

Natco Economicals Limited
Year 2011-12

***18th Annual
Report***

BOARD OF DIRECTORS

❖	Haresh G Patel	-	Director
❖	Sarju Parikh	-	Independent Director
❖	Ripul Kotecha	-	Independent Director
❖	Rupesh Upadhyay	-	Independent Director

* **Registered Office :**

404/405, Kalyan Chamber Khadia, Char Rasta, Ahmedabad Gujarat-380001

ANNUAL GENERAL MEETING Date: 28/09/2012 Time: 11 a.m.

Venue of AGM: 404/405, Kalyan Chamber Khadia, Char Rasta, Ahmedabad Gujarat-380001

AUDITORS *Jayesh Patel & Co.
Chartered Accountant
Ahmedabad*

BANKERS *Bank of India
Ahmedabad*

Registrar & Transfer Agent *IN HOUSE*

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of NATCO ECONOMICALS LIMITED will be held on Friday, 28th September, 2012 at 11.00 A.M., at 404/405, Kalyan Chamber, Khadia Char Rasta, and Ahmedabad Gujarat-380001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sarju Parikh who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint M/s. Jayesh Patel & Co., Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Regd. Office:

404/405, Kalyan Chamber,
Khadia Char Rasta,
Ahmedabad

Date: 31st July, 2012

By Order of the Board

Haresh Patel
(Director)

NOTES:

1. Member entitled to attend and vote at the meeting A is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Member of the Company. Proxy form duly completed must be deposited at the registered office of the Company, not less than forty-eight hours before the commencement of the Annual General Meeting. Blank proxy form is enclosed. Proxy so appointed shall not have any right to speak at the meeting.
2. As required by clause 49 of Listing Agreement, a brief profile of Shri Sarju Parikh retiring by rotation and seeking re-appointment under item nos. 2aforesaid in accordance with applicable provisions of the Companies Act, 1956 as well as those Directors who have been appointed since last Annual General Meeting are annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2012 to September 28, 2012 (both days inclusive).
4. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

5. Members are requested to:-
- (a) Note that copies of Annual Report will not be distributed at the Annual General Meeting. (b) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Auditorium will be strictly on the basis of the Entry Slip available at the counters at the venue to be exchanged with the Attendance Slip. (c) Quote their Folio in all correspondence. (d) Note that no gifts/coupons will be distributed at the Annual General Meeting.
6. Members holding shares in multiple folios are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.
7. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and/or change in address and bank account, to company's Registered Office
8. Member are requested to notify immediately any change in their addresses to the company
9. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to Compliance Officer of the Company at the registered office of the Company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
10. All documents referred to in the accompanying notice and Statutory Registers are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
- The entire Annual Report is also available on the Company's website www.natecoltd.com

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DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT / APPOINTMENT IN THE ENUSING ANNUAL GENERAL MEETING

Name of Director	Sarju Parikh
Date of Birth	26/05/1966
Nationality	Indian
Date of Appointment	29/09/2011
Expertise & Qualification	Post Graduate in Secretarial & Legal Field and having vast experience in Secretarial and Legal matters of the Company
Shareholding in Natco	NIL
List of outside directorship	NIL

Regd. Office:
405, Kalyan Chamber,
Khadia Char Rasta,
Ahmedabad
Date: 31st July, 2012

By Order of the Board

Haresh Patel
(Director)

DIRECTORS' REPORT

To The Members,

Your Directors present this 18th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

Financial Results

<i>Particulars</i>	<i>(in Rupees)</i>	
	<i>Current Year 2011-12</i>	<i>Previous Year 2010-11</i>
Total Income	791600	559287
Profit before Finance Cost and Depreciation	190019	60100
Less : Finance Cost	-	-
Profit before Depreciation	190019	60100
Less : Depreciation	180163	88801
Profit/(Loss) before Tax	9856	28701
Provision for Tax		
<i>Current Tax</i>	0	0
<i>Deferred Tax</i>	1070	272
<i>Tax For earlier Years</i>	0	0
Balance of Profit/(Loss) for the year	8786	-28973
Balance Brought forward from the Previous year	-	-
Amount available for appropriation	-	-
Proposed Dividend	0	0
Tax on proposed Dividend	0	0
Balance Profit/(Loss) carried to Balance Sheet	8786	-28973

OPERATIONS

In the volatile interest rate and decelerating economic growth where expectation of 8%+ against actual of 5.6% your company sustained with limited growth path. The total income for the financial year under review is Rs.7,91,600 in comparison of Rs.7,91,600 during the previous year. During the year under review, the Company has earned a Net Profit of Rs. 8,786/- as compared to a Net Profit of Rs.-28,973/- in the previous year.

Soaring prices of food and essential commodities compelled the Reserve Bank of India to raise interest rates several times during the year. What is positive for company is zero debt position, where there is an adverse tide of 13 interest rate impositions, and funding is serious problem in the coming years your company is protected by its prudent policy and guarded by safe play.

Indian Stock Market showed a worst performance after 2008, Inflation clearly remained the biggest and most engraved concern for India this year. The rupee continued to fall on sustained foreign capital outflows. Internationally, the euro zone debt crises remained the biggest business story of 2011. The crises deepened as the trouble that started with Greece spread to Italy, Portugal and Spain and speculation mounted about the collapse of the euro zone. India cannot stay immune to the deteriorating situation in the euro zone.

DIVIDEND

In order to conserve resources of the company for future plans, your directors did not recommend payment of any dividend for the year ended 31st March, 2012.

DIRECTORATE

Shri Sarju Parikh, Director of the Company, retires by rotation at this Annual General Meeting and being eligible offer himself for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your directors' confirm:

- I. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- II. That the directors have selected such accounting policies & applied them consistently & made judgment & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the company at the end of the financial year & of the Profit of the company for the year.
- III. That the directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company & for preventing & detecting fraud & other irregularities.
- IV. That the directors have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the Company's operations is presented in the chapter on Management Discussion and Analysis, which forms part of this Annual Report.

CORPORATE GOVERNANCE REPORT

Your Company is committed to adhere to the best practice of governance. It has always been a constant Endeavour of the Company to adopt good corporate governance code through independent Board, transparent disclosures and shareholders empowerment for creating and sustaining shareholder value. A report on Corporate Governance forms part of this report and a certificate from the Auditors of your Company regarding compliance of conditions of the Corporate Governance is attached to this report.

DEPOSITS

The Company has not invited or accepted any fixed deposit from the public during the year under review.

AUDITORS

M/s Jayesh Patel & Co., Chartered Accountants retire at the ensuing Annual General meeting. They offer for re-appointment. Company has received their eligibility certificate in pursuant to section 224(1B) of the Companies Act, 1956. The explanation given in Auditor's report and notes on accounts are self-explanatory and do not call for any comments.

PARTICULARS OF EMPLOYEES

None of the Employees of the company was in receipt of the remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 as amended, during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

The particulars' regarding foreign exchange earnings and expenditure is **NIL**.

Since your company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

ACKNOWLEDGMENT

The Board of Directors wishes to place on record its appreciation for the commitment, dedication and hard work done by the employees of the Company and the cooperation extended by Banks, Government Authorities, Customers, Shareholders and Employees of the Company and looks forward to a continued mutual support and co-operation.

By Order of the Board

Place: Ahmedabad
Date: 31st July, 2012

Haresh Patel
(Director)

Rupesh Upadhyay
(Director)

MANAGEMENT DISCUSSION & ANALYSIS REPORT*OVERVIEW*

This Management Discussion and Analysis Report has to be read in conjunction with the Company's financial statements, which follows this section. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India and the directions issued by Reserve Bank of India for Non – Banking Financial Companies from time to time, wherever applicable. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. The following discussion may include forward looking statements which may involve risks and uncertainties, including but not limited to the risks inherent to Company's growth strategy, change in regulatory norms, economic conditions and other incidental factors. Actual results could differ materially from those expressed or implied.

INDUSTRY STRUCTURE & DEVELOPMENTS

The global economy witnessed a sluggish growth during the year under review mainly due to the slow down in the advanced economies, sovereign debt crisis in euro zone area, political turmoil in the Middle East and increase in crude oil prices. The impact was also felt in the Indian economy wherein the growth has decelerated when compared to the previous year.

Inflation, increase in interest rate, liquidity crunch, rising in crude price and weak currency is major issue for policy makers and industry developments. The auto industries is also affected which ultimately having major upset for leasing industry.

The revision of India's Long Term Sovereign rating from "Stable" to "Negative" by international ratings agency "Standard and poor", has huge implications for the Indian Economy and adversely affected the way Foreign Investors view India as Investment destination. The revision has hurt sentiments of financial markets and tripped shares, the rupee and bonds.

OUTLOOK ON OPPORTUNITIES

We firmly believe that when India's long term growth story is remaining intact the growth of financial sector is obvious. RLFL has been able to explore new areas for its business especially in rural India. With the innovative marketing strategies, the Company is able to add new customers and retain existing clientele. The clientele mainly comprise of individual borrowers.

The profit margin has increased due to better marketing efforts of our people at rural markets. We have been able to disburse maximum finance in rural market where company is able to achieve better rates as the competition is low in that area.

OUTLOOK ON THREATS, RISKS AND CONCERNS

There has been increased competition from the scheduled banks and other NBFCs operating in the field of automobile finance. The credit profiles of the borrowers determine the quality of the vehicle loans. Any default in repayment of the loan amount by the customers could add to the non-performing assets which will result in deterioration of the quality of the loan portfolio. The volatility in interest rates could result in

increasing the cost of funds, which shall have a bearing on the profitability of the Company. MCSL has framed a very conservative and judicious policy with regard to the vehicles to be financed, area of finance and type of customers. The Company also keeps a track on the repayment of the loan installments which helps it to reduce its delinquency level when compared to others operating in similar businesses. Further, the Company has always maintained sufficient liquid funds, so that its operations are not affected. Constantly sticking on to the traditional values and ethics and with the support of efficient and dedicated resources, were able to phase out any difficulties in our area of operation.

Current elevated rates of inflation pose significant risks to future growth. With the attention of Government focused in containing the inflation, the economic growth may see deceleration with corporate turning in moderate growth.

Non-Banking financial Companies continue to face competition from local and multinational players in the market. The Leasing Industry grew despite several constraints. These problems relate to the inadequacy of funding, insufficient tax benefits, multiplicity of taxes and the absence of specific legislation governing lease transactions. Frequent changes in law affect leasing operations substantially. Interest rate volatility affects operating costs, expenses and profitability of the Leasing Industry. The indiscriminate entry of new companies into the industry evidenced a need for regulation and the Reserve Bank of India imposed certain restrictions. To grow the Leasing Industry, it is necessary for the Government to initiate tax incentives. Large professionally managed independent leasing companies demonstrated an ability to succeed and grow. The leasing market has not developed commensurately with the growth of leasing companies. This has led to competition and as a result several leasing companies, lacking in profession expertise, were forced to exit.

SEGMENT WISE FINANCIAL PERFORMANCE

The Company presently operates only in one business segment. The company's total income has increased from 5,59,287 to 7,91,600 and consequently Net Profit/(Loss) stood 8,786/- for the year ended 31st March, 2012 as compared to -28,973/- for 31st March, 2011.

INTERNAL CONTROL SYSTEM

The Company has established its internal control system commensurate with the requirement of its size. The Finance Department of the company is well staffed with experienced and qualified personnel who will play an important role in implementing and monitoring the internal control environment and compliance with statutory requirements.

The Internal Control Systems and the procedures have been repeatedly fine-tuned and improved upon in line with business changes. The Company has also established Standard Operating Procedures for all its functional areas. The internal controls and audit systems are being reviewed periodically by the management and Audit Committee and steps are taken as part of continuous improvement.

HUMAN RESOURCE MANAGEMENT

Human resources are a valuable asset for any organization. The company is constantly endeavoring to source and develop skilled manpower at all levels. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals. Total number of employees as on 31st March 2012 stood at 8.

The Company is managed by a professional team under the guidance of the Whole time Director. Frequent meetings are arranged to upgrade the knowledge of the employees and to strengthen their managerial capabilities. There are no material financial and commercial transactions in which the management has personal interest that may represent potential conflict of interest.

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance envisages working towards high levels of transparency, accountability and responsibility, fairness, consistent value systems, delegation, across all facts of its operations leading to sharply focused and operationally efficient growth.

The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers and statutory authorities. The Company is committed to learn and adopt the best practices of corporate governance.

2. BOARD OF DIRECTORS

(A) COMPOSITION

The composition of Board of Directors of the company is in conformity with the requirements of clause 49 of the Listing Agreement. The Board of Directors of the company has an optimum combination of Executive and Non-Executive Independent Directors to maintain the independence of the Board. The Board further consists of learned and experienced members. The composition of the Board Consist of Four Members out of which one is Independent Directors and other three are Non-Executive Independent Directors including Chairman

(B) Directors' attendance at the Board Meetings during the year and also at the last Annual General Meeting, number of directorships in other companies and Membership/ Chairmanship in other committees etc. are as follows:

Name and Designation	Board Meeting Held during the tenure	Board Meeting Attended	No. of other Directorship 31.03.12	No. of other Membership In Committee As Member	No. of other Members hip In Committe e As Chairman	Attendance at the Last AGM held on 29.09.2011
Haresh G Patel (Director)	4	4	Nil	Nil	Nil	Present
Sarju Parikh (Independent Director)	4	4	Nil	Nil	Nil	Present
Ripul Kotecha (Independent Director)	4	4	Nil	Nil	Nil	Present
Rupesh Upadhyay (Independent Director)	4	4	Nil	Nil	Nil	Present

N.A. indicates that concerned person was not a Director on Natco Economicals Limited's board on the relevant date.

(C) Number of Board Meetings held with dates :

The number of Board meetings held during the year from 01st April 2011 to 31st March 2012 is 4. The dates of meeting are given below:

1. 28 th July 2011
2. 27 th October 2011
3. 28 th January 2012
4. 30 th May 2012

The time gap between any two meetings did not exceed four months. The compliance report in respect of laws applicable to the Company has been periodically reviewed by the Board of Directors of the Company.

(D) Board Functions & Procedure

Detailed Agenda Notes with necessary information were circulated in advance to the Board during the year, all the relevant information as mentioned in Clause 49 of the Listing Agreement was placed before the Board for its consideration. The Board plays pivotal role in insuring good governance, therefore it is always policy of the company that Board Members are free to give any suggestion to enhance capability of the company and effective good governance. The major information regularly supplied to Board includes:

- ✓ Annual plans, budgets and any updates therein.
- ✓ Capital budgets and any updates therein.
- ✓ Quarterly results for the Company
- ✓ Minutes of meetings of Audit Committee and other Committees of the board.
- ✓ Material show cause, demand, prosecution notices and penalty notices, if any.
- ✓ Fatal or serious accidents, dangerous occurrences, any.
- ✓ Any material default in financial obligations
- ✓ Any significant development in human resources.
- ✓ Sale of material nature, of investments, subsidiaries, assets which is not in the normal course of business.

11**CODE OF CONDUCT**

In accordance with the amended clause 49 of the Listing Agreement, the company has adopted a code of conduct for his directors and senior executives. The details code of conduct is available at company's website at: www.natecoltd.com

Declaration as required under clause 49 of listing agreement:

All Board members and senior management personnel affirm compliance with the code of conduct for the year 2011-12.

Haresh Patel**Director**

COMMITTEES OF THE BOARD

In accordance with the Listing Agreement of the stock exchanges on Corporate Governance, the following committees, comprising highly experienced and professional board members, were in operation:

1. Audit Committee
2. Share Transfer / Investor Grievances Committee

3. AUDIT COMMITTEE

The role and terms of reference of Audit Committee is in line with the requirements of Section 292A of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement

Preliminary responsibility of audit committee:

- Oversight of the Company's financial reporting process.
- Auditing and accounting matters, including recommending the appointment of our independent auditors to the shareholders.
- Compliance with legal and statutory requirements
- Integrity of Company's financial statements, discussing with the independent auditors the scope of the annual audits, and fees to be paid to the independent auditors.
- Performance of Company's Internal Audit function, Independent Auditors and accounting practices.
- Review of related party transactions, functioning of Whistle Blower Mechanism
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and / or other Committee(s) of Directors of the company.

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The terms of reference of the Audit Committee includes the following:

- To seek information from any employee.
- To obtain legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it is considered necessary.
- Oversight of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and creditable.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statement before submission to the Board, focusing primarily on: - Any change in accounting policy and practices, Qualification in draft audit report.
- Significant adjustment arising out of audit.
- Compliance with accounting standard.
- Compliance with Stock Exchange and Legal requirement concerning financial statement.
- Any related party transaction i.e. transaction of the Company of material nature, with promoters or the management, their subsidiary or relatives etc.
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

- Reviewing with management, external and internal auditor, the adequacy of internal control system and suggestion for implementation for the same.
- Reviewing the adequacy of internal audit function including the structure of internal audit department,
- staffing and seniority of the officials heading the departments, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditor and significant finding and follow up thereon.

As on March 31, 2012, the Audit Committee comprised of the following members:

1. **Rupesh Upadyay** **Chairman**
2. **Sarju Parikh** **Member**
3. **Ripul Kotecha** **Member**

During the financial year 2011-12 Four (4) meetings of the Audit Committee were held:

1. 28 th July 2011
2. 27 th October 2011
3. 28 th January 2012
4. 30 th May 2012

The details of the meetings attended by members during the year 2011-12 are as follows:

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Meeting held during tenure</u>	<u>No. of meeting attended</u>
1. <i>Rupesh Upadyay</i>	Chairman	4	4
2. <i>Sarju Parikh</i>	Member	4	4
3. <i>Haresh G Patel</i>	Member	4	4

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Senior functional executives are also invited as and when required to provide necessary inputs to the committee. The Minutes of the Audit committee Meetings were noted by the Board of Directors of the Company at the subsequent Board Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting held on September 28, 2012.

The Compliance Officer of the Company acts as the Secretary to the Committee.

4. SHARE HOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, Issue of Split/ Consolidated shares and transfer of shares of the Company.

The Committee recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

During the financial year 2011-12 Four (4) meetings of the Shareholders'/ Investors' Grievance Committee was held:

1. 28 th July 2011
2. 27 th October 2011
3. 28 th January 2012
4. 30 th May 2012

As on March 31, 2012, the Shareholders'/ Investors' Grievance Committee comprised of the following members:

- | | |
|-------------------|----------|
| 1. Haresh G Patel | Chairman |
| 2. Sarju Parikh | Member |
| 3. Rupesh Upadyay | Member |

The details of the meetings attended by members during the year 2011-12 is as follows:

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Meeting held during tenure</u>	<u>No. of meeting attended</u>
1. Haresh G Patel	Chairman	4	4
2. Sarju Parikh	Member	4	4
3. Rupesh Upadyay	Member	4	4

Complaints from Investors

No. of complaints pending at the beginning of the year:	Nil
No. of complaints received during the year ended 31.03.2012	Nil
No. of complaints received for Refund during the year	Nil
No. of complaints received from Stock Exchanges during the year	Nil
No. of complaints received from SEBI during the year	Nil
No. of complaints resolved / replied during the year	Nil
No. of Investors complaints pending at the ending of the year 31.03.2012:	Nil

We confirm that No complaints remained unattended / pending for more than 30 days.

There were no share transfers pending for registration for more than 15 days as on the said date.

5. REMUNIRATION COMMITTEE

The Board did not constituted Remuneration Committee as there is no any Executive Director on the Board of the Company.

6. GENERAL BODY MEETINGS

Annual General Meeting for the year 2011-12 is scheduled on Friday, 28th September, 2012, 11.00 A.M. The meeting will be conducted at the Registered Office of the company at 404/405, Kalyan Chamber, Khadia Char Rasta, Ahmedabad, Gujarat-380001

For those of you, who cannot make it to the meeting, please remember that you can appoint a proxy to represent you in a meeting. For this you need to fill in a proxy form enclosed with the notice for the meeting and send it to us. The last date for receipt of proxy forms by us is September 26, 2012 before 11.00 A.M.

Annual General Meeting for Last Three Years:

<i>15th Annual General Meeting</i>	<i>29th September, 2009 At 11.00 a.m</i>	<i>404/405, Kalyan Chamber Khadia, Char Rasta, Ahmedabad Gujarat- 380001</i>
<i>16th Annual General Meeting</i>	<i>30th September, 2010 At 11.00 a.m</i>	<i>404/405, Kalyan Chamber Khadia, Char Rasta, Ahmedabad Gujarat- 380001</i>
<i>17th Annual General Meeting</i>	<i>29th September, 2011 At 11.00 a.m</i>	<i>404/405, Kalyan Chamber Khadia, Char Rasta, Ahmedabad Gujarat- 380001</i>

- **No special resolution was proposed at the aforesaid annual general meetings.**
- **No Extra ordinary General Meeting of the Members was held during the year under review.**
- **No Postal Ballot was conducted during the year 2011-12.**

Subsidiary Companies

Company does not have any subsidiary company.

7. DISCLOSURES

The Company has fully complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement and has adopted all suggested items to be included in the Report on Corporate Governance.

Related Party Transaction

There are no materially significant transactions with related parties i.e., promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interest. There are no transaction took place with related party which are considered to be not in the normal course of Business.

Management Discussion and Analysis

The detailed report on Management Discussion & Analysis is given separately in the Annual Report.

Details of Penalties & Compliance

During the last three years, there were no strictures or penalties imposed on the company either by SEBI, Stock Exchanges or any other authorities related to capital market.

Whistle Blower Policy

The Company at present does not have a Whistle Blower Policy. However, all the employees of the Company have free access to meet senior level Management personnel and report on any points of concern. The Company is in the process of evaluating ways and means for implementation of the other non-mandatory requirements as per Annexure I D of the Clause 49 of the Listing Agreement over a period of time.

Risk Management

The company has laid down the procedures to inform the Board about the risk assessment and minimization. The Board of Directors of the company periodically reviews these procedures to ensure that risks are managed through a properly defined framework.

Disclosure of Accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and Companies (Accounting Standards) Rules, 2006 to the extent applicable.

CEO/CFO Certificate

Certificate from CEO/CFO for the financial year ended March, 31 2012 has been provided in this Annual Report.

8. MEANS OF COMMUNICATION

In compliance with the requirements of Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges. Company also displayed quarterly results on the website of the Company.

9. GENERAL SHAREHOLDERS INFORMATION

i. Annual General Meeting

- Date & Time: Friday, 28th September, 2012 at 11.00 a.m.
- Venue: 404/405, Kalyan Chamber Khadia, Char Rasta, Ahmedabad Gujarat-380001
- Financial Year : 1st April, 2011 to 31st March, 2012

ii. Financial Calendar (Tentative)

- Result for the qtr. ending June 30, 2011: Within 45 days from the end of Quarter
- Result for the qtr. ending Sept 30, 2011: Within 45 days from the end of Quarter
- Result for the qtr. ending Dec 31, 2011: Within 45 days from the end of Quarter
- Result for the qtr. ending Mar 31, 2012: Within 60 days from the end of Quarter

iii. Book Closure date :

24th September, 2012 to 28th September, 2012 (both days inclusive)

iv. Dividend :

No dividend being recommended by the Board during the year.

v. Listing of Equity Shares in Stock Exchanges :

The Ahmedabad Stock Exchange Ltd

vi. Stock Code

The Stock Exchange Ahmedabad - 39403

vii. Market Price Data: High, Low during each month in last financial year.

There were no trading took place in both the stock exchanges during the year under review.

viii. Performance in comparison to broad-based

As there is no trading no comparison with exchange vis-a-vis stock is possible.

ix. Book Closure date :

24th September, 2012 to 28th September, 2012(both days inclusive)

X. Distribution of shareholding

	Folios		Shares	
	<i>Numbers</i>	<i>% of Total No.</i>	<i>in Rs.</i>	<i>% to Total amount</i>
UPTO 5000	394	75.19	2440000	8.14
5001 TO 10000	45	8.59	4256500	14.17
10001 TO 20000	32	6.11	5440000	18.13
20001 TO 30000	52	9.92	14562500	48.54
100001 AND ABOVE	1	0.19	3305000	11.02
TOTAL	524	100	30004000	100

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Shareholding Pattern (as at March 31, 2012)

Category	No. of Shares	Percentage
Promoters	336045	11.2
Indian Public	2664355	88.8
Total	3000400	100.00

Xi. Dematerialization of shares and liquidity

As no trading take place during the year under review and as cost effective measure company has not entered into any agreement with either CDSL or NSDL.

Xii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments, which likely impact on equity.

Xiii. Plant Locations

Company is engaged in Finance sector and does not have any plant.

Xiv. Address for correspondence

Natco Economicals Limited

404/405, Kalyan Chamber,

Khadia Char Rasta,

Ahmedabad Gujarat-380001

Exclusive E-mail Id for redressal of investor's complaints in terms of Clause 47(f) of the Listing Agreement please uses the following email for redressal of Investors Complaints.

E-mail ID: natcoeco@gmail.com.

Website: www.natecoltd.com

On behalf of the Board of Directors

Place: Ahmedabad
Date: 31st July, 2012

Haresh Patel
(Director)

Rupesh Upadhyay
(Director)

AUDITORS' REPORT

**To,
The Members of
Natco Economicals Limited**

We have audited the attached Balance Sheet of Natco Economicals Limited as at 31st March, 2012, the Statement of Profit & Loss Account and also the cash flow statement for the year ended on that date annexed there to. 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.

We conducted our audit in accordance with the 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 from any 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion:

As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (together "the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

Further to our comments in the Annexure referred to in paragraph (4) above, we report that:

- a. 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.
- b. In our opinion, the company has kept proper books of accounts as required by law so far, as appears from our examination of those books of the Company.
- c. The Balance Sheet, Statement of Profit and Loss Account and cash flow statement dealt with by this report are agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, Statement of Profit and 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, to the extent applicable.
- e. On the basis of the written confirmations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that the Directors is disqualified as on 31st March, 2012 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 Accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance Sheet, of the State of the affairs of the Company as at 31st March, 2012 and.
- (ii) In the case the Statement of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
- (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

Place: Ahmedabad
Date: 31st July, 2012

For Jayesh Patel & Co
Chartered Accountants
CA. Jayesh Patel
Proprietor
Membership No: 34745

Annexure to Auditor's Report

The Annexure referred to in the Auditor's Report to the Member of Natco Economicals Limited On the accounts for the year ended 31st March, 2012, we report that:

- (i) (a) The company has maintained proper records showing full particulars including Quantitative details and situation of Fixed Assets.
- (b) We have been informed that the fixed assets of the Company are physically verified by the Management according to a phased program designed to cover all the items over a period of two years, which in our opinion, is reasonable having regards to the size of the Company and the nature of its assets. Pursuant to the program, physical verification was carried out during the year and no material discrepancies were noticed.
- (c) During the year, the Company has not disposed of substantial part of fixed assets.
- (ii) (a) The Inventory has been physically verified by management during the current year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
- (iii) (a) According to the information and explanations given to us, 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.

- (b) According to the information and explanations given to us, 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 have been so entered.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regards to the purchases of inventory, fixed assets and for the sale of only trade security. In our opinion, and according to the information and explanations given to us, there is no major weakness has been noticed in internal control system.
- (v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 such transaction have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time..
- (vi) According to the information and explanations given to us, the company has not accepted deposits from the public within meaning of section 58A and 58AA of the Act and the rules framed there under and accordingly company has passed the Board resolution.
- (vii) In our opinion, the company has internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items Of cost maintained by the Company pursuant to the Rules made by the Central Government the maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 and We are of the opinion that, prima facie, the prescribed accounts and records have been made And maintained. However, we have not made a detailed examination of the records for Determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Sales Tax, VAT, Wealth Tax, service tax, Custom Duty, Excise Duty, Cess and any other dues during the year with the appropriate authorities. There are no undisputed dues payable for a period of more than six months from the date they became payable on 31-03-2012.
- (b) According to the information and explanations given to us, the company has no disputed dues of Sales Tax, Income Tax, Custom duty, Wealth Tax, Service Tax, VAT, Excise duty, Cess as on the balance sheet date.
- (x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred Cash losses in the financial year and immediately preceding such financial year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or Debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / societies. Hence, the provisions of sub clauses (a), (b), (c) and (d) are not applicable.
- (xiv) According to the information and explanations given, the company deals/trades in shares, bonds, debentures, securities, and other investments and proper records have been maintained of the transactions and contracts wherein timely entries have been made, and the shares, bonds, debentures securities and other investments are held by the company in its name. Further the company has been holding certificate of registration issued by the Reserve Bank of India relating to NBFC.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) The Company has not obtained any term loan, accordingly, Para 4 (xvi) of the Order is not applicable.
- (xvii) According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- (xviii) During the year the company has not made any preferential allotment of shares to parties & companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have outstanding debentures during the year. Accordingly, no Securities or charge have been created.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Ahmedabad
Date: 31st July, 2012

For Jayesh Patel & Co.
Chartered Accountants
CA. Jayesh Patel
Proprietor
Membership No: 34745

CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO)

I, Haresh Patel Director of Natco Economicals Limited to the best of our knowledge and belief hereby certify that :

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2012 and that to the best of our knowledge and belief;
- ✓ These statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading, and
 - ✓ These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violate the company's code of conduct;
- (c) I accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and audit committee, deficiencies in the design or operation on internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
- (d) I have informed the auditors and the audit committee that :
- a. There has not been any significant changes in internal control over financial reporting during the year under reference;
 - b. There has not been any significant changes in accounting policies during the year requiring disclosed in the notes to the financial statements; and
 - c. There has not been any 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.

Place: Ahmedabad
Date: 31st July, 2012

Ripul Kotecha
(Director)

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	30004000	30004000
(b) Reserves and Surplus	B	77293	68507
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		6820	5750
(b) Other Long term liabilities			
(3) Current Liabilities			
(a) Other current liabilities	C		
(b) Short-term provisions	D	18180	-
Total		30106293	30078257
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	E	587101	565744
(ii) Intangible assets			
(b) Non-current investments	F	2458700	1156808
(c) Deferred tax assets (net)			
(d) Long term loans and advances	G	0	0
(2) Current assets			
(a) Cash and Cash Equivalents	H	323520	28310
(b) Short-term loans and advances	I	14537323	14896298
(c) Other current assets			
Total	J	12199649	13431097
		30106293	30078257

(0)

-

Significant Accounting Policies and other explanatory notes and information

O

Haresh Patel (Director)	Rupesh Upadhyay (Director)
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Place: Ahmedabad
Date: 31st July, 2012

For Jayesh Patel & Co.
Chartered Accountants
Jayesh Patel
Proprietor
Membership No: 34745

Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No	in Rs.	
		31st March, 2012	31st March, 2011
I. Revenue from operations	K	776200	551987
II. Other Income		15400	7300
III. Total Revenue (I + II)	L	791600	559287
IV. Expenses:			
Employee benefit expenses	M	261200	215107
Other expenses	N	340381	284080
Total Expenses		601581	499187
V. Profit before Interest, Depreciation and tax			
Depreciation		180163	88801
VI. Profit before tax		9856	-28701
VII. Tax expense:			
Current tax		0	0
Deferred tax		1070	272
VIII. Profit/(Loss) for the year		8786	-28973
IX. Earning per equity share:			
Basic & Diluted		0.002	0.009

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Significant Accounting Policies and other explanatory notes and information

O

Haresh Patel
(Director)

Rupesh Upadhyay
(Director)

Place: Ahmedabad
Date: 31st July, 2012

For Jayesh Patel & Co.
Chartered Accountants
Jayesh Patel
Proprietor
Membership No: 34745

Notes to Balance Sheet As at 31st March

2012

2011

A. Share Capital :

(a) Shares authorized

32000000

32000000

(31st March 2012: 3200000) equity shares of
Rs.10/- each

32000000

32000000

(b) Shares issued, subscribed and fully paid :

30004000

30004000

(31st March 2012: 3000400) Equity Shares of
Rs.10/- each

30004000

30004000

(c) Reconciliation of Shares outstanding at the beginning and at
the end of the reporting period :At the Beginning of the period
Issued during the period

30004000

30004000

Outstanding at the end of the period

30004000

30004000

(d) The rights, preferences and restrictions including restrictions on the distribution
of dividends and the repayment of capital;**Equity Shares**

The company is having only one class of shares i.e Equity carrying a nominal value of Rs.10/- per share
Every holder of the equity share of the Company is entitled to one vote per share held

**In the event of liquidation of the Company, the equity shareholders will be entitled to receive
remaining assets of the Company**

**After the distribution / repayment of all creditors. The distribution to the equity shareholders will be
in proportion of the number of shares held by each shareholder.**

The Company has not declared and paid dividend on the equity shares.

(a) Shares in the company held by each shareholder holding more than 5% shares specifying the
number of shares held:

Name	2013		2012	
	No. of Shares	Percentage	No. of Shares	Percentage

Notes to Balance Sheet As at 31st March

B. Reserves and Surplus : 2012 2011**(a) Statutory Reserve**

Balance as per the last financial statements	68507	97480
Add : Transferred from Statement of Profit and Loss	8786	-28973
	77293	68507

C. Other current liabilities:

(a) Other current liabilities

NIL

	-	-
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D. Short-term provisions:

(a) Provision for employee benefits.

	-	-
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E Tangible Fixed assets

Description of Assets	Gross Block			Depreciation & Amortization			Net Block		
	As on 01.04.2011	Add	Del	As on 31.03.2012	Dep as on 01.04.2011	Add	Dep as on 31.03.2012	WDV as on 31.03.2012	WDV as on 31.03.2011
Building	365750			365750	19250	18288	37538	347463	365750
Computer	54000	201520		255520	96000	134608	230608	120912	54000
Furniture & Fixture	101634			101634	49888	18396	68284	83238	101634
Electric Installation	44360			44360	11090	8872	19962	35488	44360
Grand Total	565744	201520		767264	176228	180164	356392	587101	565744

F Non-current Investment

<i>Quoted Shares</i>	2011523	709631
<i>Non Quoted Shares</i>	447177	447177

in Rs.

Notes to Balance Sheet As at 31st March

20122011**G. Long-term loans and advances : (Unsecured, considered good)**

(a) Long-term loans and advances

0	0
0	0

H. Cash and Cash Equivalents:

(a) Cash & Bank balance

323520	28310
323520	28310

I. Short-term loans and advances (Unsecured, considered good)

(a) Advances to customers

14537323	14896298
14537323	14896298

J. Other current assets:

(a) Other

12199649	13431097
12199649	13431097

K. Revenue from :

a Interest

776200	551987
776200	551987

L. Other Income :

Other Income

15400	7300
15400	7300

M. Employee's Benefit Expenses:

Salaries and Benefits	261200	215107
	261200	215107

N. Other Expenses

Liasoning Expenses	8491	8989
Admin Expenses	324894	267505
Bank Chrges	2030	1897
Legal fees	4966	5689
	340381	284080

Notes: O - Significant Accounting Policies and other explanatory notes and information.

A. SIGNIFICANT ACCOUNTING POLICIES :**(a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention and on accrual basis of accounting and in accordance with applicable Accounting Standards and relevant presentational requirement of the Companies Act, 1956.

(b) Recognition of Income**(i) Sales of Shares & Securities**

Sale of Shares is recognized as per contract note.

(ii) Rent Income

Rent Income is recognized as per contract between the parties.

(iii) Other income

(a) Other income is recognized on accrual basis except when realization of such Income is uncertain.

(b) The prudential norms for income recognition and provisioning in respect of Loans and Advances. have been made as per RBI norms for Non-Banking Financial Companies.

(c) Fixed Assets

(i) Fixed Assets are stated at cost of acquisition or construction. These costs exclude Modvat/Cenvet/ Service tax credit if availed, but include the borrowing

Cost up to the date commercial production, wherever applicable.

(ii) As required by AS 28 on impairment of Assets issued by ICAI, the Company has Carried out as exercise of identifying the assets that may have been impaired. There were no impaired assets during the year mainly on account of economic performance And alternative viability of such assets.

(d) **Depreciation**

(i) Depreciation has been provided on Written Down Value Method basis on all assets at The rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(e) **Investments**

Investments are long-term investments and are stated at the cost of their acquisition. Long term investments are stated at cost less provisions, if any, for decline other Than temporary in their value.

(f) **Inventories :**

Inventories are valued at lower of cost and net realizable value.

(g) **Retirement Benefits**

(i) Gratuity

Gratuity is provided on the basis of actual valuation.

(ii) Leave Encashment

The benefit of encashment of leave is given to the employees of the company during Their service and on retirement. The accumulated leave liability as at the end of the Year is provided for on actual valuation.

(h) **Taxes on Income**

The provision for taxation is ascertained on the basis of assessable profits Computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent Periods.

Deferred Tax assets are recognized only if there is a reasonable or virtual certainty that they will be realized and are reviewed for the appropriateness of their Respective carrying values at each balance sheet date.

(l) **Provisions and Contingent Liability:**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Notes: O - Significant Accounting Policies and other explanatory notes and information.

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A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of Resources. When there is possible obligation or a present obligation in respect of Which the likelihood of outflow of resources is remote, no provision or disclosure is made.

7 Earnings Per Share

- a Net Profit / (Loss) available for equity shareholders
- b Number of equity shares used as denominator for calculating EPS
- c Earnings / (Loss) per share (Basic and diluted)
Face value per share Rs.10 each

(a) Expenditure in foreign currency during the year on account of

(I) Royalty, Know-how, professional fees	NIL	NIL
(II) Interest	NIL	NIL
(III) Others		
(a) Foreign Tour	NIL	NIL
(b) Membership fees, Subscription	NIL	NIL

(b) Earning in foreign exchange

	NIL	NIL
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- 8 Figures shown in brackets are of corresponding figures of Prev. Year

Statement of Cash Flow :

	2011-2012	2010-2011
Statement of Cash Flow :	Rs.	
(A) : CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit after taxation and extraordinary items	8786	(28973)
Adjustment for :		
Depreciation	180163	88801
Interest Expenses	-	-
Profit on sale of Fixed Assets	-	-
Provision for Taxation Written back	-	-
Interest Income	(776200)	(551987)
Operating Profit before Working Capital changes		
Adjustment for working capital changes :	(587251)	(492159)
Movement in Working Capital		
(Increase) / Decrease in Assets & Loans & Advances	358975	(1571678)
(Increase) / decrease in Other Current Assets	1231448	1666838
Increase / (decrease) in other current liabilities	-	-
Increase / (decrease) in short term provisions	18180	-
(Increase) / decrease in inventories	-	-
(Increase) / decrease in current assets	-	-
Increase / (decrease) in Deferred tax liability	1070	5750
(Increase) / decrease in Deferred tax assets	-	-
(Increase) / decrease in long term loans & Advances		-
NET CASH GENERATED FROM OPERATING ACTIVITIES	1022422	(391249)
(B) : CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase) / decrease in Investments	(1301892)	-
Interest Income	776200	551987
Addition / Purchase of Fixed Assets	(201520)	(440450)
Sale proceeds of Fixed Assets		-
NET CASH GENERATED FROM INVESTING ACTIVITIES	(727212)	111537
(C) : CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Expenses	-	-
Proposed Dividend	-	-
Issue of Share capital	-	-
Increase / (decrease) in borrowings	-	-
NET CASH INVESTED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	295210	(279712)
<i>Opening Cash and cash equivalent</i>	28310	308022
<i>Closing Cash and cash equivalent</i>	323520	28310

Natco Economicals Limited
 404/405, Kalyan Chamber, Khadia Char Rasta, Ahmedabad 380001.
 Tel/fax: 079-22165956

ATTENDANCE SLIP

18th Annual General Meeting on 28th September, 2012

Folio No: _____

I hereby record my presence at the 18th Annual General Meeting of the Company held on Friday, the 28th September, 2012 at 11 A.M. at the registered office of the company at 404/405, Kalyan Chamber, Khadia Char Rasta, Ahmedabad – 380001.

Member's/Proxy's name in block letter

Member's proxy's signature

NOTE : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING PLACE.

FORM OF PROXY

Folio No: _____

**I/We.....residentof.....
being member/members of the above named Company hereby
 appoint.....as my /our proxy to vote for me/us on my/our behalf at the Friday,
 the 28th September, 2012 at 11 A.M. and at any adjournment thereof.**

Signed this _____ day _____ 2012.

Signature

Revenue stamp

Note: A Proxy need not be a member of the Company. This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company not less than 48hours before the meeting.