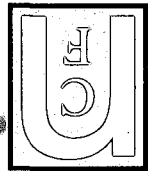


Nahar Capital and Financial Services Ltd.



The Nahar Group



2009

Annual Report

BOARD OF DIRECTORS

Sh. Jawahar Lal Oswal

Sh. Dinesh Oswal

Sh. Kamal Oswal

Sh. Dinesh Gogna

Dr. (Mrs.) H.K. Bal

Sh. Amarjeet Singh

Dr. Om Parkash Sahni

Prof. Kanwar Sain Maini

Sh. Satish Kumar Sharma

Dr. Suresh Kumar Singla

Chairman

Managing Director

Director

Director

Director

Director

Director

Director

Director

Director

PRINCIPAL OFFICERS

Sh. Hans Raj Kapoor

General Manager

Ms. Manpreet Kaur

Company Secretary

REGISTERED OFFICE

375, Industrial Area-A,
Ludhiana-141 003, Punjab

BANKERS

Punjab National Bank
HDFC Bank Limited

AUDITORS

M/s. Gupta Vigg & Co.,
Chartered Accountants,
101-Kismat Complex,
G.T. Road, Miller Ganj,
LUDHIANA-141 003

4TH ANNUAL GENERAL MEETING

Day : Wednesday

Date : 30th September, 2009

Time : 11.00 A.M.

Place : At the Premises of
Nahar Industrial Enterprises
Limited, Focal Point, Ludhiana

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NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

NOTICE

Notice is hereby given that the 4th Annual General Meeting of the Members of Nahar Capital and Financial Services Limited, will be held on Wednesday the 30th day of September, 2009 at 11:00 A.M. at the M/s. Nahar Industrial Enterprises Limited, Focal Point, Ludhiana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr.(Mrs.) H.K.Bal, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Sh. Amarjeet Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Prof. Kanwar Sain Maini who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sh. Jawahar Lal Oswal who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors who shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Gupta Vigg & Co., Chartered Accountants, the retiring Auditors of the company being eligible, offer themselves for re-appointment.

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED: 30th July, 2009

MANPREET KAUR
(Company Secretary)

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 SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.

2. The Register of Members and Share Transfer Register of the Company shall remain closed from 23rd September, 2009 to 30th September, 2009 (both days inclusive).
3. The dividend on equity shares as recommended by the Board of Directors, if approved at the Annual General Meeting will be paid to the members, whose names appear in the Register of Members as on 30th September, 2009 or Register of Beneficial owners, maintained by the Depositories at the close of 22nd September, 2009.
4. The bank account particulars of the members will be printed on the dividend warrants. Members holding shares in physical form are requested to immediately notify change in their address/Bank details to the Company's Share Transfer Agent M/s. Alankit Assignments Limited or to the Company's Registered Office at 375, Industrial Area -A, Ludhiana-141 003.
- Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 22nd September, 2009.
5. To ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialize their shares at the earliest.
6. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form 2B)
7. The documents are opened for inspection at the Registered Office of the company on any working day (except Sunday and holiday) between 10.00 A.M. to 12.00 Noon up to the date of Annual General Meeting.

8. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the Company at least 7 days before the date of meeting so as to enable the management to keep the information ready.
9. Members are requested to bring the copy of Annual Report alongwith them, at the meeting.
10. The information required to be provided under clause 49 of the Listing Agreement entered into with Stock Exchanges, regarding the Directors who are proposed to be re-appointed are annexed hereto and form part of the notice.



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

Information pursuant to Corporate Governance Clause of the Listing Agreement regarding Directors seeking appointment/re-appointment:

I. **Name** : Dr. (Mrs.) H.K. Bal
Age : 70 years
Qualification : M.A. Ph.D.
Expertise : Having experience of more than 32 years in Teaching Management and Administration

Her Directorship/Membership in the committee of the board in other companies is as under:

Name of the Company	Committee	Status
1. Oswal Woollen Mills Ltd	-	-
2. Nahar Spinning Mills Ltd	Share Holders Grievances Remuneration	Chairman Member
3. Nahar Poly Films Ltd.	Remuneration Share Holders Grievances	Member Chairman
4. Nahar Industrial Enterprises Ltd	Audit Remuneration	Member Member
5. IOL Chemical & Pharmaceuticals Ltd.	Audit Remuneration Share Holders Grievances	Member Member Chairman
6. Shreyans Industries Limited	Audit Remuneration	Member Member
7. Sportking India Ltd.	Audit	Member

II. **Name** : Sh. Amarjeet Singh
Age : 82 Years
Qualification : B.A.LL.B.
Expertise : Having Experience of More than 55 years in the Industry.

His Directorship/Membership in the committee of the board in other companies is as under:

Names of the Company	Committee	Status
1. Oswal Woollen Mills Ltd	Share Transfer Remuneration	Chairman Member
2. Nahar Spinning Mills Ltd	Audit Remuneration Share Holders Grievances	Chairman Chairman Member
3. Nahar Poly Films Ltd.	Audit Remuneration Share Holders Grievances	Chairman Member Member

4. Vanaik Investors Ltd - -
5. Oswal Leasing Ltd - -
6. J.L. Growth Fund Ltd - -
7. Palam Motels Ltd - -
8. Nagdevi Trading & Inv. Co. Ltd - -
9. Monte Carlo Fashions Ltd - -

III. **Name** : Prof. K.S.Maini
Age : 70 years
Qualification : M.Com.
Expertise : Having Experience of More than 31 years in teaching Commerce, Management and Administration

His Directorship/Membership in the committee of the board in other companies is as under:

Name of the company	Committee	Status
1. Oswal Woollen Mills Ltd	Audit	Member
2. Nahar Spinning Mills Ltd	-	-
3. Nahar Poly Films Ltd.	Audit	Member
4. Nahar Industrial Enterprises Ltd	Share holder Grievances Remuneration	Member Chairman

IV. **Name** : Sh. Jawahar Lal Oswal
Age : 66 years
Qualification : Graduate
Expertise : Having 45 years business experience in the Textile and Woollen Industry.

Directorships/membership in the committee of the Board in other Companies:

Name of the company	Committee	Status
1. Oswal Woollen Mills Limited	-	-
2. Nahar Poly Films Limited	-	-
3. Nahar Industrial Enterprises Ltd.	-	-
4. Nahar Spinning Mills Ltd.	-	-
5. Atam Vallabh Financiers Ltd.	-	-
6. Vardhman Investments Ltd.	-	-
7. Ginnar Investment Ltd.	-	-
8. Ludhiana Holding Limited	-	-
9. Vanaik Investors Ltd.	-	-
10. J.L. Growth Fund Limited	-	-
11. Palam Motels Limited	-	-
12. Nagdevi Trading & Inv. Co. Ltd.	-	-
13. Sankheshwar Holding Co. Ltd.	-	-
14. Monte Carlo Fashions Ltd.	-	-

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED: 30th July, 2009

MANPREET KAUR
(Company Secretary)



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

Directors Report

Dear Members,

Your Directors have pleasure in presenting the **FOURTH ANNUAL REPORT** on the affairs of the company for the period ended 31st March, 2009.

FINANCIAL PERFORMANCE

Your Company's Financial Performance during the year is summarised below:

Particulars	(Rs. In lacs)	
	Current Period	Previous Year
	(9 Months)	
Profit before Tax	1418.37	3242.02
Less: Provision for Taxation (Including FBT)	117.00	312.00
Profit after Tax	1301.37	2930.02
APPROPRIATION		
Proposed Dividend	83.73	251.19
Tax on Distributed Profits	14.23	42.69
Statutory Reserve Fund	262.00	625.00
Transfer to General Reserve	941.41	2011.14
	1301.37	2930.02

SEGMENT REPORTING

The disclosure requirement of Accounting Standard AS-17, issued by the Institute of Chartered of India are not applicable as the main business activities of Company falls under single segment namely 'Investment Activities'.

FINANCIAL REVIEW

The Company decided to change the accounting year from the 30th June to 31st March w.e.f. Current year. As such Current Accounting Year is of Nine months i.e. from 1st July 2008 to 31st March 2009 and hence the previous year figures are not comparable with the current year figures.

The financial performance of the Company during the year is quite well. The Company earned an operating and other income of Rs.1502.80 Lacs. The pre tax profits of the Company is of Rs.1418.37 and after providing Rs.117.00 Lacs towards the income tax provision, the net profits comes to Rs.1301.37 Lacs.

After the appropriation of Rs.97.96 Lacs towards the proposed dividend and dividend distribution tax, an amount of Rs.262.00 Lacs was transferred to Special Statutory Reserve fund pursuant to Section 45 IC of the Reserve Bank of India Act, 1934 and an amount of Rs.941.41 Lacs has been transferred to General Reserve during the year review.

DIVIDEND

Your Directors are pleased to recommend a dividend @ 10% on paid up equity share capital for the year ended 31st March, 2009.

The dividend, if approved at the forthcoming Annual General Meeting, will be paid out of profits of the company for the year under reference to all those shareholders whose name shall appear in the Register of Members on 30th September 2009 or Register of beneficial owners, maintained by the depositories as at the close of 22nd September 2009.

DIRECTORS

Pursuant to article 112 of the Articles of Association of the company Dr. (Mrs.) H.K.Bal, Sh. Amarjeet Singh, Prof. K.S.Maini and J.L. Oswal will be retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

In terms of clause 49 of the Listing Agreement with the Stock Exchanges, the details of Directors to be appointed/re-appointed are contained in the accompanying Notice of the forthcoming Annual General Meeting.

LISTING OF SECURITIES

The securities of the company are presently listed on the following Stock Exchanges:

1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai.
2. The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai.

The company has paid listing fee to both the Stock Exchanges for the financial year 2009-2010.

DEMATERIALISATION OF SECURITIES

Your company has already established connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL) to facilitate the holding and trading of securities in electronic form. As the date 95.77% of the share capital have been dematerialized by the members of the company. The Shareholders, who have not gone in for dematerialization of the shares till date, are requested to opt for dematerialization of the shares at the earliest.

Further as per SEBI circular No. D & CC/FITTC/CIR-15/2002 DATED 27th December, 2002, company has appointed M/s Alankit Assignments Ltd., as Registrar for Share Transfer and Electronic connectivity. Accordingly all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all commu-



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

nication in respect of share transfer, demat/remat, change of address etc. to our registrar at below mentioned address:

M/s Alankit Assignments Limited
(Unit Nahar Capital and Financial Services Ltd)
Alankit House
2E/21, Jhandewalan Extension
New Delhi - 110 055
Telephone No : (011)23541234
Fax No. : (011)41540064
E-mail Address : rta@alankit.com

In case any query/complaint remains unresolved with our Registrar please write to Compliance Officer at the registered office of the company.

AUDIT COMMITTEE

Pursuant to section 292A(1) of the Companies Act, 1956, Company has already constituted Audit Committee consisting of Prof. K.S. Maini as Chairman, Sh. S.K. Sharma and Sh. Amarjeet Singh as members. The committee held 3 meetings during the year under review.

REPORT ON THE CORPORATE GOVERNANCE

Your company continues to follow the principles of good Corporate Governance. The Company has already constituted several committees of directors to assist the board in good Corporate Governance. The Corporate Governance Report along with Auditors Certificate regarding compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange is attached herewith.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety requirements of the Companies Act, 1956.

The Directors confirm:

- i) That in preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanations relating to material departures.
- ii) That they had selected such accounting policies applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii) That they had taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the company and for preventing and detecting and fraud and other irregularities

- iv) That they had prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s. Gupta Vigg & Co., the Auditors of the company shall be retiring at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The company has obtained from auditors, a certificate as required under section 224(1-B) of the Companies Act, 1956 to effect that their re-appointment, if made, would be within the limits specified in the said section.

PUBLIC DEPOSITS

During the year, company has neither accepted nor intends to accept any Public Deposit within the meaning of Section 58-A, of the Companies Act, 1956 and the rules made there under. There is no outstanding/unclaimed deposit from the public.

PARTICULARS OF EMPLOYEES

None of the employee is covered under the statement of particulars of the employee to be given under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules 1988, are not applicable.

INDUSTRIAL RELATIONS

The Industrial Relations remained cordial throughout the year and the excellent results were achieved with the whole hearted co-operation of employees at all levels.

ACKNOWLEDGEMENT

The board of directors of the company wish to place on record their thanks and appreciation to all workers, staff members and executives for their contribution to the operations of the company. The directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the management of the company.

For AND ON BEHALF OF THE BOARD

PLACE: LUDHIANA JAWAHAR LAL OSWAL
DATED: 30th July, 2009 (CHAIRMAN)



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

CORPORATE GOVERNANCE REPORT

This report of Corporate Governance form part of the Annual Report.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company continues to practice the principle of good Corporate Governance. It is company's firm belief that good Corporate Governance is key to success of business. The company's philosophy envisages an attainment of highest level of the transparency and accountability in its operations so that company's goal of creation and maximization of wealth of the shareholders could be achieved. Clause 49 of the Listing Agreement with stock exchanges incorporate certain mandatory disclosure requirements with regard to Corporate Governance Rules, we are pleased to report the following:-

I. BOARD OF DIRECTORS

1. The Board of the company is well structured with adequate blend of professional, and Independent Directors. The present strength of the Board is of Ten Directors, Sh. J.L. Oswal is a non executive Chairman, Sh. Dinesh Oswal, is Managing Director of the company. Thus the post of Chairman and Managing Directors are held by different persons.
2. Since Sh. J.L. Oswal is non executive chairman and he is related to Managing Director Sh. Dinesh Oswal. As such at least one half

of the Board should comprise of Independent directors as per Corporate Governance Rules. The company has already restructured its Board to comply the said requirement. Presently company's board consists of 10 (Ten) Directors out of which 5 Independent directors, namely Dr. (Mrs.) H.K. Bal, Sh. Amarjeet Singh, Dr. O.P. Sahni, Prof. K.S. Maini, and Dr. S.K. Singla. Thus the company has complied the Corporate Governance Rules regarding composition of Board of Directors.

3. The Board met three times on 21st August 2008, 31st October 2008 and 31st January 2009 during the period 1st July, 2008 to 31st March, 2009 with clearly defined agenda circulated well in advance of each meeting. The maximum interval between the two board meetings is not more than four months.
4. None of the directors is a member of more than 10 (ten) board level committees or is Chairman of more than 5 five such Board level committees as required under clause 49 of the Listing Agreement. None of the director is a Director in more than 15 Companies as prescribed by the Companies Act, 1956.
5. Participation of Non Executive Directors has been active in the Board meetings. Attendance record of directors in the Board meet-

Name of Director	Category of Directors	No. of other Directorship (excluding private companies)	No. of Committee membership		No. of Board Meeting attended	Annual General Meeting Attendance (held on 29.09.2008)	No. of Shares held
			Member	Chairman			
Mr. Jawahar Lal Oswal	Non Executive-Promoter	15	--	--	3	--	Nil
Mr. Dinesh Oswal	Executive - Promoter	15	--	--	3	--	Nil
Mr. Kamal Oswal	Non Executive - Promoter	15	--	1	3	--	Nil
Mr. Dinesh Gogna	Non Executive	9	4	1	3	Yes	Nil
Dr.(Mrs.) H.K. Bal	Non Executive -Independent	7	5	2	3	Yes	Nil
Mr. Amarjeet Singh	Non Executive - Independent	9	3	3	3	Yes	Nil
Mr. S.K. Sharma	Non Executive	2	1	--	3	Yes	Nil
Dr. O. P. Sahni	Non Executive - Independent	5	7	1	3	Yes	Nil
Mr. K.S. Maini	Non Executive - Independent	4	3	1	3	Yes	Nil
Mr. Suresh Kumar Singla	Non Executive - Independent	3	1	1	3	Yes	Nil

ings and the Annual General Meeting for the year 2008-2009 is as under:

6. Non Executive Directors are paid a sitting fee of Rs.2000/- per meeting of the Board.
7. Sh. Jawahar Lal Oswal is the father of Sh. Dinesh Oswal and Sh. Kamal Oswal. Sh. Dinesh Oswal and Sh. Kamal Oswal are brothers. None of the other directors is

related to other Director of the Company within the meaning of Section 6 of the Companies Act, 1956.

8. Code of Conduct: The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and highest standards of transparency. Accordingly the company has laid down a code of conduct for all its Board Members and Se



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Senior Managerial Personnel are complying the said code of conduct. The code of conduct is also available on company's website i.e. ownnahar.com/ncfs.

9. The company ensures compliance of various statutory requirements by all its business units.
10. All the statutory Registers that are required to be maintained, particularly, Register of Directors shareholding, Register of Investments etc. are properly maintained and continuously updated.

II. AUDIT COMMITTEE

The board has already constituted an independent and qualified Audit committee. The Committee consists of Three non executive Directors under the chairmanship of Prof. K.S. Maini, Sh. Amarjeet Singh, and Sh. S.K.Sharma are the two other members of the Audit Committee. Prof. K.S. Maini is M.Com. and is also having requisite expertise in Financial and Accounting matters. Sh. Amarjeet Singh is a Senior Advocate having experience in the matters of corporate Taxation and Finance. Likewise, Sh. S.K.Sharma is a MBA and is also having requisite experience in Financial and Accounting matters. The financial controller is a permanent invitee of the company. The statutory auditors are also invited to attend the meetings, as per relevant provisions of the applicable laws/rules, as and when felt necessary.

The terms of reference of the Audit Committee are as per clause-49 of the Listing Agreement with the Stock Exchanges, SEBI Guidelines and Companies Act, 1956. Since 1st July, 2008 the committee met for three times i.e. on 21st August, 2008, 31st October 2008 and 31st January, 2009 and at these meetings, the quarterly unaudited financial results as well as the financial statement for the year ended 30th June, 2008 were reviewed and examined by the members of the audit committee before recommendation of the same to the Board of Directors for their perusal and adoption.

The attendance record of the audited committee meeting is as under:

Name of the Member	No. of meetings held Upto 31.03.2009	No. of meetings attended
Prof. K.S. Maini	3	3
Sh. Amarjeet Singh	3	3
Sh. S.K.Sharma	3	3

Prof. K.S. Maini, Chairman of the Audit Committee attended the last Annual General Meeting of the company held on 29th November, 2008 and replied the queries raised at the Annual General Meeting.

III. REMUNERATION COMMITTEE

The company has constituted a remuneration committee comprising Sh. K.S. Maini as Chairman, Sh. S.K. Sharma and Dr. (Mrs.) H.K. Bal as members.

The broad terms of reference of the Remuneration Committee is to ensure that the company's remuneration policies in respect of Managing Director/Working Directors Senior Executives are competitive so as to recruit and retain best talent in the company and to ensure appropriate disclosure of remuneration paid to said persons.

The committee met once during the period under review, on 15.06.2009. The attendance record of the meeting held is as follows:

Name of the Member	No. of meetings held Upto 31.03.2009	No. of meetings attended
Sh. K.S. Maini	Nil	Nil
Sh. S.K. Sharma	Nil	Nil
Dr. (Mrs.) H.K. Bal	Nil	Nil

The details of remuneration paid to managing /Executive/Director(s) for the period ended 31st March, 2009 is as under:

	Salary (Rs.)	Sitting Fee(Rs.)
Sh. Jawahar Lal Oswal		6000.00
Sh. Kamal Oswal		6000.00
Sh. Dinesh Oswal		-
Sh. Dinesh Gogna		6000.00
Sh. Satish Kumar Sharma		6000.00
Sh. Amarjeet Singh		6000.00
Dr. (Mrs.) H.K. Bal		6000.00
Dr. O.P. Sahni		6000.00
Prof. K.S. Maini		6000.00
Dr. S.K. Singla		6000.00

IV. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Company is having a Shareholders/Investors Grievances Committee consisting of three Non Executive Directors under the Chairmanship of Sh. Amarjeet Singh. Sh. S.K.Sharma and Dr.O.P.Sahni are two others members of the Com



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

mittee. Ms Manpreet Kaur, Company Secretary is the Compliance officer of the Company. The Committee looks into the complaints/grievances of shareholders such as transfer of shares, non receipts of share certificates/dividend, demat problems etc. The Committee met three times from 1st July 2008 to 31st March 2009 i.e. 30th September 2008, 31st December 2008 and 31st March 2009. The attendance record of the meeting held is as under:

Name of the Member	No. of meetings held Upto 31.03.2009	No. of meetings attended
Sh. Amarjeet Singh	3	3
Sh. S.K.Sharma	3	3
Sh. O.P.Sahni	3	3

The Company's policy is to redress the grievances of the shareholders within a period of 15 to 30 days from the date of the receipts of the correspondence/grievances. The details regarding the same are as under:

No. of complaints received during the Period * : 11

No. of complaints resolved during the Period* : 11

No. of complaints pending as on 31st March, 2009: NIL

*Complaint received from BSE, NSE and SEBI.

The company have also received some request/complaint from shareholders regarding non receipt of dividend/re-validation of dividend and the company replied/resolved the said request/complaint. None of the complaints during the year remained pending for more than 30 days.

Further, the company has also constituted a share transfer committee comprising 4 members under the Chairmanship of Sh. Dinesh Oswal, Sh. Dinesh Gogna, Sh. K.S. Maini and Ms Manpreet Kaur are three other members of the committee. The committee is responsible for approving the transfer and transmission of securities, dematerialisation of shares, issuance of duplicate share certificates and other shareholders related issues. The committee met nine times during the period 1st July 2008 to 31st March, 2009 i.e. 30th July 2008, 30th August 2008, 30th September 2008, 31st October 2008, 29th November 2008, 31st December 2008, 31st January 2009, 28th February 2009 and 31st March 2009 and the attendance of the members is as follows:-

Name of the Member	No. of meetings held Upto 31.03.2009	No. of meetings attended
Sh. Dinesh Oswal	9	9
Sh. Dinesh Gogna	9	9
Sh. K.S.Maini	9	9
Ms Manpreet Kaur	9	2

As per SEBI circular no. D&CC/FITTC/CIR-15/2002 dated 27TH December, 2002, company has appointed M/s. Alankit Assignments Ltd, as Registrar for Share Transfer and Electronic Connectivity. Accordingly all the shareholders, investors, members of stock

exchanges Depository Participants and all other concerned are requested to send all communication in respect of share transfer, Demat, Remat, Change of Address etc. to our Registrar, whose address and telephone no etc. have already been mentioned in Director's Report.

VI. GENERAL BODY MEETINGS

(I) The details of the last three Annual General Meetings are as under:-

Financial year	Location	Date	Time
2005-2006	Nahar Tower, 375 Industrial Area A, Ludhiana	11.12.2006	10.00 A.M.
2006-2007	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	29.12.2007	10.00 A.M.
2007-2008	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana	29.11.2008	10.00 A.M.

(II) Special Resolutions passed in the previous three Annual General Meetings:

2005-2006

No Special Resolution was passed.

2006-2007

No Special Resolution was passed.

2007-2008

No Special Resolution was passed.

(iii) Special Resolution passed last year through postal ballot.

No Special resolution was passed during the financial year ended 31.03.2009 through postal ballot.

iv) Proposal of Special Resolution through postal ballot

Presently, no special resolution is proposed to be conducted through postal ballot.

VI. DISCLOSURES

- There have been no materially significant related party transactions that may have potential conflict with the interest of the company at large. Transaction with related party are disclosed in Point no. 6 in the Notes on accounts.
- The company continues to comply with the requirement of Stock Exchange, SEBI or any statutory authority on all matters related to capital market during the last three years.



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

No penalty or strictures have imposed on the company by the said authorities relating to the above.

3. The company does not have any whistle blower policy as of now but no personnel is being denied any access to the Audit Committee.
4. The company complied with not only the mandatory requirements but has also complied with non mandatory requirements in respect of Remuneration committee. The company is yet to comply with the other non mandatory requirements of the Listing Agreement on Corporate Governance.

VII. MEANS OF COMMUNICATION

The Company's quarterly/yearly results in the format prescribed by the Stock Exchanges are approved and taken on record by the Board within the prescribed time frame and sent immediately to all Stock Exchanges on which the Company's shares listed. These results are published in leading newspapers i.e. Business Standard in English and Punjabi Tribune in vernacular. Our quarterly, Half yearly and Annual results are also displayed on the website of the Company i.e. ownahar.in/ncfs. Whenever any official news is released the same is also displayed on the afore-said website of the company. Likewise, whenever any presentation about the company's working is made to Financial Institutional Investors or to the analysts, the same is displayed on company's website.

VIII. GENERAL SHAREHOLDERS INFORMATION

1. **Annual General Meeting** : 30th September 2009
Date, Day, time and Venue : 11.00 A.M.
Premises of Nahar Industrial Enterprises Limited, Focal Point, Ludhiana
2. **Financial Calendar** : The Financial year of the company of nine months i.e. 1st July 2008 to 31st March 2009.
3. **Date of Book Closure** : 23.09.2009 to 30.09.2009 (Both day inclusive)
4. **Dividend Payment**
 - (a) **Payment date** : Within the time prescribed under the Act.
 - b) **Mode of payment of dividend** : The Com-

pany provide the facility of paying dividend through Electronics Clearing System (ECS). The members desirous of availing the facility of electronic credit of dividend are requested to ensure that their correct bank details alongwith 9 digit MICR code of their Bank, is note in the records of the Depository Participant (DP). Members who hold the shares in physical form, should contact the R & T Agent or the Company in this regard. In order to prevent fraudulent encashment of dividend warrants, members are requested to provide their correct bank account details, to their DP in case of electronic holding and to the R&T Agent or the Company in case of physical holding.

(c) **Change of Address:** Members may kindly noted that the R&T Agent and/or the Company will not entertain request for noting of change of address/bank details/ECS mandate in case of accounts with demat holding. For this purpose, shareholders should approach their Depository Participant.

5. **Listing on Stock Exchanges** : The National Stock Exchange of India Ltd (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai The Bombay Stock Exchange, Limited (BSE), 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, Fort Mumbai - 400 001.

The listing fees payable to BSE and NSE for 2009-10 have been paid in full by the company.

6. **Stock Code** : For trading at NSE: NAHARCAP
For trading at BSE: 532952

7. **Demat ISIN number in /** : INE049I01012
NSDL and /CDSL for equity shares :

The annual custodian fees for the financial year 2009-10 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

8. **Dedicated e-mail for Investor Grievance**

To enable investors to register their grievances, the Company has designated an exclusive e-mail id i.e. gredressalncfs@ownahar.com

9. **Compliance Officer**

Ms. Manpreet Kaur, Company Secretary is the Compliance Officer of the Company.