



Natraj Financial & Services Ltd.

(Formerly : Natraj Commercial Enterprises Ltd.)
Regd Off. : 12/D-1, Estee Jeejay Co-Op. Hsg. Society,
Saibaba Nagar, Borivali (West), Mumbai - 400 092.
Tel. : (022) 2864 8612 • Fax (022) 2864 9551
e-mail - nfslindia@hotmail.com

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **Natraj Financial & Services Limited** will be held at 12/D-1, Esteejeejay C.H.S., Sai Baba Nagar, Borivali (W), on Wednesday, the 20th day of August, 2008 at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008 and Profit and Loss Account and annexures thereto for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manmohan Vyas, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Asim Kumar Santara, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To Consider and if thought fit, to pass with or without modification, the following Resolution **as an Ordinary Resolution:**

"RESOLVED THAT M/s Durgesh Kabra & Co., Chartered Accountants, who have given the certificate to the effect that, if appointed, their appointment will be as per provisions of Section 224(1B) of the Companies Act, 1956, be and are hereby appointed as the Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting, in place of M/s. Jain & Choudhary, Chartered Accountants, on such remuneration as may be fixed by the Board of Directors plus reimbursement of out of pocket expenses, such an appointment is in place of M/s. Jain & Choudhary, Chartered Accountants as they have given the company notice in writing of unwillingness to be re-appointed as auditor of the company under Section 224(2)(b) of the Companies Act, 1956."

For Natraj Financial & Services Limited

Jeyan &
Director/Authorised Signatory





5. To Consider and if thought fit, to pass with or without modification, the following Resolution **as an Ordinary Resolution**:

"RESOLVED THAT Mr. Vijay Dube who was appointed as an Additional Director by the Board of Directors and as such who holds office upto the date of ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 24th July, 2008


(Tejash Shah)
Whole Time Director



REGISTERED OFFICE:

12/D-1, Esteejeejay C.H.S.,
Sai Baba Nagar, Borivali (W),
Mumbai - 400092

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
- The Register of Members and Share Transfer Books will remain closed from Thursday, 14th August 2008 to Wednesday, 20th August, 2008 (both days inclusive).
- Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at **INTIME SPECTRUM REGISTRY LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078 in respect of their physical share folios.
- Depository System**
The Company has entered into agreements with NSDL and CDSL. Members, therefore now have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL.

The Depository System envisages the elimination of several problems involved in the scrip based system. Simultaneously, Depository System offers several advantages




like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 3 to 10 of the Notice is annexed hereto.

For and on behalf of the Board of Directors

Tejash Shah
(Tejash Shah)
Whole Time Director

Place: Mumbai
Dated: 24th July, 2008

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

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Manmohan Vyas	Mr. Asim Kumar Santara	Mr. Vijay Dube
Age	49	45	33
Qualifications	B. Com	C.A.; B.Com	S. S. C.
Date of Appointment	22 nd March 2006	16 th April 2007	26 th June 2008
Expertise	25 Years in Shares and Securities	22 Years as Chartered Accountant	10 Years in the field of Accounts & Finance.
Directorship as on March 31, 2008	Sandesh Finvest Private Limited	Nil	Nil
Chairman/ Member of the Audit Committee as on March 31, 2008	Nil	Natraj Financial & Services Limited	Natraj Financial & Services Limited
Chairman/ Member of the Shareholders'/ Investors/ Grievance Committee as on March 31, 2008	Nil	Natraj Financial & Services Limited	Natraj Financial & Services Limited
Shareholding in the Company.	1050 Shares	Nil	Nil

Tejash Shah

Tejash Shah

EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No. 4 of the accompanying Notice of the 24th Annual General Meeting of the Company to be held on Wednesday, 20th August 2008 at 4.00 p.m.

Item No. 4:

The term of office of M/s. Jain & Choudhary., Chartered Accountant, Statutory Auditor of the Company expires at the conclusion of the Annual General Meeting. As they have given the company notice in writing of unwillingness to be re-appointed as auditor of the company under Section 224(2)(b) of the Companies Act, 1956 at the ensuing Annual General Meeting due to their pre-occupations.

The Company had received letter from M/s. Durgesh Kabra & Co., Chartered Accountant, as the Statutory Auditor of the Company subject to the approval of shareholders of the company and have submitted a certificate under Section 224(1B) of the Companies Act, 1956 to the effect that their appointment, if made, will be within the limits specified under Section 224 of the said act.

The Board of Directors recommends the said resolutions for your approval.

None of the Directors is concerned or interested in the Resolution.

Item No. 5:

During the year Mr. Vijay Dube was appointed as Additional Director of the company on 26th June 2008 and as per the provision of Section 260 of the Companies Act, 1956 ('the Act') the Director who hold office only upto the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment as Director. The company has received notices under Section 257 of the Act, in respect of the candidates, proposing their appointment as a Director of the Company, along with the requisite deposit. The board recommends this resolution for your approval.

None of the Directors other than Mr. Vijay Dube is interested or concerned in the said resolution.

For and on behalf of the Board of Directors

**Place: Mumbai
Dated: 24th July, 2008**

Tejash Shah
**(Tejash Shah)
Whole Time Director**



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DIRECTORS' REPORT

The Members,

Your Directors have pleasure in presenting the 24th Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2008.

Financial Highlights:

Particulars	(Amount in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Total Income	(42.59)	18.53
Total Expenditure	21.91	7.74
Profit / (Loss) After Tax	(64.51)	9.80
Equity Share Capital	438.75	427.50

Operations & Performance:

During the year, The Company has procured Deposit Based Membership of The Bombay Stock Exchange Limited (BSE) and started its broking activity on September 13, 2007 after obtaining necessary approval under SEBI (Stock Brokers and Sub- Brokers) Regulations, 1992, However the same has been suspended on March 11, 2008 due to non-compliance of formalities as required by Bombay Stock Exchange Limited. At present, the main activity of the company is to deal in Investment in Shares & Securities and also syndicating Corporate and other Loans.

During the year a fraud on company by its ex employee has been detected amounting to Rs. Rs.6,68,400/- towards sale of 3000 shares of Crazy Infotech Ltd. out of the investment portfolio of the company fraudulently.

Dividend:

During the year, The Company has incurred a Loss. Hence, Your Directors do not recommend any dividend for the year ended on 31st March 2008.

Management and Discussion And Analysis:

A Report on Management and Discussion and Analysis (MDA), which forms part of this Report, inter-alia, deals adequately with the operations as also current and future outlook of the Company.

Directors:

Mr. Manmohan Vyas, Whole Time Director and Mr. Asim Kumar Santara, Director of the Company, retire by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.



During the year, Mr. Kamal Kishor Vyas, Mr. Vipin Kumar Sanklecha have resigned from the directorship of the company w.e.f. 26th June 2008 due to their pre-occupation. The Board places on record their appreciation for the services rendered by Mr. Kamal Kishor Vyas, Mr. Vipin Kumar Sanklecha during their tenure as a Director of the Company.

Mr. Vijay Dube has been appointed as an Additional Director w.e.f. 26th June 2008 pursuant to Section 260 of the Companies Act, 1956. He will vacate office at the ensuing Annual General Meeting and offers himself for appointment as director at the ensuing Annual General Meeting.

A brief profile of Directors proposed to be appointed/re-appointed are given in the notes to the Notice of the ensuing Annual General Meeting.

Directors' Responsibility Statement:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that the Directors have 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 at 31st March, 2008 and of the profit of the Company for the year ended on that date;
- That the Directors have 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.
- That the annual accounts for the year ended 31st March, 2008 have been prepared on a going concern basis.

Auditors:

The Auditor M/s Jain & Choudhary., Chartered Accountant, retire at the ensuing Annual General Meeting and have expressed their unwillingness to continue as Auditor's of the Company due to their pre-occupation.

M/s Durgesh Kabra & Co., Chartered Accountants, have agreed to act as Auditors of the Company and informed to us that if appointed, it will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment as Statutory Auditor and fix their remuneration.

Auditors' Report:

The observations made by the Auditors in their Report read with the relevant notes as given in the Notes on Accounts for the year ended 31st March, 2008 are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.



Report on Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement pertaining to Report on Corporate Governance is attached to this Annual Report.

Public Deposits:

The Company has not accepted any deposits from public.

Listing:

The shares of the company are listed at the Bombay Stock Exchange Limited, Mumbai. The Company has paid the annual listing fees to the BSE for the year 2008-2009.

Allotment of Equity Shares issued on Preferential Allotment Basis:

- During the year 2006-2007, The Company have allotted 32,75,000 equity shares to Promoters and Other Investors and 225,000 Warrants to Promoters @ Rs. 20/- per share issued on Preferential allotment basis on 26th February 2007.
- Out of the 225,000 Warrants issued to Promoters on 26th February 2007, The Company has converted 112,500 Warrants into Equity Shares on **June 1, 2007** and other 112,500 Warrants have been converted on **May 28, 2008**.
- The above shares were issued in accordance with the SEBI Preferential Issue Guidelines. Out of the above shares 32,75,000 Shares issued on 26th February 2007 and 112,500 Warrants issued on June 1, 2007 have been listed on the Bombay Stock Exchange Limited and received the Trading Permission from the Bombay Stock Exchange and the company is in process of acquiring Trading Approval from Bombay Stock Exchange Limited for 112,500 Equity Shares issued on May 28, 2008.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

A] Conservation of Energy and Technology Absorption:

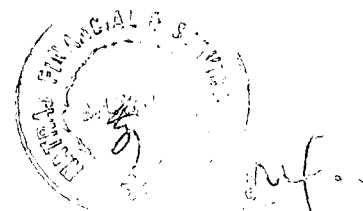
The Company has not engaged in any manufacturing activity and had no foreign collaboration and also has not imported or exported any goods and services.

B] Foreign Exchange Earnings & Outgo:

The Company has neither consumed nor earned any foreign exchange during the year under review.

Dematerialisation of Shares::

The Company has established the connectivity with National Securities Depository Limited (NSDL) and Central Depository Services Limited with activated **ISIN No. INE510H01015**, the shareholders have option to dematerialize their shares with CDSL as well as NSDL.




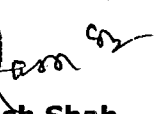
Particulars of Employees:

The Company does not have any employee in receipt of remuneration equal to or exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Acknowledgements:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the Investors, Banks and Statutory Authorities. Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

Place: Mumbai
Dated: 30th June, 2008

For and on behalf of the Board of Directors


Tejash Shah **Manmohan Vyas**
Whole Time Director **Whole Time Director**



MANAGEMENT DISCUSSION AND ANALYSIS REPORT:-

(a) Industry structure and developments

Natraj Financial & Services Limited (NFSL), a member of Bombay Stock Exchange Limited, is carrying on stock broking operations in the Capital Markets Segment of the Bombay Stock Exchange. The industry to which the Company relates is the secondary market.

Share Broking, Investment and trading in securities are the core business of our Company. In spite of continued volatility, the trading and investment sector has been maintained its level of activities and catered to India's growing markets. Amidst a challenging business environment, your Company has reported satisfactory volumes. It was a satisfactory year for your Company and the Company is now under pressure to cut costs and improve its profitability further. In these type of industries the following golden rule to be applied i.e "the right decision at the right time."

(b) Opportunities and threats

The stock market operations involve inbuilt risk and uncertainty, which carries various opportunities and threats to the investors.

Indian Economy provides excellent growth opportunities as the increased thrust to power, road, ports, telecom and other urban infrastructure projects will create a positive environment for the Investment and Financial Services Industry in India. Further, growth of service sector also presents new opportunities for Investment and Financial Services Industry in India.

(c) Segment-wise or product-wise performance

The Company's main business is Share Broking Business trading and investment in shares and all the activities of the Company are related to its main business. As such there are no separate reportable segments.

(d) Outlook

The outlook for the Company is bright in future depending on the performance of securities market. Barring unforeseen circumstances, the Company expects to perform satisfactorily during the next year 2008-09.

The Company continues to explore the possibilities of expansion in its activities and will make the necessary investments when attractive opportunities arise.

(e) Risks and Concerns

The Company's exposed to the market risk and credit risk and unforeseen events beyond Company's control. It is further exposed to risk of economic cycle. The company manages these risks by remaining very conservative and following other risk management practices.

(f) Internal Control Systems and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These systems and procedures provide reasonable assurance of maintenance of proper accounting records, reliability of financial information, protection of resources and safeguarding of assets against unauthorized use. The management regularly reviews the internal control systems and procedures.



(g) Discussions on Financial Performance with respect to Operational Performance:

Highlights	2007-2008	2006-2007	(Rs. in Lacs)
			% Change
Income from Operations	(42.59)	18.53	(329.84)
Profit before Interest, Depreciation and Tax	(57.81)	14.10	(510.00)
Interest Expenditure	2.07	1.19	73.94
Depreciation	4.63	2.12	118.40
Provision for Taxation (Including Deferred Tax & Fringe benefit tax)	0.01	0.99	98.99
Net Profit after Tax	(64.51)	9.79	(758.94)
Earnings per Share (in Rs.)			
- Basic	(1.48)	0.75	(297.33)
- Diluted	(1.48)	0.75	(297.33)

(h) Human Resource Development

The Company believes that the human resources are vital resource in giving the company a competitive edge in the current business environment. The company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. As in the past, the company enjoyed cordial relations with the employees at all levels.

The above mentioned statements are to be viewed with caution and judicious understanding, as the Company's operations involves inbuilt risk due to uncertain economic conditions and unforeseen events beyond the Company's control.



Signature