



5th Annual Report

2010

The Nahar Group



Nahar Capital and Financial Services Ltd.

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

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

5TH ANNUAL GENERAL MEETING

Day : Thursday

Date : 30th September, 2010

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 5th Annual General Meeting of the Members of Nahar Capital and Financial Services Limited will be held on Thursday, the 30th day of September, 2010 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, 2010 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 Sh. Kamal Oswal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. Dinesh Gogna, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Om Parkash Sahni, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Sh. Satish Kumar Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Statutory Auditors of the Company 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: 28th July, 2010

S.K. SHARMA
(DIRECTOR)

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 18th September, 2010 to 30th September, 2010 (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, 2010 or Register of Beneficial Owners, maintained by the Depositories at the close of 17th September, 2010.
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.
5. Members holding shares in electronic form are requested to notify change in their address/Bank details to their Depository Participants before 17th September, 2010.
6. 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.
7. To avail the facility of nomination, Members are requested to send us duly filled and signed Nomination Form (Form 2B).
8. The documents are open 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.
9. 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.
10. Members are requested to bring the copy of Annual Report alongwith them at the meeting.
11. 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 : Sh. Kamal Oswal
Age : 48 Years
Qualification : B. Com.
Expertise : Having Good Experience of Managing Business.

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

Name of the Company	Committee	Status
1. Nahar Industrial Enterprises Ltd.	Share Transfer Committee	Chairman
2. Nahar Poly Films Ltd.	Share Transfer Committee	Member
3. Nagdevi Trading & Investment Co. Ltd.	Audit Committee	Chairman
4. Cotton County Retail Ltd.	Remuneration Committee	Member

II. Name : Sh. Dinesh Gogna
Age : 57 Years
Qualification : B.A., L.L.B.
Expertise : Having more than 31 years experience in Corporate Finance and Taxation

His Directorship/Membership in the Committees of the Board in other companies is as under:

Names of the Company	Committee	Status
1. Oswal Woollen Mills Ltd.	Audit Committee	Member
2. Nahar Industrial Enterprises Ltd.	Audit Committee	Member
	Share Holders	Chairman
	Grievance Committee	
	Share Transfer Committee	Member
3. Nahar Poly Films Ltd.	Share Transfer Committee	Member
	Audit Committee	Member
4. Nahar Spinning Mills Ltd.	Audit Committee	Member
	Share Transfer Committee	Member
5. Cotton County Retail Ltd.	Remuneration Committee	Member

III. Name : Dr. Om Parkash Sahni
Age : 69 Years
Qualification : M. Sc. and Ph. D.
Expertise : Having Experience of More than 33 years in Business

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

Name of the company	Committee	Status
1. Nahar Industrial Enterprises Ltd	Audit Committee	Chairman
	Shareholders	Member
	Grievance Committee	
2. Oswal Woollen Mills Ltd.	Shareholders	Chairman
	Grievance Committee	
	Audit Committee	Member
	Remuneration Committee	Member
3. Nahar Spinning Mills Ltd.	Audit Committee	Member

IV. Name : Sh. Satish Kumar Sharma
Age : 57 Years
Qualification : MBA
Expertise : Having more than 28 years of experience as Corporate Executive

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

Name of the company	Committee	Status
1. Nahar Spinning Mills Ltd	Share Holders	Member
	Grievance Committee	
	Remuneration Committee	Chairman
2. Nahar Poly Films Ltd.	Share Holders	Chairman
	Grievances Committee	
	Remuneration Committee	Member

BY ORDER OF THE BOARD

PLACE : LUDHIANA
DATED: 28th July, 2010

S.K. SHARMA
(DIRECTOR)



Directors Report

Dear Members,

Your Directors have immense pleasure in presenting the **Fifth Annual Report** on the affairs of the Company for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

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

Particulars	(Rs. In lacs)	
	Current Year (12 Months)	Previous Period (9 Months)
Profit before Tax	2299.58	1418.37
Add : Adjustment of Income	1.23	–
Less: Provision for Taxation (Including FBT)	330.00	117.00
Profit after Tax	1970.81	1301.37
APPROPRIATION		
Proposed Dividend	251.19	83.73
Tax on Distributed Profits	41.72	14.23
Statutory Reserve Fund	395.00	262.00
Transfer to General Reserve	1000.00	941.41
Surplus carried to Balance Sheet	282.90	–
	1970.81	1301.37

SEGMENT REPORTING

The disclosure requirement of Accounting Standard -17 (AS-17), issued by the Institute of Chartered of India (ICAI) are not applicable to the Company as the main business activities of Company falls under single segment namely 'Investment Activities' which comprise of (i) Investment Portfolio consisting of securities held as Capital Assets and (ii) Trading Portfolio consisting of securities held as stock in trade.

FINANCIAL REVIEW

The Company has performed reasonably well during the year under review. The Company achieved operating/other income of Rs. 2505.11 Lacs showing the yearly increase of 25% as compared to previous year. In the previous period, dividend income was Rs. 376.08 Lacs which has increased to Rs. 387.33 Lacs in the current year. The Company incurred a loss of Rs. 256.88 Lacs from trading of securities in the previous period but in the year under review the Company achieved gain of Rs. 389.80 Lacs from trading of securities. Further, the interest income of the Company has also been increased to Rs. 651.75 Lacs in the current year from Rs. 217.98 Lacs in the previous period. The Company earned Rs. 1076.03 Lacs as profit on sale of investments and Rs. 0.20 Lacs as other income. After deducting expenditure of Rs. 205.53 Lacs, the Company earned pre-tax profits of Rs.

2299.58 Lacs. After providing for a provision for tax of Rs. 330 Lacs and after adjustment of Income Tax of earlier years of Rs. 1.23 Lacs, the Company earned a Net Profit after tax of Rs. 1970.81 Lacs showing the yearly increase of 13.58% in net profits of the Company which indicate that the Company is constantly striving for further development.

Out of Net Profits an amount of Rs. 1000 Lacs has been transferred to General Reserve Fund, Rs. 251.19 Lacs transferred to Proposed Dividend, Rs. 41.72 Lacs towards Tax on Distributed profits and Rs. 395 Lacs has been transferred to Statutory Reserve Fund maintained pursuant to the Section 45 IC of the Reserve Bank of India, 1934. After appropriations, profit of Rs. 282.90 Lacs transferred to Balance Sheet as Surplus. Basic as well as diluted Earning Per Share of the Company is Rs. 11.77 during the year under review as compared to Rs. 7.77 in the previous period. Further, the management of your Company is expecting that the same rate of growth will be maintained in coming periods also.

DIVIDEND

Your Directors are pleased to recommend the dividend @ 30% i.e. of Rs. 1.50/- per Equity Share of Rs. 5/- each for the year 2009-10.

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 2010 or Register of Beneficial Owners, maintained by the Depositories as at the close of 17th September 2010.

DIRECTORS

Pursuant to Article 112 of the Articles of Association of the Company Sh. Kamal Oswal, Sh. Dinesh Gogna, Dr. Om Parkash Sahni and Sh. Satish Kumar Sharma 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 entered 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 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 2010-2011.

DEMATERIALIZATION 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 on 31st March, 2010, 96.06% of the Share Capital has been dematerialized by the members of the Company. The Shareholders, who have not gone 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 communication 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 four meetings during the year under review.

RISK MANAGEMENT COMMITTEE

The Company being essentially an Investment Company, its main sources of income is dividend/income receivable on investments in Equity Shares/Debentures/Bonds/deposits made and held by it in other companies and Mutual Funds.

The financial business is always prone to risks of capital market fluctuations, economic risk, competition risk, interest rate volatility and economic cycle which can affect the fortunes of investment and finance companies in both ways. Your Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

Further, the Company has also constituted the Risk Management Committee pursuant to the RBI Circular No. DNBS (PD) CC No. 156 / 03.10.001 / 2009-10 dated July 1, 2009 comprising of three non-executive directors to monitor and manage the risk associated with the investment business of the Company and to review the risk management policy of the Company. The Risk Management Committee met five times during the financial 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 any fraud and other irregularities;
- iv) That they had prepared the Annual Accounts on a going concern basis.



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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

The Company is registered as Non-deposit taking NBFC with RBI. Thus, during the year, Company has not accepted 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

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is enclosed as per Annexure-I.

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 gratitude 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.

ANNEXURE-I

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

S. N.	NAME OF EMPLOYEE	DESIGNATION	REMUNERATION (IN RS. LAC)	NATURE OF EMPLOYMENT	NATURE OF DUTIES	QUALIFICATION	AGE (YEARS)	EXPERIENCE (YEARS)	DATE OF EMPLOYMENT	PARTICULARS OF LAST EMPLOYMENT	% OF EQUITY CAPITAL HELD
1.	Sh. Dinesh Oswal	Managing Director	105.05	Contractual	Overall Company's administration	B.Com	45	25	29.12.2007	Oswal Woollen Mills Limited	NIL

NOTES:

- 1.Sh. Dinesh Oswal is related to Sh. Jawahar Lal Oswal, Chairman and Sh. Kamal Oswal, Director of the Company.
- 2.Remuneration includes salary and monetary value of perquisites as per Income Tax Rules.

For AND ON BEHALF OF THE BOARD

PLACE : LUDHIANA
DATED: 28th July, 2010

JAWAHAR LAL OSWAL
(CHAIRMAN)



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 a 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 entered with Stock Exchanges incorporate certain mandatory disclosure requirements with regard to Corporate Governance Rules, in this regard we are pleased to report the following :-

I. BOARD OF DIRECTORS

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 and Sh. Dinesh Oswal is a Managing Director of the Company. Thus the post of Chairman and Managing Director are held by different persons.

1. Since Sh. J.L. Oswal is Non Executive Chairman but belong to the promoter category, 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, five Directors among ten Directors of Board are 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 with the Corporate Governance Rules regarding composition of Board of Directors.

2. The Board met six times i.e. on 30th April, 2009, 15th June, 2009, 30th July, 2009, 28th October, 2009, 30th January, 2010 and 12th February, 2010 during the financial year 2009-10 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.
3. None of the directors is a member of more than 10 (ten) Board level committees or is a Chairman of more than 5 (five) such Board level committees as required under Clause 49 of the Listing Agreement. None of the Director of the Company is a Director in more than 15 Companies as prescribed by the Companies Act, 1956.
4. Participation of Non Executive Directors has remained active in the Board Meetings during the year 2009-10. Attendance record of directors in the Board meetings and the Annual General Meeting for the year 2009-2010 is given at end of the page:
5. Non Executive Directors are being paid a sitting fee of Rs.2,000/- per meeting for attending Board Meeting of the Company.
6. 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.
7. 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-

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 30.09.2009)	No. of Shares held
			Member	Chairman			
Mr. Jawahar Lal Oswal	Non Executive-Promoter	15	—	—	6	No	Nil
Mr. Dinesh Oswal	Executive - Promoter	15	1	2	5	Yes	Nil
Mr. Kamal Oswal	Non Executive - Promoter	15	2	2	6	Yes	Nil
Mr. Dinesh Gogna	Non Executive	10	5	—	6	Yes	Nil
Dr. (Mrs.) H.K. Bal	Non Executive -Independent	7	10	3	6	Yes	Nil
Mr. Amarjeet Singh	Non Executive - Independent	10	5	5	6	Yes	Nil
Mr. S.K. Sharma	Non Executive	2	2	2	6	Yes	Nil
Dr. O. P. Sahni	Non Executive - Independent	5	4	2	6	Yes	Nil
Mr. K.S. Maini	Non Executive - Independent	4	3	1	6	Yes	Nil
Mr. Suresh Kumar Singla	Non Executive - Independent	3	1	1	6	Yes	Nil



NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED

nior Managerial Personnel, which are duly complied by them. The code of conduct is also available on Company's website i.e. www.ownnahar.com/ncfs.

8. The Company ensures compliance of various statutory requirements by all its business units.
9. All the Statutory Registers that are required to be maintained, particularly the Register of Directors Shareholding, Register of Investments etc. are properly maintained and regularly 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 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 entered with the Stock Exchanges, SEBI Guidelines and Companies Act, 1956. For the financial year 2009-10, the committee met four times i.e. on 15th June, 2009, 30th July, 2009, 28th October, 2009 and 30th January, 2010 and at these meetings, the quarterly un-audited financial results as well as the financial statement during the year ended 31st March, 2009 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 Audit Committee Meeting is as under:

Name of the Member	No. of meetings held Upto 31.03.2010	No. of meetings attended
Prof. K.S. Maini	4	4
Sh. Amarjeet	4	4
Sh. S.K. Sharma	4	4

Prof. K.S. Maini, Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 30th September, 2009 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 and 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 i.e. on 29.05.2010 for the year under review. The attendance record of the meeting held is as follows:

Name of the Member	No. of meetings held Upto 31.03.2010	No. of meetings attended
Prof. K.S. Maini	1	1
Sh. S.K. Sharma	1	1
Dr. (Mrs. H.K. Bal)	1	1

The details of remuneration paid to Managing/Executive/Director(s) for the year ended 31st March, 2010 is as under:

	Salary (Rs.)	Sitting Fee(Rs.)
Sh. Jawahar Lal Oswal		12,000.00
Sh. Kamal Oswal		12,000.00
Sh. Dinesh Oswal	1,05,05,000.00	-
Sh. Dinesh Gogna		12,000.00
Sh. Satish Kumar Sharma		12,000.00
Sh. Amarjeet Singh		12,000.00
Dr. (Mrs.) H.K. Bal		12,000.00
Dr. O.P. Sahni		12,000.00
Prof. K.S. Maini		12,000.00
Dr. S.K. Singla		12,000.00

Pursuant to the Section 198 read with 349 of the Companies Act, 1956 and Schedule XIII of the said Act, Rs. 1,05,05,000 only has been paid as remuneration including perquisites for the year 2009-10 to Sh. Dinesh Oswal, Managing Director of the Company.



IV. 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 Committee. Miss Manpreet Kaur, Company Secretary was 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 four times for the financial year 2009-10 i.e. 30th June, 2009, 30th September 2009, 31st December 2009 and 31st March 2010. The attendance record of the meetings held is as under:

Name of the Member	No. of meetings held Upto 31.03.2010	No. of meetings attended
Sh. Amarjeet Singh	4	4
Sh. S.K. Sharma	4	4
Sh. O.P. Sahni	4	4

The Company's policy is to redress the grievances of the shareholders within a period of 10 to 20 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, 2010 : NIL

*Complaint received from BSE, NSE and SEBI.

The Company has 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.

V. SHARE TRANSFER COMMITTEE

Further, the Company has also constituted a Share Transfer Committee comprising of 4 (four) members under the Chairmanship of Sh. Dinesh Oswal. 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 twelve times during the period 1st April, 2009 to 31st March, 2010 i.e. 30th April, 2009, 31st May, 2009, 30th June, 2009, 31st July, 2009, 31st August, 2009, 30th September, 2009, 31st October, 2009, 30th November, 2009, 31st December, 2009, 30th January, 2010, 28th February, 2010 and 31st March, 2010 and the attendance of the members is as follows:-

Name of the Member	No. of meetings held Upto 31.03.2010	No. of meetings attended
Sh. Dinesh Oswal	12	10
Sh. Dinesh Gogna	12	12
Sh. K.S.Maini	12	12
Ms. Manpreet Kaur	12	12

As per SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27th December, 2002, the 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
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.
2008-2009	Premises Nahar Industrial Enterprises Ltd., Focal Point, Ludhiana.	30.09.2009	11.00 A.M.

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

2006-2007

No Special Resolution was passed.

2007-2008

No Special Resolution was passed.

2008-2009

No Special Resolution was passed.

iii) Proposal of Special Resolution through postal ballot

Presently, no special resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

VII. DISCLOSURES

- There have been no materially significant related party transactions that may have