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**SHREE NATH COMMERCIAL  
& FINANCE LTD.**

**26<sup>TH</sup> ANNUAL REPORT**  
FINANCIAL YEAR 2009-10

If Undelivered, Please return to :

**SHREE NATH COMMERCIAL & FINANCE LIMITED**

**REGISTERED OFFICE**

E-109, Crystal Plaza, New Link Road,  
Andheri (West), Mumbai - 400 053.

**26TH ANNUAL REPORT 2009 - 2010****BOARD OF DIRECTORS**

<b>MR. GIRRAJ KISHOR AGRAWAL</b>	-	WHOLE TIME DIRECTOR
<b>MRS. TANU AGRAWAL</b>	-	DIRECTOR
<b>MRS. APRAJITA AGGARWAL</b>	-	DIRECTOR
<b>MR. SAMARTH AGGARWAL</b>	-	DIRECTOR
<b>MR. PRAMOD DHAMIJA</b>	-	DIRECTOR
<b>MR. SANDEEP KARLA</b>	-	DIRECTOR
<b>MR. AMIT KHANNA</b>	-	DIRECTOR
<b>MR. RISHABH GULATI</b>	-	DIRECTOR

**AUDITORS**

**MANOJ KUMAR SHARMA** - [Chartered Accountants]  
B-302, AVON MAJESTY, OPP. TATA SSL  
DATAPADA ROAD, BORIVALI (E), MUMBAI – 400 066

**REGISTERED OFFICE**

E-109, CRYSTAL PLAZA, NEW LINK ROAD,  
ANDHERI (W), MUMBAI – 400 053

**REGISTRAR & TRANSFER AGENT**

M/S SHAREX DYNAMIC(INDIA) PVT. LTD  
UNIT NO. 1, LUTHRA INDL. PREMISES, ANDHERI KURLA ROAD,  
SAFED POOL, ANDHERI (EAST), MUMBAI – 400 072.

**BANKERS** - AXIS BANK LTD. , YES BANK LTD.

**WEBSITE** : www.shreenathcommercial.com

**E-MAIL** : info@shreenathcommercial.com

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**NOTICE**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **SHREENATH COMMERCIAL & FINANCE LIMITED** will be held on the **23rd August, 2010** at **3:30 P.M.** at the Registered Office at E-109 Crystal Plaza, New Link Road, Andheri West, Mumbai 400053 to transact the following business.

**ORDINARY BUSINESS**

- To receive, consider and adopt the Audited Accounts for the year ended on 31st, March 2010 and reports of Directors and Auditors thereon.
- To appoint Shri Shri Promod Dhamija, as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment
- To appoint Shri, Sundeeep Karla as Director of the company, who retires by rotation and, being eligible, offers himself for reappointment
- To appoint auditor and to fix his remuneration in consultation with the board.

“Resolved that M/s. Pravin Chandak & Associates, Chartered Accountants be and hereby appointed as a Auditor of the Company in place of Mr. Manoj Kumar Sharma, Chartered Accountant, to hold the office from the conclusion of this meeting until the conclusion of next Annual General Meeting, at a remuneration to be fixed board of directors.”

**SPECIAL BUSINESS :**

- To consider and, if thought fit, to pass with or without modification, the following resolution as a Specialon Resolution :

“**RESOLVED** that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) and the provisions of Article 54 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, (a) each of the 60,00,000 equity shares of the nominal value of Rs.10/- each in the authorised share capital of the Company be sub-divided into 6,00,00,000- equity shares of Rs. 1/- each **AND THAT** Clause V (being Capital Clause) of the Memorandum of Association and Article 2 of the Articles of Association of the Company relating to equity shares be altered accordingly.

**RESOLVED FURTHER** that the Board of Directors of the Company (“the Board”, which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders’ accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary, to give effect to the aforesaid resolution.”

- To consider and, if thought fit, to pass with or without modification, the following resolution as a Specialon Resolution.

“**RESOLVED THAT** pursuant to Section 163(1), and other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Index of Members, Register and index of Debenture Holders, if any, in respect of shares and debentures issued by the Company from time to time, and copies of all Annual Returns prepared under Section 159 and 160, together

with copies of certificates and documents required be annexed thereto under Sections 160 and 161, be kept at the office of the Registrar and Share Transfer Agent, of the Company, M/s. Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthara Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (E), Mumbai – 72.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a SPECIAL RESOLUTION.

“**RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956, The Articles of Association of the Company be and is hereby altered in the following manner.

After Article 27, the following new Articles headed “Buy Back of Shares & Securities” and numbered 27A, shall be inserted as under:

#### **Buy Back of Shares & Securities**

50A Notwithstanding anything contained in these Articles, but subject to provisions of Sections, 77A and 77B of the Act, the Company may purchase its own shares or other specified securities (hereinafter referred to as “Buy Back” out of –

- a) Its Free Reserve, or
  - b) The Securities Premium Account or
  - c) The Proceeds of any shares or other specified securities in accordance with the provisions of Sections 77A and 77B and rules prescribed by the Central Government and /or by Securities and Exchange Board of India in this behalf from time to time, provided that nothing herein contained shall be deemed to affect the rights of the Company under the provisions of Section 100 to 104 and Section 402 of the Act, in so far as and to the extent they are applicable.
8. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a SPECIAL RESOLUTION

“**RESOLVED THAT** In accordance with the provisions of Section, 198, 269, 309 and such other applicable provision, if any, of the Companies Act, 1956 read with Schedule XIII the Company hereby approves the appointment and terms of conditions of Mr. G K Agarwal as Whole Time Director of the Company for a period of 5 years with effect from 01/08/2010, up on terms and conditions including those relating to remuneration as set out in the explanatory statement to the Notice convening this meeting, including the remuneration to be paid in event of loss or inadequacy of profit in any financial year, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. G K Agarwal subject to such statutory approvals as may be required.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

Registered Office :  
E-109, Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053

**Girraj Kishore Agrawal**  
Chairman

Place : MUMBAI  
Date: 22nd July, 2010

### **NOTES**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be deposited duly stamped and signed at the Registered Office of the Company not less than 48 hours before the meeting.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES, 1956.**

### **ITEM No. 5**

The shareholders to note that the equity shares of your Company are listed on The Stock Exchange, Mumbai (BSE). The shares are actively traded on BSE.

The market price of the shares of the Company has witnessed significant spurt over the last 6 months. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company (‘the Board’) at their meeting held on 22/07/2010, considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs. 10/- each and consequent to the sub-division it is being divided into 10 ( Ten ) equity shares of Rs. 1/- each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders’ approval, which will be notified through the Stock Exchanges.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association and Article 2 in the Articles of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

Approval of the members is being sought for passing the Special Resolution as set out in the Notice.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

### **ITEM No 6**

Company's shares records are at Registered office. However it is decided by Board of Directors to keep the records at Share Transfer agent's office as per Section 163 (1) of the Companies Act, 1956. Share holders consent is required, Directors recommended to pass this resolution

None of the Director is concerned or interested in passing this resolution.

### **ITEM No 7**

Under the provisions of Section 77A of the Companies Act, 1956 a Company can buy back its shares or other securities only if there is a provision in the Articles of Association of the Company authorizing such a purchase. In order to enable the Company to undertake buy back of shares as when the Board of Directors decides so, it is proposed to insert an Article as detailed in the resolution

None of the Directors of the Company is concerned or interested in this resolution.

### **ITEM No 8**

Mr. G K Agarwal, has been appointed by the Board on 22/07/2010 for a period of 5 years with effect from 01/08/2010 as Whole Time Director of the company. The appointment is in accordance with the provisions of Section 269 of the Companies Act, 1956, read with the Articles of Association of Company.

The Terms and conditions of Mr. G K Agarwal's appointment as Whole Time Director, as discussed and recommended by the Remuneration Committee and approved by the Board, are as under:

#### **a) Period of Appointment:.**

The appointment is for a period of 5 years with effect from 01/08/2010

#### **b) Remuneration**

- a) **Salary:** Basic pay shall be Rs. 500000/- per month with the authority to Board of Directors to determine his salary from time to time. The annual increments will be merit based and shall take into account the Company's performance.

**b) Perquisites & Allowances:**

- i) Perquisites and allowance shall be evaluated as per Income Tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost or hire charges.
- ii) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**c) Minimum Remuneration :**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the company shall pay remuneration by way of salary, perquisites and allowances as specified above subject to statutory approval as may be required.

- iii) The Terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Whole Time Director in accordance with Schedule XIII to the Act or any amendments thereto made hereinafter in this regard.
- iv) If at any time the Whole Time Director ceases to be a Director of the company for any reason whatsoever, he shall also cease to be the Whole Time Director of the Company.
- v) The Whole Time Director shall not be entitled to supplement his income with any buying or selling commissions. He shall not become interested or otherwise concerned directly or through his spouse and/ or minor children, if any in any selling agency of the Company, without the prior approval of the Central Government.
- vi) The terms conditions as specified above shall also be treated as an abstract of his terms and conditions of his appointment and memorandum of disclosure of nature of interest or concern therein as required to be given under Section 302 of the Companies Act, 1956,  
None of the Directors of the Company are interested in passing the resolution, except Shri G K Agarwal and Smt Tanu Agarwal.

**BY ORDER OF THE BOARD OF DIRECTORS**

Registered Office :  
E-109, Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053

**Girraj Kishore Agrawal**  
Chairman

Place : MUMBAI  
Date: 22nd July, 2010

**BOARD OF DIRECTORS' REPORT**

To The Members.

Your Directors present their 26th Annual Report with Audited Statement of Accounts for the year ended on March 31, 2010.

**Financial Highlights**

Particulars	<u>2009-2010</u>	<u>2008-2009</u>
	Year Ended 31/03/2010 <b>(Rs. in lacs)</b>	Year Ended 31/03/2009 (Rs. in lacs)
Income	<b>121.80</b>	6.69
Profit before Dep. & Int.	<b>45.03</b>	3.64
Depreciation	<b>3.71</b>	0.00
Interest	<b>0.00</b>	0.00
Profit after Depreciation & Interest	<b>41.31</b>	3.64
Provision for Taxation	<b>3.90</b>	1.22
Provision for Tax (deferred)	<b>8.86</b>	0.00
Tax Adjustment for earlier years	<b>0.78</b>	
Profit after Tax	<b>27.76</b>	2.42
Net profit/ (Loss)	<b>27.76</b>	2.42
Amount Available for Appropriation	<b>27.76</b>	2.42
Balance carried to Balance Sheet	<b>27.76</b>	2.42

During the year Company's total sales including other income is Rs. There is net profit after tax is Rs 27.76 Lacs compared to Rs.2.42 Lacs in the previous year.

**DIVIDEND**

Your Directors decided to plough back the profit and therefore dividend is not declared.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr.Pramod Dhamjia and Sundeep Karla retire by rotation at the ensuing Annual General Meeting, and being eligible offers themselves for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- (ii) 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 at the end of financial year and of the profit or loss of the Company for the year under review ;
- (iii) the Directors have taken proper and sufficient care for the maintenance of the 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 and

(iv) the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a 'going concern' basis.

#### AUDITORS

M/s Pravin Chandak & Associates, Chartered Accountants are appointed as Auditors of the Company to fill up casual vacancy caused by resignation of Mr. Manoj Kumar Sharma, Chartered Accountant.

#### DEPOSITS

The Company does not have any overdue and /or unclaimed Deposits.

#### FOREIGN EXCHANGE

There is no inflow and outflow of Foreign Exchange.

#### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and Technology absorption is not applicable

#### PARTICULARS OF EMPLOYEE

The information required under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975, forms part of this report - Not applicable.

#### ACKNOWLEDGEMENT

The Board of Directors wishes to express sincere thanks to Bankers, Shareholders, clients, Financial Institutions, customers, sup-pliers and employees of Companies for extending support during the year.

#### BY ORDER OF THE BOARD OF DIRECTORS

Registered Office :  
E-109, Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053

**Girraj Kishore Agrawal**  
Chairman

Place : MUMBAI  
Date: 22nd July, 2010

## CORPORATE GOVERNANCE REPORT

#### a) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in transparent dealings and integrity and compliance of rules and regulations. The Company firmly believes that good corporate governance is pre-requisite to meet the stakeholders' requirements and needs. The mandatory requirements of the code of Corporate Governance as per clause 49 of the listing agreement have been implemented by your Company.

#### b) BOARD OF DIRECTORS

The Board of Directors comprises of a Mr. Girraj Kishor Agrawal, Chairman, Whole Time Director, and –Mrs. Tanu Agrawal, Mrs. Aprajita Aggarwal, Mr. Samarth Aggarwal, Mr. Promod Dhamija, Mr. Sundeep Karla, Mr. Amit Khanna, Mr. Rishabh Gulati Non Executive Independent Directors.

a) The composition of the Board of Directors and their attendance at the meetings during the period and at the last Annual General Meeting as also number of other directorships, membership of committees are as follows: -

Name of Director	Status	No. of Board meetings Attended	Attendance at last AGM	No. of other Directorships	Committee Membership	
					Member	Chairman
Mr. G K Agarwal *	WTD	12	Yes	11	1	
Smt. Tanu Agarwal **	WTD	9	No	9	2	1
APRAJITA AGGARWAL	I N E D	4	Yes	0	1	
Mr. SAMARTH AGGARWAL	I N E D	4	Yes	0	1	1
Mr. PROMOD DHAMIJA	I N E D	4	Yes	0	1	1
Mr. SUNDEEP KALRA	I N E D	4	Yes	0	1	
Mr. AMIT KHANNA	I N E D	4	Yes	0	1	
Mr. RISHABH GULATI	I N E D	4	Yes	0	1	

\* Mr. G.K. Agrawal appointed as Director on 22/08/2009

\*\* Mrs. Tanu Agrawal appointed as Director on 22/09/2009

N.E.D. - Non Executive Director

W.T.D. - Whole Time Director

I.N.E.D. - Independent Non Executive Director

#### Notes:

During the period ended 31<sup>st</sup> March 2010, 15 Board Meetings were held on the following dates 30/04/09, 30/07/2009, 22/08/2009, 01/09/2009, 19/09/2009, 22/09/2009, 08/10/09, 19/10/09, 30/10/09, 05/11/09, 12/11/09, 30/11/09,09/12/09, 28/12/09, and , 30/01/10.

#### c) AUDIT COMMITTEE

The Audit Committee comprises of viz Shri Pramod Dhamija non-executive independent Director is Chairman of Audit Committee, Shri Girraj Kishor Agrawal, Whole Time Director and Apajita Agrawal Compliance officer is the Secretary of the Committee.

The Committee met four times during the period ended 31<sup>st</sup> March 2010.

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and section 292A of the Companies Act, 1956 and inter alias it briefly includes review of quarterly and Annual financial statements, the statutory Auditor's Report on the financial statements, Internal audit reports, internal controls, Accounting policies and to generally interact with the Internal Auditors and Statutory Auditors.

#### d) SHARE TRANSFER COMMITTEE

The Committee comprises of Smt. Tanu Agrawal, Shri. Amit Khanna, and Shri Rishabh Gulati. The Committee normally meets twice a month to approve transfer of shares and other shares related matters. Smt. Tanu Agrawal is the Chairman of the Committee.

#### e) REMUNERATION COMMITTEE

Remuneration Committee comprises of Shri Samarth Aggarwal, as Chairman of the committee and Shri Sundeep Karla and Smt. Tanu Agrawal Directors are committee members. During the year under review, no Meeting was held.

The details of remuneration paid to Chairman and whole time Director of the Company during the period ended 31<sup>st</sup> March 2010 are given below.

Remuneration paid to Directors during the period ended 31<sup>st</sup> March 2010

NAME OF THE DIRECTOR	SALARY (Rs.)	PERQUISITES (Rs.)	CONTRIBUTION TO VARIOUS FUNDS (Rs.)	TOTAL (Rs.)
Nil	Nil	Nil	Nil	Nil

**g) GENERAL BODY MEETINGS**

The last three Annual General Meetings were held as under:-

Year/Period Ended	Date of Meeting	Time
31 <sup>st</sup> March 2007	28/09/2007	2.00 p.m.
31 <sup>st</sup> March 2008	02/06/2008	9.30 a.m.
31 <sup>st</sup> March 2009	18/09/2009	3.00 p.m.

**h) DISCLOSURES**

- During the period, there were no transactions materially significant with Company's promoters, directors or management or subsidiaries or their relatives that may have potential conflict with the interests of the Company at large.
- There were no instances of non-compliance on any matter related to the Capital Markets during the last three years.

**i) MEANS OF COMMUNICATION.**

Quarterly, Half Yearly and Yearly financial results are sent to the Stock Exchanges immediately after they are approved by the Board.

**j) GENERAL INFORMATION FOR MEMBERS****i) Annual General Meeting****Period Ended 31.03.2010**

Date &amp; Time

23/08/ 2010 at 3.30 p.m,

Venue

E-109, Crystal Plaza, New Link Road, Andheri (W), Mumbai -400 053.

**ii) Financial Calendar**

(tentative and subject to change)

Mailing of Annual Reports Results for the quarter ending

30<sup>th</sup> June, 2010

Last week of July 2010

30<sup>th</sup> Sept., 2010

Last Week of October 2010

31<sup>st</sup> December 2010

Last Week of January 2010

31<sup>st</sup> March 2011

Last Week of April 2010

**iii) Date of Book closure**

20/08/2010 to 23/08/2010(Both days inclusive)

**iv) Dividend Payment Date**

N.A

**v) Listing of Equity Shares on Stock Exchanges and market information.**

The Company's Equity Shares are listed on Mumbai Stock Exchange the Company has paid listing fees to Bombay Stock Exchange.

**vi) REGISTRAR & TRANSFER AGENTS AND SHARE TRANSFER SYSTEM**

All documents, transfer deeds, demat requests and other communication in relation thereto should be addressed to the R & T Agents at its following address:

**M/s. Sharex Dynamic (India) Pvt. Ltd.**

Unit No. 1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (E), Mumbai – 72

Share transfers in physical form are processed within about 2 weeks from the date of receipt of the valid and completed documents.

**f. (i) Stock Code BSE CODE 512105****(ii) Demat ISIN Numbers in NSDL & CDSL INE 490J01016 for Equity Shares.****g. Stock Market Data at BSE**

Month	High	Low	Close	No. of Shares
April 2009	0	0	0	0
May 2009	62.5	62.5	62.5	1,500
June 2009	68.25	65	68.25	19,600
July 2009	0	0	0	0
August 2009	0	0	0	0
September 2009	0	0	0	0
October 2009	17.90	17.90	17.90	5
November 2009	18.25	18.25	18.25	1
December 2009	25.55	18.60	25.55	972
January 2010	36.00	26.05	36.00	960
February 2010	52.85	36.70	52.85	820
March 2010	130.35	53.90	130.35	4708

**h. Regd. office :** E-109, Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400 053**i. Registrar and Transfer Agents:** (Share transfer and communication regarding share certificates, dividends and change of address)**M/s. SHAREX DYNAMIC (INDIA) PVT. LTD.**

UNIT NO. 1, LUTHRA INDUSTRIAL PREMISES, ANDHERI KURLA ROAD, SAFED POOL, ANDHERI (E), MUMBAI – 400 072

**(vii) DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> March 2010**

No. of Shares	Shareholders		Shareholding	
	Nos.	%	Holding in Rs.	%
1-5000	28	16.09	41780	0.07
5001-10000	0	0	0	0
10001-20000	1	0.57	20000	0.03
20001-30000	2	1.15	49450	0.08
30001-40000	31	17.82	1236800	2.07
40001-50000	4	2.30	192500	0.32
50001-100000	60	34.48	3897200	6.52
100001- and above	48	27.59	54362270	90.91
<b>Total</b>	<b>174</b>	<b>100.00</b>	<b>59800000</b>	<b>100.00</b>

Shareholding pattern as on 31.03.2010

Category	No. of Shares held	Percentage of Shareholding
<b>A Promoter's Holding</b>		
<b>1 Promoters</b>		
- Indian Promoters	816000	13.64%
- Foreign Promoters		
<b>2 Persons acting in concert</b>		
<b>Sub – Total</b>	<b>816000</b>	<b>13.64%</b>
<b>B Non-Promoter's Holding</b>		
<b>3 Institutional Investors</b>		
a) Mutual Funds and UTI		
b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Government Institutions)		
c) FII's		
Sub – Total		
<b>4 Others</b>		
a) Private Corporate Bodies	137975	2.31%
b) Indian Public	5026025	84.05%
c) NRI's/OCB's		
d) Any Other (Please specify)		
<b>Sub-Total</b>	<b>5164000</b>	<b>86.36%</b>
<b>Grand Total</b>	<b>5980000</b>	<b>100%</b>

## (viii) DEMATERIALISATION OF SHARES:

Trading in Equity shares of the company is permitted only in dematerialized form. As on 31<sup>st</sup> March 2010, 100% of the Company's Shares were held in dematerialized form.

- (x) Investor Correspondence: For Transfer / dematerialization of shares payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the company.

**Sharex Dynamic (India) Pvt. Ltd.**

Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road,  
Safed Pool, Andheri (E), Mumbai – 72.

**ADDRESS FOR CORRESPONDENCE.**

The Company's Registered Office is situated at  
E-109, Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400 053.

Shareholder's correspondence should be addressed to Transfer Agent, M/s. Sharex Dynamic (India) Pvt. Ltd.

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository participants.

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS**

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2010.

The management discussion and analysis have been included in consonance with the code of corporate governance as approved by The Securities and Exchange Board of India (SEBI). Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments, events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

**OVERVIEW**

The operations of the company are centered in Finance and Share Trading & Real Estate Business. The company deals in Shares and Securities.

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Indian economy has witnessed all round growth in year 2009-10 with increased investment in Financial Market and Real Estate Business.

The finance industry where the company is also involved, major developments have taken place for the past few decades in view of the fact that plethora of finance companies have come into existence with various finance products and there has been tremendous finance growth due to foreign collaboration, foreign equity participation etc, under Finance Division, dealing in equity shares and stock is the main activity of the company.

Coming to Real Estate, especially in the past few decades, there has been tremendous Growth in Real Estate Business in India. The company has been dealing in Real Estate Business Since inception but there has been stiff competition from other Real Estate Companies.

**OPPORTUNITIES AND THEREATS :**

Some of the key trend of the industry that are favorable to the company to exploit these emerging opportunities are:

1. Clients are more comfortable with uniform high quality and security process across the enterprise.
2. The company since involved in the Real Estate business for a very long time there are good prospects for expanding further activities in this direction.
3. The company is also facing server competition from other Financial companies and Real Estate Companies.

Some of the key changes in the industry unfavorable to the company are:

1. Heightened competition
2. Increasing cost of the product

**INITIATIVES BY THE COMPANY**

The company has taken following initiatives:

1. Every effort is being made to locate new client base to boost Real Estate Sales.
2. The company is endeavoring to penetrate into newer Financial Activities.

**OUTLOOK**

The company is mainly engaged in finance and related business and Real Estate business. The company is planning to expand and diversify the activities in this time to tap higher revenues.

**RISK AND CONCERNS:**

Due to stiff competitions in the Real Estate /finance fields where the company's activities are centered in, the overall margins are under pressure.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

1. Compliance of the company with applicable statutes, policies procedures, listing requirements and management guidelines.
2. All transaction are being accurately recorded and verified.
3. Adherence to applicable accounting standards and polices.

**HUMAN RESOURCES/INDUSTRY RELATIONS:**

- The company provided excellent working environment so that the individual staff can reach his/her full potential.
- The company is poised to take on the challenges and march towards accomplishing it's mission with success.

**CAUTIONARY STATEMENT**

Statement in the Management Discussion and analysis describing the company's objectives exceptions or predications may be forwards looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Several factors could make significant difference to the company's operation. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities etc. over which the company has no control.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of

**M/s. Shree Nath Commercial & Finance Ltd.**

1. We have examined the compliance of Corporate Governance by Shree Nath Commercial & Finance Ltd. for the period ended on 31<sup>st</sup> March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS

**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279

Place : Mumbai  
Date : 22nd July, 2010.

**AUDITORS' REPORT**

To

The Members

**M/s. Shree Nath Commercial & Finance Ltd.**

1. We have audited the attached Balance Sheet of **M/s Shree Nath Commercial & Finance Limited** as at 31<sup>st</sup> March 2010, the Profit & Loss Account and also the Cash Flow Statement 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 standard 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 misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the over all Financial Statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we state that
  - a) We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representation received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.
    - (i) In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2010
    - (ii) In the case of the Profit & Loss Account, of the Loss for the year ended on that date, and
    - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS

**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279

Place : Mumbai  
Date : 22nd July, 2010.



**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 3 of Auditor's Report of even date on the financial statements as at and for the year ended 31<sup>st</sup> March,2010)

1. On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we state that:-
  - (a) The inventory has been physically verified by the management at reasonable intervals during the year.
2. In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
3. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
  - (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
6. According to the information and explanations given to us, we are of the opinion that the company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956.
7. No deposits, within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder have been accepted by the Company.
8. In our opinion and according to information and explanation given to us, the company has adequate internal audit system commensurate with size of the Company and nature of its business.
9. According to the information and explanation given to us the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for any of the activities of the company.
10. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to the company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
11. According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, cess which have not been deposited on account of any dispute.
12. The Company has no accumulated losses as at 31<sup>st</sup> March, 2010. The company has not incurred any cash losses during the financial year covered by our audit as well as during the immediately preceding financial year.

13. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
14. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
15. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
16. The Company has maintained proper records of the transactions and contracts for dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investment have been held by the company, in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956, and save for certain shares which are either lodged for transfer or held with transfer forms
17. In our Opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
18. According to the information and explanations given to us, in our opinion, the term loans were applied for the purpose for which they were obtained.
19. According to the information and explanations given to us and on an overall examination of the cash flow statements and balance sheet of the company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
20. During the year, the company has made preferential allotment of 50,00,000 equity shares to Promoters & Non Promoters @ Rs. 20/- per share. Out of this allotment 7,00,000 Equity shares allotted to Promoter Group Company @ Rs. 20/- per share and 43,00,000 equity shares issued to Non promoters @ Rs. 20/- per share on preferential basis on 09/12/2009.
21. During the financial year, company had not issued any debenture.
22. The Company has not raised any money by way of public issue during the year.
23. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS

**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279

Place : Mumbai  
Date : 22nd July, 2010.

**CEO / CFO CERTIFICATION**

The Board of Directors,

**Shree Nath Commercial & Finance Ltd.**

E-109, Crystal Plaza, New Link Road,  
Andheri (W), Mumbai – 400 053

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2010 and that to the best of our knowledge and belief;
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 2) 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) No transaction is entered into by the company during the year which is 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 that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - 1) Significant changes in internal control over financial reporting during the year.
  - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**FOR SHREE NATH COMMERCIAL & FINANCE LIMITED**

**Girraj Kishor Agrawal**  
Whole Time Director / CEO

**Tanu Agrawal**  
Director

Place : Mumbai  
Date : 22nd July, 2010.

**COMPLIANCE CERTIFICATE**

To

The Members of

**Shree Nath Commercial & Finance Ltd.**

It is hereby certified and examined that as provided in Clause 49 I (D) of the listing agreement with the stock exchanges, the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March 2010.

**FOR SHREE NATH COMMERCIAL & FINANCE LIMITED**

Registered Office :

E-109, Crystal Plaza,  
New Link Road, Andheri (W),  
Mumbai - 400 053

**Girraj Kishore Agrawal**  
Whole Time Director / CEO

Place : MUMBAI  
Date: 22nd July, 2010

**BALANCE SHEET AS AT 31ST MARCH 2010**

SCHEDULE	As at	As at	
	31st March 2010 Rupees	31st March 2009 Rupees	
<b>I. SOURCES OF FUNDS:</b>			
<b>SHAREHOLDER'S FUND:</b>			
Share Capital	I	59,800,000	2,450,000
Reserve & Surplus	II	53,034,130	7,965,493
Differed Tax Liability		886,339	-
<b>LOAN FUND :</b>			
Secured Loan	III	-	31,237,070
<b>TOTAL</b>		<b>113,720,469</b>	<b>41,652,563</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS :</b>			
Gross Block	IV	10,800,369	-
Less : Accu. Depreciation		371,700	-
<b>NET BLOCK</b>		<b>10,428,669</b>	
<b>INVESTMENTS</b>			
		-	-
<b>CURRENT ASSETS LOANS &amp; ADVANCES :</b>			
Stock in trade	V	43,806,841	-
Sundry Debtors	VI	5,078,940	172,790
Cash & Bank Balance	VII	8,698,927	562,595
Loans & Advances	VIII	53,215,062	46,130,255
		110,799,770	46,865,640
Less : Current Liabilities & ProvisionsIX		7,507,969	5,213,076
<b>NET CURRENT ASSETS</b>		<b>103,291,801</b>	<b>41,652,563</b>
<b>TOTAL</b>		<b>113,720,469</b>	<b>41,652,563</b>
<b>NOTES FORMING PART OF ACCOUNTS X</b>			

As per our Report of even date :

FOR AND ON BEHALF OF  
THE BOARD OF DIRECTORS

**FOR MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS

**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279

**G. K. AGRAWAL**  
Director

Place : Mumbai  
Date : 22nd July, 2010.

**TANU AGRAWAL**  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

SCHEDULE		As at	As at
		31st March 2010 Rupees	31st March 2009 Rupees
<b>INCOME :</b>			
Income From Operation	XI	12,179,841	669,139
Other Income		-	-
		<b>12,179,841</b>	<b>669,139</b>
<b>EXPENDITURE :</b>			
Cost of Goods sold	XII	3,853,562	-
Office & Administrative Expenses	XIII	3,823,203	304,691
Depreciation		371,700	-
		<b>8,048,465</b>	<b>304,691</b>
<b>Net Profit before Tax</b>		4,131,375	364,448
<b>Less : Provision For Tax</b>			
Tax for Previous years		78,794	-
Current Tax		390,255	122,000
Deffered Tax		886,339	-
<b>Net Profit After Tax</b>		2,775,987	242,448
Add : Profit B/fd. From earlier years		7,942,493	7,700,046
<b>Amount Available for Appropriation</b>		10,718,481	7,942,493
<b>Less : Appropriation</b>			
Interim Dividend		-	-
Corporate Dividend Tax		-	-
Transfer to General Reserve		-	-
<b>Balance Carried to Balance Sheet</b>		<b>10,718,481</b>	<b>7,942,493</b>
Basic/Diluted Earning Per Share		0.46	0.99

**NOTES FORMING PART OF ACCOUNTS X**

As per our Report of even date :

FOR AND ON BEHALF OF  
THE BOARD OF DIRECTORSFOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279Place : Mumbai  
Date : 22nd July, 2010.**G. K. AGRAWAL**  
Director**TANU AGRAWAL**  
Director**SCHEDULE FORMING PART OF THE ACCOUNT**

SCHEDULE		As at	As at									
		31st March 2010 Rupees	31st March 2009 Rupees									
<b>SCHEDULE - I :</b>												
<b>SHARE CAPITAL :</b>												
<b>AUTHORISED :</b>												
		60,00,000 Equity Shares of Rs. 10/- each (Previous Year 10,00,000 Equity Shares of Rs. 10/- each										
		<b>60,00,000</b>	<b>10,00,000</b>									
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>												
		5980000 Equity Shares of Rs. 10/- each fully paid up (Previous Year 2,45,000 Equity Shares of Rs. 10/- each fully paid up)										
		59,800,000	2,450,000									
		<b>59,800,000</b>	<b>2,450,000</b>									
<b>SCHEDULE - II :</b>												
<b>RESERVE &amp; SURPLUS</b>												
(a) Profit & Loss Account												
As per Last Balance sheet		7,942,493	7,942,493									
Add/(less): Profit(Loss) for the year		2,775,987										
		10,718,480										
Less : Capitalisation for issue of Bonus shares		7,327,000										
		3,391,480										
(b) General Reserve		23,000	23,000									
Less : Capitalisation for issue of Bonus shares		23,000										
(c) Share Premium A/c.		49,642,650	-									
<b>TOTAL RS.</b>		<b>53,034,130</b>	<b>7,965,493</b>									
<b>SCHEDULE - III :</b>												
<b>UNSECURED LOANS :</b>												
UNSECURED LOANS :		-	31,237,070									
<b>TOTAL RS.</b>		<b>-</b>	<b>31,237,070</b>									
<b>SCHEDULE : IV</b>												
<b>FIXED ASSETS AS AT 31ST MARCH 2010</b>												
PARTICULARS	Dep.	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK		
		Rate % SLM	AS AT 31.03.2009 Rupees	ADDITION Rupees	DEDUCTION Rupees	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees	FOR THE YEAR Rupees	ADJUSTMENT FOR THE YR. Rupees	AS AT 31.03.2010 Rupees	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
Computer	16.21%	-	10,800,369	-	10,800,369	-	371,700	-	371,700	10,428,669	-	-
<b>TOTAL RS.</b>			<b>10,800,369</b>		<b>10,800,369</b>		<b>371,700</b>		<b>371,700</b>	<b>10,428,669</b>		
PREVIOUS YEAR		-	-	-	-	-	-	-	-	-	-	-

**SCHEDULE FORMING PART OF THE ACCOUNT**

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
--	------------------------------------	------------------------------------

**SCHEDULE - V :****STOCK IN TRADE****(As taken, valued & certified by management)**

Shares	43,806,841	-
<b>TOTAL RS.</b>	<b>43,806,841</b>	<b>-</b>

**SCHEDULE - VI :****SUNDRY DEBTORS****(Unsecured, Considered Good)**

Due for more than six months	-	-
Others	5,078,940	172,790
<b>TOTAL RS.</b>	<b>5,078,940</b>	<b>172,790</b>

**SCHEDULE - VII :****CASH & BANK BALANCES :**

Balance with Scheduled Banks	4,433,993	
Cash in Hand	4,264,934	562,595
<b>TOTAL RS.</b>	<b>8,698,927</b>	<b>562,595</b>

**SCHEDULE - VIII:****LOANS & ADVANCES****(Unsecured, considered good)**

Loans & Advances	53,215,062	46,130,255
<b>TOTAL RS.</b>	<b>53,215,062</b>	<b>46,130,255</b>

**SCHEDULE - IX:****CURRENT LIABILITIES & PROVISIONS :**

Current Liabilities & Provisions	7,507,969	5,213,076
<b>TOTAL RS.</b>	<b>7,507,969</b>	<b>5,213,076</b>

**SCHEDULE - XI :****INCOME FROM OPERATION**

Finance Division	<b>3,069,194</b>	
Commission income	3,441,290	669,139
Consultancy Income	5,500,000	
Interest on Loan	246,437	-
Profit/(Loss) on Share Trading	(239,450)	
Interest on Fixed Deposits	162,369	-
	<b>12,179,841</b>	<b>669,139</b>

**SCHEDULE - XII****COST OF GOODS SOLD :**

Opening Stock	-	-
Add : Purchases	47,660,403	
Less : Closing Stock - Shares	43,806,841	-
	<b>3,853,562</b>	<b>-</b>

**SCHEDULE - XIII****ADMINISTRATIVE & OFFICE EXPENSES :**

Advertisement Expenses	27,253	21,275
Audit Fees	11,030	10,000
Conveyance Expenses	21,263	-
Demat & Share Transfer Charges	109,657	-
Legal & Professional Fees	46,305	67,416
Listing Fees	93,090	10,000
Electricity charges	9,010	
Postage & Courier	16,090	-
Printing & Stationery	19,200	-
Registration Charges	-	58,602
Repairs & Maintainance	18,080	-
Rent , Rates & Taxes	87,843	35,500
ROC Expenses	4,000	-
Salary to Staff	3,280,000	76,000
Office & Misc. Expenses	31,188	24,225
Staff welfare Expenses	17,373	-
Telephone Expenses	14,358	-
<b>TOTAL (A)</b>	<b>3,805,740</b>	<b>303,018</b>

**FINANCIAL EXPENSES**

Bank charges	966	1,673
Bank interest	16,497	-
<b>TOTAL (B)</b>	<b>17,463</b>	<b>1,673</b>
<b>TOTAL (A+B)</b>	<b>3,823,203</b>	<b>304,691</b>

**NON CASH EXPENSES**

DEPRECIATION	371,700	-
<b>TOTAL</b>	<b>371,700</b>	<b>-</b>

**ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS****SCHEDULE X:****1. SIGNIFICANT ACCOUNTING POLICIES :****(a) Basis of Preparation of Financial Statements**

The financial statements have been prepared on a going concern basis and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards issued by the Institute of Chartered Accountants of India and provisions of the Companies Act, 1956, which have been adopted consistently by the Company.

**(b) Use of Estimates**

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**(c) Revenue recognition**

Revenue from sale of goods is recognized when significant risk and rewards of ownership are transferred to the customers. Sales are net of sales return and trade discount.

**(d) Fixed Assets**

During the year the company has purchased Fixed Assets worth Rs. 1,08,00,369/-

**(e) Depreciation**

Depreciation has been provided on straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 on pro-rata basis from the date Assets have been put to use.

**(f) Investments**

Long term investments are stated at cost, Provision for diminution in the value of long term investments is made only if such decline is of a permanent nature.

**(g) Inventories**

Inventories are valued at cost or net realizable value whichever is lower.

**(h) Retirement Benefits**

Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Accounting Standard-15 issued by ICAI and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Profit & Loss Account.

**(i) Foreign Currency Transactions**

During the period under review company has not entered into any foreign currency transaction.

**(j) Taxation**

Deferred tax for the year is recognized on timing difference, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future. However when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

**(k) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**(l) Utilisation of Accumulated Profit for Bonus Issue.**

During the year company has transferred and capitalized Rs. 73,50,000/- from Accumulated profit for the purpose of issue Bonus shares. Before the Bonus our issued Capital was Rs. 24,50,000/- . During the year company issued bonus shares at the Ratio of 3:1 ( 3 Bonus shares issued for 1 existing share) after the bonus the capital of our company increased to Rs. 98,00,000/-

**NOTES TO ACCOUNTS:****2. Additional information pursuant to part II of Schedule VI of the Companies Act,1956 :**

	<u>2009-2010</u> (Amount in Rs.)	<u>2008-2009</u> (Amount. in Rs.)
<b>i) Payment to Directors :</b>		
Directors Remuneration	Nil	Nil
<b>ii) Payment to Auditors :</b>		
Statutory Audit Fees	10,000	10,000
Tax Audit Fees	0	0
Service Tax	1,030	0
<b>Total</b>	<b>11,030</b>	<b>10,000</b>
<b>iii) Earning in Foreign Exchange:</b>		
Export of Software (FOB)	NIL	NIL
<b>iv) Expenditure in Foreign Exchange:</b>	NIL	NIL
<b>v) Quantitative detail in respect of trading goods is enclosed in ANNEXURE "A".</b>		
<b>vi) Other information are either NIL or Not Applicable.</b>		

**3. Contingent Liabilities not provided for :**

	<u>2009-2010</u>	<u>2008-2009</u>
Claims against the company not acknowledged as debts	NIL	NIL
Others	NIL	NIL

4. Balances of Debtors, Loans and Advances, Secured Loans, Sundry Creditors & Others are subject to confirmation and reconciliation and consequential adjustments, if any.

5. In the opinion of the Board & to the best of their knowledge & belief the value of realisation of current assets, loans & advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet & the provisions for all the loans & determined liabilities is adequate and not in excess of the amount.

6. The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.

**7. The computation of Earning Per Share :**

	<u>2009-2010</u> (Amount in Rs.)	<u>2008-2009</u> (Amount. in Rs.)
Profit Attributable to Equity Share Holders (After Tax)	2775987.00	242447.72
Weighted Average Number of Equity Share (Nos.)	5980000	245000
Basic/ Diluted Earning Per Share	0.46	0.99
Face Value per Equity Share	10.00	10.00

**8. Major Components of Deferred Tax Assets and Liabilities :**

	<u>2009-2010</u> (Amount in Rs.)	<u>2008-2009</u> (Amount. in Rs.)
1) Deferred Tax Liability on account of Depreciation	NIL	NIL
2) Deferred Tax	8,86,339	0
<b>Deferred Tax</b>	<b>8,86,339</b>	<b>0</b>

9. According to a technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of accounting standards-28 issued by the Institute of Chartered Accountants of India.

**10. Related Party Transaction :**

Transaction with Related Parties:-

List of Related Party	Nature of Transaction	<u>2009-2010</u> (Amount in Rs.)	<u>2008-2009</u> (Amount. in Rs.)
		Girraj Kishor Agrawal	Rent
Kayaguru Health Solutions Pvt. Ltd.	Loan taken & repaid	22,00,000	0

11. Balance Sheet Abstract & Company's general business profiles as required by part IV of Schedule VI to the Companies Act, 1956 is enclosed in ANNEXURE "B".

12. **Segment Information** : As there is no business except the main field of the company where segmental reporting is required.

13. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current's classification/ presentation.

As per our Report of even date :

FOR AND ON BEHALF OF  
THE BOARD OF DIRECTORS

FOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS

**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279

**G. K. AGRAWAL**  
Director

Place : Mumbai  
Date : 22nd July, 2010.

**TANU AGRAWAL**  
Director

**ANNEXURE "A"**  
**QUANTITATIVE INFORMATION OF TRADING GOODS FOR YEAR ENDED 31st MARCH 2010**

Particulars	Opening Stock		Purchase		Sales		Closing stock		MKT value	Cost / Mkt Which-ever is Less
	No.	Value	No.	Value	No.	Value	No.	Value		
(I) Quoted Shares										
SUB TOTAL			236027 nos.	9,965,403	79450 nos.	3,069,194	156577 nos.	6,869,487		6111841.09
(II) UNQUOTED SHARES										
SUB TOTAL			226,950	7,695,000			226,950	37,695,000		37,695,000
TOTAL			462,977	47,660,403	79,450	3,069,194	383,527	44,564,487		43,806,841

**ANNEXURE "B"****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

i) Registration No.	:	34867
ii) State Code	:	11
iii) Balance Sheet Date	:	31.03.10

**II. Capital Raised During the Year (Rs.)**

i) Public Issue	:	NIL
ii) Right Issue	:	NIL
iii) Bonus Issue	:	YES
iv) Private Placement	:	YES

**III. Position of Mobilisation and Development of Fund (Rs.)**

i) Total Liabilities	:	113,720,469
ii) Total Assets	:	113,720,469

**Sources of Funds**

i) Paid up Capitals	:	59,800,000
ii) Reserve & Surplus	:	53,034,130
iii) Secured Loans	:	-
iv) Unsecured Loans	:	0
v) Deferred Tax Liability	:	886,339

**Applications of Funds**

i) Net Fixed Assets	:	10,428,669
ii) Deferred Tax Asset	:	-
iii) Investments	:	-
iv) Net Current Assets	:	103,291,801

**IV. Performance of Company (Rs.)**

i) Turnover	:	12,179,841
ii) Total Expenditure	:	8,048,465
iii) Profit before tax	:	4,131,375
iv) Profit after tax	:	2,775,987
v) Basic/Diluted Earning Per Share	:	0.46
vi) Dividend Rate	:	0%

**V. Generic Names of Three principle Products / Services of Company**

<b>Product</b>	<b>Code No.</b>
i) Investment in Shares & Financing	Nil
ii) Consultancy	Nil
iii) Real Estate Business	Nil

As per our Report of even date :

FOR AND ON BEHALF OF  
THE BOARD OF DIRECTORSFOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279**G. K. AGRAWAL**  
DirectorPlace : Mumbai  
Date : 22nd July, 2010.**TANU AGRAWAL**  
Director**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

<b>Particulars</b>	<b>31st March 2010 (Rs.)</b>	<b>31st March 2009 (Rs.)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit Before Tax & extraordinary items	4,131,375	364,448
<b>Add / (Less) Non cash items and items considered seperately:</b>		
Depreciation on Fixed Assets	371,700	-
Loss on Share Trading	(239,450)	-
Interest income	162,369	-
<b>Operating Profit before Working Capital Changes</b>	<b>4,425,995</b>	<b>364,448</b>
<b>Adjustment For working capital changes:</b>		
(Increase) / Decrease in Trade & Other Receivable	(5,470,477)	(173,000)
(Increase) / Decrease in Inventories	(43,806,841)	-
(Increase) / Decrease in Loans & Advances	(8,043,824)	(34,094,109)
Increase / (Decrease) in Trade & Other Payable	2,679,210	3,815,439
<b>Cash generated from operations</b>	<b>(50,215,938)</b>	<b>(30,087,222)</b>
Income tax refund (Direct tax paid)	(52,942)	-
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(50,268,880)</b>	<b>(30,087,222)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investment	-	-
Purchase of Investment	-	-
Purchase of Fixed Assets	(10,800,369)	-
<b>Net Cash (Used In)/ From Investment Activities (B)</b>	<b>(10,800,369)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowing - Unsecured Loan	(31,237,070)	24,969,069
Share Issued	99,642,650	-
Advance from Customer	800,000	-
<b>Net Cash (Used In)/ From Financing Activities (C)</b>	<b>69,205,580</b>	<b>24,969,069</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>8,136,331</b>	<b>(5,117,942)</b>
<b>Cash and Cash Equivalents at the Begning of the year</b>	<b>562,595</b>	<b>5,680,537</b>
<b>Cash and Cash Equivalents at the End of the year</b>	<b>8,698,927</b>	<b>562,595</b>
	(0)	0

**Notes:** (1) The Above cash flow statement has been prepared by using the indirect methods as per Accounting Standard-3, issued by Institute of Chartered Accountants of India.

(2) The previous figure have been regrouped/ rearranged wherever necessary to confirm the current year' s classification.

As per our Report of even date :

FOR AND ON BEHALF OF  
THE BOARD OF DIRECTORSFOR **MANOJ KUMAR SHARMA**  
CHARTERED ACCOUNTANTS**MANOJ KUMAR SHARMA**  
PROPRIETOR  
Membership No. 42279**G. K. AGRAWAL**  
DirectorPlace : Mumbai  
Date : 22nd July, 2010.**TANU AGRAWAL**  
Director

**SHREE NATH COMMERCIAL & FINANCE LIMITED**

Registered Office : E-109, Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400 053

**ATTENDANCE SLIP**

26TH ANNUAL GENERAL MEETING - ON 23RD AUGUST, 2010 AT 3.30 P.M.

Reg. Folio No.: ..... No. of shares held : .....

Name of the Attending Member .....

D. P. I.D.\* ..... Client I.D.\* .....

I/We hereby record my/our presence at the 26th ANNUAL GENERAL MEETING of the Company being held on Monday, 23rd August 2010 at E-109, Crystal Plaza, New Link Road, Andheri (W), Mumbai - 400 053 at 3.30 p.m.

Signature of the shareholder(s) / Proxy / Representative

Note : (1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the Venue. (2) Member/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

TEAR HERE

**SHREE NATH COMMERCIAL & FINANCE LIMITED**

Registered Office : E-109, Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400 053

**FORM OF PROXY**

Reg. Folio No.: ..... No. of shares held : .....

Name of the Attending Member .....

D. P. I.D.\* ..... Client I.D.\* .....

I/We..... of

..... in the district of ..... being a shareholder / shareholders of Shree

Nath Commercial &amp; Finance Ltd. hereby appoint ..... of .....

in the district of ..... or failing him/her ..... as my/our Proxy

to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Monday, 23rd August, 2010 at 3.30 p.m. and at any adjournment thereof.

Signed this ..... day ..... 2010

Affix a Rupee 1/- Revenue Stamp
--

Signature of the shareholder ..... Signature of Proxy .....

**NOTE :** The Proxy form duly completed and signed must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting

\* Applicable for shares held in electronic form.