
Mr. Kumarpal Punamiya	- Member, Independent & Non Executive
Mr. Damodar Hari Pai	-Member, Independent & Non Executive

Re-constitution of Shareholders' Cum Investors' Grievance Committee:

Mr. Kumarpal Punamiya	- Chairman, Independent & Non Executive
Mr. Nitin Rathod	- Member, Independent & Non Executive
Mr. Damodar Hari Pai	-Member, Independent & Non Executive

Re-constitution of Remuneration Committee:

Mr. Nitin Rathod	- Chairman, Independent & Non Executive
Mr. Kumarpal Punamiya	- Member, Independent & Non Executive
Mr. Damodar Hari Pai	-Member, Non Executive

10. Auditors:

M/s. Durgesh Kabra & Co., Chartered Accountants, Auditors of the Company ceased to be Auditor at the conclusion of this Annual General Meeting and M/s DMKH & CO is hereby appointed as Auditors of the Company.

Auditors Report: Auditors Report as issued by M/s. Durgesh Kabra & Co., Chartered Accountants is self explanatory and need not calls for any explanation by your Board.

11. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo:

Considering the nature of activities of the company, the information required to be disclosed pursuant to Section - 217(1) (e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the conservation of energy and technology absorption do not apply to the Company. Hence no comment is being made on energy conservation. There is no foreign technology involved/absorbed. During the year under review, the company has not earned or spent any foreign exchange.

12. Directors' Responsibility Statement:

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- (i) In the preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The Company has 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 as on 31st March 2010 and of the Profit & Loss Account of the company for the year ended on that date.
- (iii) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) These Accounts have been prepared on a going concern basis.

13. Acknowledgements:

Your Directors greatly appreciate the co-operation and support of Shareholders and Employees of the Company.

For and On behalf of the Board of Directors

Place: Mumbai
Date: October 6, 2010

Nitin Rathod
Director

Kumar Pal Punamiya
Director

Object/Segment Information?

