

23rd Annual Report 2008 - 2009

NCL

Research &

Financial Services Ltd.

NCL Research & Financial Services Ltd.

BOARD OF DIRECTORS

Vijay J. Poddar	Chairman & Managing Director
O. P. Singhania	Independent Director
Giriraj Kishore Agarwal	Independent Director
Manish Baid	Independent Director
L. N. Sharma	Independent Director
Goutam Bose	Independent Director

COMPLIANCE OFFICER

Ashok Bothra

AUDITORS

Baid Ray & Associates
Chartered Accountant

BANKERS

Punjab National Bank
IndusInd Bank Ltd.

REGISTERED OFFICE

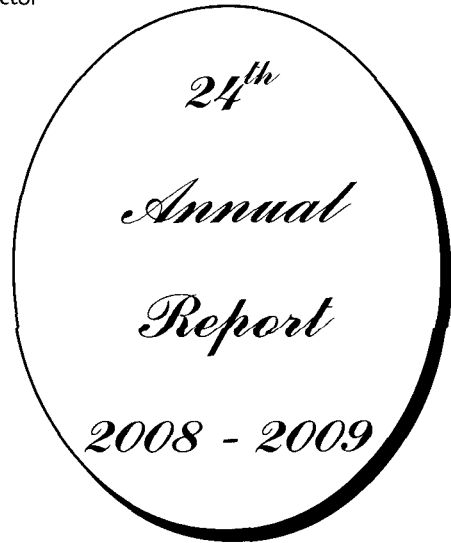
19, Krishna Colony, Mahanagar
Opposite Fatima Hospital
Lucknow-226006, Uttar Pradesh

REGISTRAR & SHARE TRANSFER AGENT

ABS Consultants Pvt. Ltd.
99, Stephen House, 6th Floor
4, B.B.D. Bag (East)
Kolkata-700 001

ANNUAL GENERAL MEETING

Date : 29th September, 2009
Time : 11.00 A.M.
Venue : 19, Krishna Colony, Mahanagar
Opp. Fatima Hospital, Lucknow - 226006



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NOTICE

Notice is hereby given that the **24th Annual General Meeting** of the members of **NCL RESEARCH AND FINANCIAL SERVICES LIMITED** will be held on Tuesday, the 29th day of September, 2009 at 11.00 A.M. at 19, Krishna Colony, Mahanagar, Opposite Fatima Hospital, Lucknow-226006 to transact the following business as :

ORDINARY BUSINESS :

1. 1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2009.
2. To appoint Director in place of Mr. Manish Baid, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Giriraj Kishore Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. L. N. Sharma, who was appointed as an Additional Director of the Company at the Board meeting held on 30th July 2009 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. L. N. Sharma for the office of Director of the Company be and is hereby appointed as Director of the Company."

6. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Goutam Bose, who was appointed as an Additional Director of the Company at the Board meeting held on 30th July 2009 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Goutam Bose for the office of Director of the Company be and is hereby appointed as Director of the Company."

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain close from 22nd September 2009 to 29th September 2009 (both days inclusive).
3. Members are requested to intimate change in their address immediately to M/s ABS Consultants Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001
4. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
5. Members are requested to bring copies of Annual Report to the Annual General Meeting.
6. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
7. Members are requested to quote Folio Number/Client ID & DP ID in their correspondence.
8. Members are requested to send their queries in regard to the accounts at-least 10 days in advance to the Registered Office of the Company.
9. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2008-2009 have been paid to Bombay Stock Exchange Ltd.

Lucknow, July 30, 2009

By order of the Board
For **NCL RESEARCH & FINANCIAL SERVICES LTD.**

Registered Office :
19, Krishna Colony, Mahanagar
Opp. Fatima Hospital,
Lucknow-226006

Vijay J. Poddar
Chairman

Explanatory Statement Pursuant To Section 173(2) Of The Companies Act, 1956

Item No. 5 & 6

The Board of Directors of your Company appointed Mr. L. N. Sharma and Mr. Goutam Bose as Additional Directors of your Company at the Board meeting held on 30th July 2009 to broad base the Board.

Mr. L. N. Sharma and Mr. Goutam Bose have vast knowledge and rich experience in the field of finance & Capital Market of both primary and secondary division and it will be advantageous for the Company to avail their valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. L. N. Sharma and Mr. Goutam Bose for the office of Director of the Company.

Except Mr. L. N. Sharma and Mr. Goutam Bose in their respective appointments, no other Director is concerned or interested in their appointment as Directors of the Company.

Lucknow, July 30, 2009

By order of the Board
For **NCL RESEARCH & FINANCIAL SERVICES LTD.**

Registered Office :
19, Krishna Colony, Mahanagar
Opp. Fatima Hospital,
Lucknow-226006

Vijay J. Poddar
Chairman

DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the 24th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2009.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2009	Year Ended 31.03.2008
Income	48.70	5.26
Profit before Tax & Extraordinary Item	11.03	1.44
Less : Provision for Taxation	4.15	0.47
Profit after Tax	6.89	0.97
Add : Profit brought forward from Previous Year	3.07	2.10
Balance carried forward	9.96	3.07

DIVIDEND

In view of low profit, looking to the slow down in economy as well as in order to meet financial requirement to implement its future plans, your Directors do not propose any dividend for the year under review.

ECONOMIC SCENARIO AND OUTLOOK

The financial year 2008-09 was unparalleled, with the unfolding of an unprecedented financial crisis on Wall Street, Falling property prices, coupled with massive leveraging, sparked off the sub-prime crisis in the housing mortgage sector in the US. Due to tight integration of the financial markets across the world, this contagion has spread to the global banking sector. Finally, this has traversed from the financial to the real estate sector, and has participated into a global economic slowdown.

The Central Government of India and the Reserve Bank of India have announced fiscal and monetary measures to revive growth. The Government is seeking to boost through various stimulus packages by way of enhanced expenditure on infrastructure and through tax reductions. However, business confidence and economy may take a while to rebound due to the traditional lag effect associated with stimulus packages.

PERFORMANCE & CURRENT YEAR PROSPECTS

The Company is in the activities of trading of Textiles products apart from activities in Capital Market. The entire year was rough & tough due to the slow down in demand and hence forced to opt for slowing down its trading activities which has affected the profit and performance of the Company.

The slow down in global economy has not only affected the business of Company but also the entire market of textile goods, which is still continuing. The lack of demand forced Company to cut down prices of its products and tough competition has again worsened the situation. Now the slight demand has rose but we are unable to comment whether this will consistent or situation will be worsen because of world-wide slow down.

Honestly to say, it was a big challenge for the Company in scenario, to sustain its profitability track and has made lot of efforts to be a profitable entrepreneur during the year under review.

BUSINESS SEGMENT

Your Company offers its services to customers through industry practices in Textile, by way of trading of textiles products.

RISK & CONCERNS

The risks that face the Company are the ones that face the industry today and they are mentioned periodically. Risks that includes are innovation of new modern machines and technology, risk of products which may be outdated if the Company is not able to sold in the market immediately, Change in Government Policy and applicable taxes, slow down in its demand due to the slow down in economy etc. Others risks are client concentration risk, competitive risk and financial risk etc.

OVERVIEW

The Company is planning to counter its challenges through focused marketing, tight control on liquidity and margins, cost effective sourcing of products and services and improved quality of products through process automation. The Company has also showing its presence in trading arena of Textile market.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

NCL has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

NCL's biggest assets are their employees. We are continuously working on innovative initiatives to attract, train, retain and motivate our employees. Our endeavors are driven by a strong set of values imbed in us and policies that we abide by. Our constant goal, and indeed our biggest strength, is a healthy, happy and prosperous work environment for all our employees. Currently staff strength of the Company is 6 Employees including senior & junior category staff and workers.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

DIRECTORS

Mr. Sanjay Kumar Singhania and Mr. J. N. Gupta have resigned from the Board w.e.f. 17th April 2009. The Board places on record their appreciations of the invaluable contributions made by both these Directors to the Company.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Manish Baid & Mr. Giriraj Kishore Agarwal, who retires by rotation, are eligible for reappointments.

None other Directors are interested in re-appointments of Mr. Manish Baid and Mr. Giriraj Kishore Agarwal.

Further, non of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

CORPORATE GOVERNANCE

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

HUMAN RESOURCES

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Objective appraisal systems are in place for senior management system.

AUDITORS

The Auditors M/s Baid Ray & Associates, Chartered Accountants, Kolkata hold the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors U/S 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

COMMENTS ON AUDITOR'S REPORT :

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

STATUTORY INFORMATION

PARTICULARS OF EMPLOYEES

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial through out the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The Company is engaged in the business of Investment in Shares & Securities and in the business of trading of textile goods, hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended 31st March 2009, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

REPORT ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company respects the rights of its Shareholders to inform on the performance of the Company and its endeavor to maximize the long-term value to the Shareholders of the Company. As per Clause 49 of the listing Agreement of the Stock Exchange, a report on Corporate Governance is set out separately, which forms part of this report.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Lucknow, July 30, 2009

By order of the Board
For **NCL RESEARCH & FINANCIAL SERVICES LTD.**

Registered Office :
19, Krishna Colony, Mahanagar
Opp. Fatima Hospital,
Lucknow-226006

Vijay J. Poddar
Chairman

ANNEXURE TO THE DIRECTOR'S REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for NCL is passion, motto and culture. To attain growth in all facets and at the same time ensuring welfare of the society at large is only possible by adhering to high standards of Corporate Governance.

We are proud that we believe in Corporate Governance not only a law but in spirit too. Our endeavor is to maximize the wealth of the stakeholders by managing the affairs of the Company with pre-eminent level of accountability, transparency and integrity.

We believe that accurate and timely disclosures improve public understanding on the activities of the Company which consequently attracts investors towards the Company. We aim to adopt best International practices in Corporate Governance and are confident of achieving it.

NCL Research has during its way towards growth, adopted the NCL Code of Conduct and NCL Prevention of Insider Trading Program. The Company has in place an Information Security Policy that ensures proper utilization of the IT Resources.

BOARD OF DIRECTORS

Composition of Directors

The constitution of the Board is in conformity with the provisions of Clause 49 of the listing Agreement of the Stock Exchange. The Board consists of six Directors out of which five members are Independent Directors.

The Board of Directors met 5 times on 25th June, 30th June, 31st July and 31st October in year 2008 and on 30th January in the year 2009 during the financial year 2008-2009.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Vijay J. Poddar*	Chairman & Independent Director	5	Yes	Nil	2	1
J. N. Gupta	Whole time Director	5	Yes	1	Nil	1
O. P. Singhania	Independent Director	5	Yes	1	Nil	Nil
S.K.Singhania@	Independent Director	5	Yes	1	Nil	Nil
Giriraj K.Agarwal	Independent Director	5	Yes	1	Nil	3
Manish Baid	Independent Director	4	Yes	2	1	1
L. N. Sharma+	Independent Director	Nil	Yes	Nil	Nil	1
Goutam Bose+	Independent Director	Nil	Yes	Nil	Nil	Nil

*Chairman of the Board

+Appointed w.e.f 30th July 2009

@Resigned w.e.f. 17th April 2009

AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of NCL Research & Financial Services Limited, (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Authority and Responsibilities

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on 30th June, 31st July & 31st October in year 2008 and on 30th January in year 2009 during the financial year ended on 31st March 2009.

Name	Number of Meetings Held	Meetings Attended
Mr. Vijay J. Poddar *	4	4
Mr. Manish Baid	4	4
Mr. Giriraj Kishore Agarwal	4	4

*Chairman of Committee

REMUNERATION COMMITTEE

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2008-2009.

No Stock option has been allotted to any of the Directors during the financial year 2008-2009.

None of the Independent Directors holds any shares in their name or in the name of their relatives as on 31st March, 2009 except in the name of GCM Securities Limited where Mr. Manish Baid holds the position of Director.

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Manish Baid; Independent Director with two other Directors namely Mr. S. K. Singhanian & Mr. J. N. Gupta.

The members of Share Transfer Committee met four times on 30th June, 31st July and 31st October in year 2008 & on 30th January 2009 during the financial year ended on 31st March 2009.

Name	Number of Meetings Held	Meetings Attended
Mr. Manish Baid*	4	4
Mr. S. K. Singhanian	4	4
Mr. J. N. Gupta	4	4

*Chairman of Committee

Investor Grievance Committee

The Board of NCL Research & Financial Services Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once in a month and inter-alia, deals with various matter relating to:

- 3 Transfer/transmission/transposition of shares;
- 3 Consolidation/splitting of shares/folios;
- 3 Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- 3 Review of Shares dematerialized and all other related matters; and
- 3 Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, ABS Consultants Ltd. Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Ashok Bothra as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 1, May 2, June 2, July 1, August 1, September 1, October 1, November 1, and December 1 in year 2008 and on January 6, February 2 and March 2 in year 2009.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Vijay J. Poddar*	Chairman	Chairman & Managing Director	12
Mr. Manish Baid	Member	Independent, Non-Executive	12
Mr. O. P. Singhania	Member	Independent, Non-Executive	12

Details of Shareholders' Complaints

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
23rd Annual General Meeting	26th September 2008, 11.00 AM	Registered Office
22nd Annual General Meeting	14th July 2007, 10.30 AM	Registered Office
21st Annual General Meeting	30th September 2006, 10.30 AM	Registered Office

Location and time of Extra-Ordinary General Meetings :

No Extra-Ordinary General Meeting was being held during last three financial years.

POSTAL BALLOT

No resolution was being passed during the year through Postal Ballot.

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

Special Resolutions were passed to appoint Mr. Manish Baid, Mr. Giriraj Kishore Agarwal and Mr. Vijay J. Poddar as full-time Directors in the previous financial year i.e. year 2007-08. No Special Resolution has been passed during remaining two financial years out of last three financial years.

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Office has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise. However, the Equity Shares of Company is being suspended from trading because of non-compliance as per Listing Agreement with BSE in December 2001. Now the Company has filed all requisite documents seeking revocation of suspension from trading in equity shares of the Company.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) Secretarial Audit : A qualified Practicing Company Secretary carries out Secretarial Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.

- c) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- d) The financial statements of the Company are unqualified.
- e) The Company has not adopted a Whistle Blower Policy till date.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. "Free Press Journal" and in vernacular language Newspaper i.e. "Navshakti".
- Company is not yet started to post its Quarterly Results/Half Yearly/ Nine Months & Annual Results on its website.
- Official News releases are also yet to be posted on its website.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 24th Annual General Meeting for the financial year ended on 31st March 2009 is as follows :-

Date : Tuesday, 29th September, 2009
 Time : 11.00 A.M.
 Venue : 19, Krishna Colony, Mahanagar, Opp. Fatima Hospital, Lucknow-226006

b. Financial Calendar : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 st Quarter ended on 30 th June 2009	30th July, 2009
Financial Reporting of 2 nd Quarter ended on 30 th September 2009	30th October, 2009
Financial Reporting of 3 rd Quarter ended on 31 st December 2009	29th January 2010
Financial Reporting of 4 th Quarter ended on 31 st March 2010	By 30th June 2010
Date of Annual General Meeting	During September 2010

- d. **Date of Book Closure** : September 22 to September 29, 2009. (Both days inclusive)
- e. **Dividend Payment** : Nil
- f. **Listing of Shares** : Kanpur (U.P.) & Bombay Stock Exchange Ltd.
- g. **Listing Fees** : Company has paid Annual listing Fees for the year 2009-10.
- h. **Stock Code & ISIN** : 530557, Demat ISIN No. in NSDL & CDSL -INE132F01012
- i. **Market Price Data** :

The Equity Shares of the Company have not been traded during financial year 2008-2009 due to suspension from Trading of its Equity Shares on BSE. The Company has applied and submitted all requisite information and documents to BSE for revocation of suspension. The Company is hopeful of revocation of suspension soon. Further, there was no trade in U.P. Stock Exchange because of rare activities in said stock exchange.

j. Registrar & Share Transfer Agent.

M/s. ABS Consultants Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. ABS Consultants Pvt. Ltd.

99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001

k. Share Transfer Systems

The Trading in Equity Shares of the Company is permitted only in dematerialized form as per circular issued by Securities & Exchange Board of India (SEBI) on September 24, 1998.

The Share transfer is processed by the Registrar & Share Transfer Agent, ABS Consultants Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Distribution Schedule as on 31st March 2009

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	949	93.68	216900	6.38
5001-10000	9	0.89	82000	2.41
10001-50000	40	3.95	934200	27.48
50001-100000	1	0.10	70000	2.06
100001 and Above	14	1.38	2096900	61.67
Total....	1013	100.00	3400000	100.00

m. Shareholding Pattern as on 31st March 2009

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	285400	8.39
Indian Bank	0	0.00
Others (NRI)	0	0.00
Private Corporate Bodies	1702900	50.09
Indian Public	1411700	41.52
Total	3400000	100.00

n. Dematerialization of Equity Shares & Liquidity

The Company's Equity Shares are in Physical trading segment. Further, the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are under "Z" category on Bombay Stock Exchange Ltd. 91.20% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2009.

o. Listing Fees and Annual Custodial Fees

The Company has paid the Annual Listing Fees for year 2009-10 to Bombay Stock Exchange Ltd. Annual Custodial Fees to the Depositories for the year 2009-10 has also been paid.

p. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository

participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

q. Brief Resume of the Directors Seeking Re-Appointment

Mr. Manish Baid, Age 33, B.Com, ACA, is having vast experience in the field of Financial & Capital Market activities. He is an Independent Director of the Company.

As on 31st March 2009, he is among Board of Directors in the following Companies:-

Sr. No.	Name of the Company
1.	M/s. GCM Securities Limited
2.	M/s. GCM Commodities & Derivatives Private Limited

Mr. Giriraj Kishore Agarwal, Age 45, B. Com, Graduate is having vast experience in the field of Textile and Financial Market activities. He is an Independent Director of the Company.

As on 31st March 2009, he is among Board of Directors in the following Companies:-

Sr. No.	Name of the Company
1.	M/s. Tanu Healthcare Limited
2.	M/s. Kushagra Software Limited
3.	M/s. Golden Steels Industries Limited
4.	M/s. Handful Investrade Private Limited

r. Details on use of Public Funds Obtained in the last three years :

No Public Fund was being raised during last three years.

s. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

t. Investors' Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Ashok Bothra - ncl.research@gmail.com

u. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

v. Address for Correspondence

NCL Research and Financial Services Limited
19, Krishna Colony, Mahanagar, Opposite Fatima Hospital, Lucknow-226006, Uttar Pradesh

**CHAIRMAN & MANAGING DIRECTOR'S DECLARATION
ON CODE OF CONDUCT**

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To

The Members of

NCL Research and Financial Services Limited

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **NCL RESEARCH AND FINANCIAL SERVICES LIMITED**

Vijay J. Poddar
Chairman

**SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED
31ST MARCH 2009**

The Board of Directors,
M/s. NCL Research & Financial Services Limited
Mumbai

We have examined the registers, records and papers of M/s. NCL Research & Financial Services Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2009.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and U.P. Stock Exchange Ltd. (UPSE).
2. All the requisite registers and other records required under the Act and the Rules made there under have been maintained in accordance with the requirements of the Act.
3. All the requisite forms, returns and documents have been filed with the Registrar of Companies and other authorities as required under the Act and Rules made there under.
4. All the requirements of the Act relating to the meetings of the Directors, Shareholders and Committees of the Board as well as relating to maintenance of the minutes of the proceedings there at have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Companies Act, 1956.
7. The Company has not issued any Equity Share on Right or Bonus or Public or Preferential issue during the financial year 2008-09.
8. Share Certificates have been delivered to the transferee and Applications for transfer and transmissions of the Shares have been registered within the prescribed for this purpose.
9. No dividend is being declared or paid during the year.
10. The amounts borrowed by the Company from Banks/Bodies Corporate are within the borrowing limits of the Company. There are no borrowings which are outstanding as on March 31, 2009.
11. Necessary approval of Directors, Shareholders, Central Government and other authorities, wherever applicable and required under the Companies Act, 1956, have been obtained.
12. The Company has not altered its Memorandum of Association & Articles of Association of the Company during the period of Audit.

For **DEBASHISH MUKHOPADHYAY**
Practising Company Secretaries

Place : Kolkata
Date : June 30, 2009

Debashish Mukhopadhyay
Proprietor

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of NCL Research and Financial Services Limited

We have examined the compliance of the conditions of Corporate Governance by NCL Research and Financial Services Limited (The Company) for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date : June 30, 2009

A. K. DAS
Partner

AUDIT REPORT

To the Members of NCL Research and Financial Services Limited

We have audited the attached Balance Sheet of NCL RESEARCH AND FINANCIAL SERVICES LIMITED as at 31st March 2009 and also the Profit & Loss Account for the year ended on that day annexed hereto. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above -
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
 - v. On the basis of written representations received from the Directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
 2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date : June 30, 2009

A. K. DAS
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
(b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
(c) Any substantial part of fixed assets has not been disposed off during the year, which will affect its status as a going concern.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3. (a) According to the information and explanation given to us and on the basis of records furnished before 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) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable. ^o
(c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, 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 Act.
(d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
(b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given

to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of business.

8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2009.

(b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003. is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. During the period, the Company has made allotment of shares on preferential basis. The allotment and the pricing of the shares have been made in accordance with guidelines laid down in this regard by SEBI and hence prices at which these have been issued, are prima-facie, prejudicial to the interest of the Company.

19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
20. The Company has not raised any money through a Public Issue during the year under Audit. Accordingly Clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date : June 30, 2009

A. K. DAS
Partner

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	31.3.2009 Rupees	31.3.2008 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	34,000,000	34,000,000
Share Premium		2,495,000	2,495,000
General Reserve		16,000,000	16,000,000
Profit & Loss A/c	2	996,581	307,594
TOTAL		53,491,581	52,802,594
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	1,114,500	241,750
Less : Depreciation		326,004	49,807
Net Block		788,496	191,943
Inventories	4	17,000,000	38,749,000
Current Assets, Loans & Advances			
Cash & Bank Balance	5	244,635	232,765
Loans & Advances		29,548,224	-
Sundry Debtors		8,082,608	13,978,072
Deposits & Advances		37,140	21
		37,912,607	14,210,858
Less : Current Liabilities & Provisions			
Sundry Creditors	6	1,766,948	295,275
Liabilities & Provisions		442,575	53,932
		2,209,523	349,207
Net Current Assets		35,703,085	13,861,651
TOTAL		53,491,581	52,802,594
Notes forming part of the accounts & Significant Accounting Policies	8		

As per our report of even date

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Vijay J. Poddar
Director

A. K. DAS
Partner

Giriraj Kishore Agarwal
Director

Place : Kolkata
Date : 30 June, 2009

Manish Baid
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	31.3.2009 Rupees	31.3.2008 Rupees
INCOME			
Sales (Textile Products)		28,604,707	6,978,072
Sale of Shares		67,131,160	13,561,150
Other Income		2,755, 810	110,000
		98,491,677	20,649,222
EXPENDITURE			
Cost of Sales (Textile Products)		27,200,514	6,561,672
Cost of Sales (Shares)		44,589,900	-
Decrease/(Increase) in stock (Shares)		21,749,000	13,561,150
Payment to & Provision for Employees		2,415,041	131,050
Administrative & Other Expenses	7	1,157,918	201,491
Depreciation	3	276,197	49,807
		97,388,570	20,505,170
Profit before Tax		1,103,108	144,052
Provision for Taxation		414,121	46,832
Profit after Tax		688,987	97,220
Profit brought forward from previous year		307,594	210,374
Profit carried to Balance Sheet		996,581	307,594
Notes forming part of the accounts & Significant Accounting Policies	8		

As per our report of even date

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Vijay J. Poddar
Director

A. K. DAS
Partner

Giriraj Kishore Agarwal
Director

Place : Kolkata
Date : 30 June, 2009

Manish Baid
Director

SCHEDULES TO ACCOUNTS	31.03.2009	31.03.2008
	Rupees	Rupees

**SCHEDULE 1
SHARE CAPITAL**

Authorised

40,00,000 Equity Shares of Rs. 10/- each		
(Previous year 40,00,000 Equity Shares of Rs. 10/- each)	40,000,000	40,000,000

Issued, Subscribed & Paid-up

34,00,000 Equity Shares of Rs. 10/- each		
(Previous year 34,00,000 Equity Shares of Rs. 10/- each)	34,000,000	34,000,000
	<u>34,000,000</u>	<u>34,000,000</u>

**SCHEDULE 2
RESERVES & SURPLUS**

Profit & Loss Account

Profit & Loss Account - Balance	307,594	210,374
Add : Transfer from Profit & Loss Account	688,987	97,220
	<u>996,581</u>	<u>307,594</u>

**SCHEDULE 3
FIXED ASSET**

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2008	Additions	Deletions	As at 31.03.2009	As at 01.04.2008	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Data Processing Equip.	241,750	872,750	0	1,114,500	49,807	276,197	326,004	788,496	191,943
TOTAL	241,750	872,750	0	1,114,500	49,807	276,197	326,004	788,496	191,943
Previous Year	241,750	0	0	241,750	49,807	0	49,807	191,943	0

**SCHEDULE 4
INVENTORIES**

Unquoted (Valued at Cost, Certified by Management)

In Equity Shares	17,000,000	38,749,000
	<u>17,000,000</u>	<u>38,749,000</u>

SCHEDULES TO ACCOUNTS	31.03.2009	31.03.2008
	Rupees	Rupees

SCHEDULE 5

CURRENT ASSETS, LOANS & ADVANCES

Loans & Advances	29,548,224	-
Sundry Debtors (Unsecured, Considered Good)		
Outstanding for more than six months	8,000,000	-
Other Debtors	82,608	13,978,072
	8,082,608	13,978,072
Cash & Bank Balances		
Cash Balance	171,951	223,673
Balance with Scheduled Bank in Current A/c	72,684	9,092
	244,635	232,765
Deposit And Advances (Unsecured, Considered Good)		
TDS	37,140	21
	37,140	21
Total	8,364,383	14,210,858

SCHEDULE 6

CURRENT LIABILITIES & PROVISIONS

Sundry Creditors for Goods	1,726,828	243,419
Sundry Creditors for Expenses	40,120	51,856
	1,766,948	295,275
Liabilities & Provisions		
For Corporate Tax	251,683	16,590
For Frindge Benefit Tax	53,533	1,669
For Deferred Tax	137,359	28,573
Others	-	7,100
Total	442,575	53,932

SCHEDULE 7

ADMINISTRATION EXPENSES

Advertisement Expenses	20,833	15,717
Printing & Stationery	186,375	15,250
Postage & Telephone	214,755	13,400
Travelling & Conveyance Expenses	273,205	12,560
Directors' Sitting Fees	24,000	12,000
Auditors' Remuneration	11,030	11,236
Bank Charges & Comm.	1,169	300
Miscellaneous Expenses	369,990	12,591
Profession Tax	2,500	-
RTA Fees	20,071	-
Legal & Professional Fees	20,500	15,500
Fees for Depositories	8,990	43,043
ROC Filing Fees	4,500	2,000
Listing & Membership Fees	-	47,894
	1,157,918	201,491

SCHEDULE 8

ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies General

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.
3. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

Fixed Assets

4. Fixed Assets are capitalized at cost inclusive of all incidental expenses related thereon.

Turnover

5. Turnover is stated after adjusting rebates and discounts and excluding Sales Tax.

Depreciation

7. Depreciation on Fixed Assets has been provided for on Diminishing Balance Method at rates specified in schedule XIV of the Companies Act 1956. Depreciation on Assets purchased/sold during the year has been provided for on pro-rata basis.

Inventories

8. Inventories of Work-in-Progress, Raw Materials, Stores and Spares and Finished Goods are valued at cost and the same is done on FIFO basis. Stock of Shares is valued at cost.

Investments

9. Investments are valued at cost.

Contingent Liabilities

10. Contingent Liabilities not provided for : Nil

Others

11. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
12. None of the Expenditure has been incurred in Foreign Currency.
13. None of the Earnings are in Foreign Currency.
14. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
15. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
16. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

Segment Report

17. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in Trading Activities. As informed to us, there is no separate segment within the Company as defined as 17 (Segment Report).

Related Party Transactions

18. Sum of Rs. Nil has been paid to related party during the financial year under review.

18. Earning per Equity Share

	Unit	31.03.2009	31.03.2008
Net Profit after Tax available for Share holders	Rs.	6,88,987	97,220
No. of Equity Shares	No.	34,00,000	34,00,000
Basis & Diluted Earning Per Share (Rs.)	Rs.	0.20	0.03

19. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Vijay J. Poddar
Director

A. K. DAS
Partner

Giriraj Kishore Agarwal
Director

Place : Kolkata
Date : June 30, 2009

Manish Baid
Director

**Statement of Cash Flow Annexed to the Balance Sheet as at
31st March, 2009**

	31.03.2009	31.03.2008
Rs. in Lacs		
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	1,103,108	144,052
Adjustments for		
Depreciation	276,197	49,807
Operating profit before working capital changes	1,379,305	193,859
Adjustments for Capital Changes		
Decrease (Increase) in Trade and other Receivables	(23,689,879)	(13,978,072)
Decrease (Increase) in Inventories	21,749,000	13,561,000
Trade Payable and Provisions	1,860,316	315,318
Cash Generated from operations	1,298,742	92,105
Income Tax Paid For The Year	(414,121)	(46,832)
Extraordinary Items	-	-
Net Cash From Operating Activities	884,621	45,273
B. Cash Flow From Investing Activities		
Purchase/Sale of Fixed Assets & Investments	(872,751)	(241,750)
Net Cash from Investing Activities	11,870	(196,477)
C. Cash Flow From Financing Activities		
Miscellaneous Expenditure	-	-
Net Cash used in Financing Activities	-	-
Net Increase in Cash & Cash Equivalents	11,870	(196,477)
Opening Balance of Cash & Cash Equivalents	232,765	429,242
Closing Balance of Cash & Cash Equivalents	244,635	232,765

For and on behalf of the Board

Kolkata, June 30, 2009

Vijay J. Poddar
Chairman

We have verified the attached Cash Flow Statement of M/s. NCL Research & Financial Services Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2009 and found the same in agreement therewith.

For **BAID RAY & ASSOCIATES**
Chartered Accountants

Place : Kolkata
Date : June 30, 2009

A. K. DAS
Partner

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	:	7001
State Code No.	:	20
Balance Sheet Date	:	31.03.2009

II Capital raised during the year

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)

Total Liabilities	:	53492
Total Assets	:	53492

Sources of funds

Paid-up Capital	:	34000
Reserves & Surplus	:	19492
Secured Loans	:	Nil
Unsecured Loans	:	Nil

Application of funds

Net Fixed Assets	:	788
Investments & Inventories	:	17000
Net Current Assets	:	35703
Miscellaneous Expenditures	:	Nil
Accumulated losses	:	Nil

IV Performance of Company (Amount in Rs. in Thousands)

Turnover	:	33475
Total Expenditure	:	32372
Profit before taxes	:	1103
Profit after taxes	:	689
Earning Per Share	:	0.20
Dividend rate	:	Nil

V Generic Names of Three Principal Products/Services of the Company

<u>Product Description</u>	<u>Item Code No.</u>
TRADING IN TEXTILE GOODS (FABRIC)	N.A.
INVESTMENT IN SHARES & SECURITIES	N.A.

NCL Research & Financial Services Ltd.

19, Krishna Colony, Mahanagar, Opposite Fatima Hospital, Lucknow-226006, Uttar Pradesh

PROXY FORM

I/We _____ resident of _____
in the district of _____ being member/members of the above named
Company, hereby appoint _____
resident of _____ in the district of _____ or failing
him _____ resident of
_____ in the district of _____
_____ as my/our proxy to attend and vote for me/us on my/our behalf at the
Annual General Meeting of the Company to be held on Tuesday, the 29th day of September 2009
at 11.00 A.M., at Registered Office of the Company at 19, Krishna Colony, Mahanagar, Opposite Fatima
Hospital, Lucknow-226006, Uttar Pradesh and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2009.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp

NCL Research & Financial Services Ltd.

19, Krishna Colony, Mahanagar, Opposite Fatima Hospital, Lucknow-226006, Uttar Pradesh

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on Tuesday, the 29th
day of September 2009 at 11.00 A.M., at Registered Office of the Company at
19, Krishna Colony, Mahanagar, Opposite Fatima Hospital, Lucknow-226006, Uttar Pradesh.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

No gift of any nature will be distributed at the Annual General Meeting

BOOK-POST

To, _____

If undelivered, please return to :

NCL Research & Financial Services Ltd.
13/386(1), Parmat,
Civil Lines, Kanpur.