

29th Annual Report 2013-2014



NCL
Research & Financial Services Ltd.

NCL Research and Financial Services Limited

BOARD OF DIRECTORS

Vijay J. Poddar	Chairman & Managing Director
L. N. Sharma	Independent Director
Goutam Bose	Independent Director

Corporate Identification No.

L6592IUPI985PLC00700I

COMPANY SECRETARY &

COMPLIANCE OFFICER

Ms. Madhu P. Dharewa

AUDITORS

B. B. Shah & Co.

Chartered Accountants

BANKERS

ICICI Bank Ltd.

REGISTERED OFFICE

Shop No. 216, City Hotel Complex,
Lalbagh, 24, B N Road
Lucknow-226 001 (U. P.)

CORPORATE OFFICE

Bhagyodaya Building, 3rd Floor
79, N. M. Road, Fort, Mumbai-400 023

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 : 15th September, 2014

Time : 10.30 A.M.

Venue : 216, City Hotel Complex, Lalbagh,
24, B N Road, Lucknow -226 001



CONTENTS

- ♦ Notice
- ♦ Directors' Report
- ♦ Management Discussion & Analysis
- ♦ Report on Corporate Governance
- ♦ Auditors' Certificate on Corporate Governance
- ♦ Secretarial Compliance Report
- ♦ Auditors' Report
- ♦ Balance Sheet
- ♦ Statement of Profit & Loss
- ♦ Statement of Cash Flow
- ♦ Notes on Financial Statements

Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of **NCL RESEARCH AND FINANCIAL SERVICES LIMITED** will be held on Monday, the 15th day of September, 2014 at 10.30 A.M. at 216, City Hotel Complex, Lalbagh, 24, B N Road, Lucknow -226 001 (Uttar Pradesh) to transact the following business as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2014.
2. To consider payment of Dividend @ 5% or ₹ 0.50 per Equity Share of ₹ 10/- each subject to approval of Members in Annual General Meeting.
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. B. B. Shah & Co., Chartered Accountants, Mumbai (FRN - 129121W), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 29th Annual General Meeting up to the conclusion of the 34th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS :

4. 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 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Laxmi Narayan Sharma (DIN: 00356855) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director; be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 34th AGM of the Company.”

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 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Goutam Bose (DIN: 02504803) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director; be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 34th AGM of the Company.”

Increase in Authorized Capital

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 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 as amended up to date (including any statutory modification(s) or re-enactments thereof for the time being in force), the Authorized Share Capital of the Company be and is hereby increased from ₹ 700,00,000/- (₹ Seven Crore Only) comprising of 70,00,000 (Seventy Lac)

Equity Shares of ₹ 10/- (Rs.Ten) each to ₹ 30,00,00,000/- (₹ Thirty Crore) Only divided into 3,00,00,000 (Three Crore) Equity shares of ₹ 10/- (₹ Ten) each.

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

ALTERATION IN MEMORANDUM OF ASSOCIATION

7. To consider and if thought fit to pass with or without modifications the following resolution as Special Resolution :

“RESOLVED THAT in accordance with the provisions of Section 13 read with Section 61 and all other applicable provisions, if any, of the Companies Act, 2013, as amended up to date (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to the approvals, consents, permission and sanctioned as may be necessary from the appropriate authorities or bodies, the existing clauses of the Memorandum of Association of the Company and of the Articles of Association of the Company be and here by substituted as follows:

“The Authorized Share Capital of the Company is ₹ 30,00,00,000/- (₹ Thirty Crore) Only divided into 3,00,00,000 (Three Crore) Equity shares of ₹ 10/- (₹ Ten) each with power to increase and reduce the Capital, to divide the share in the Capital for the time being into several classes and respectively such preferential, or Special rights thereto attach privileges and conditions as may determined by or in accordance with the regulations of the companies Act, 2013 and to vary, modify or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company and consolidate or sub-divide the shares and issue shares of higher denomination.”

“RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

ISSUE OF BONUS SHARES

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

“RESOLVED THAT in accordance with the Section 63 and other applicable provisions of the Companies Act, 2013, read with relevant rules thereof including any amendment or re-enactment thereof for the time being in force and as per the Articles of Association of the Company and also subject to the regulations/guidelines issued by the Securities and Exchange Board of India (SEBI) in this behalf and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Company for capitalization of a sum not exceeding ₹ 23,26,80,000/- (₹ Twenty Three Crore Twenty Six Lac Eighty Thousand Only) from the Securities Premium Account, General Reserves or any other permitted reserves/ surplus of the Company for the purpose of issue of Bonus Shares of ₹ 10/- (₹ Ten each), credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the 'Record Date' determined by the Board or a Committee thereof for the purpose, in the proportion of 4 (Four) fully paid up Bonus Equity Shares of ₹ 10/- each for every 1 (One) fully paid-up Equity Shares of ₹ 10/- each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up Capital of the Company held by each such Member; and not as income;”

“RESOLVED FURTHER THAT no member shall be entitled to a fraction of a share and all fractional entitlements, if any, resulting from the issue of Bonus shares shall be aggregated into whole shares and the number of whole shares so arising shall be held by a trustee appointed by the Board of Directors of the Company (Trustee) who shall dispose of the said whole shares and the proceeds of sale of such whole shares shall be distributed proportionately among the members who would otherwise be entitled to fractional entitlements.”

“RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank pari-passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend that may be declared before the 'Record Date';

“RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company;

“RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt o receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities”;

“RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other foreign investors, be subject o the approval of the Reserve Bank of India, as may be necessary”;

“RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the Listing Agreements with the respective Stock Exchanges and other applicable guidelines, rules and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

9. 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 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and in accordance with the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions, if any required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall also include any Committee thereof), consent of Members be and is hereby accorded to sub-divide each Equity Shares of the Company having face value of ₹ 10/- (₹ Ten) into 5 Equity Shares of face value of ₹ 2/- (₹ Two) each fully paid-up and consequently, the Authorized Share Capital of the Company of ₹ 30,00,00,000 (₹ Thirty Crore) would comprise of ₹ 15,00,00,000 (₹ Fifteen Crore) Equity Shares of face value of ₹ 2/- (₹ Two) each with effect from the “Record Date” to be determined by the Board for this purpose.”

“RESOLVED FURTHER THAT pursuant to the sub-division of Equity Shares of the Company, each Equity Share of the face value of ₹ 10/- (₹ Ten) as existing on Record Date shall stand sub-divided into 5 (Five) Equity Shares of face value of ₹ 2/- (₹ Two) each fully paid-up, with effect from the Record Date.”

“RESOLVED FURTHER THAT on sub-division, the 5 (Five) Equity Shares of face value of ₹ 2/- (₹ Two) each be issued in lieu of one Equity Shares of the face value of ₹ 10/- (₹ Ten) each, subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as the existing fully paid-up Equity Shares of ₹ 10/- (₹ Ten) each of the Company and shall be entitled to Dividend(s) to be declared after the sub-division in face value of Equity Shares.”

“RESOLVED FURTHER THAT upon Sub-division of Equity Shares of the Company as aforesaid, the existing Share Certificate(s) in relation to the existing Equity Shares of the face value of ₹ 10/- (₹ Ten) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and that no letter of allotment shall be issued to the allottees of the new Equity Shares of face value of ₹ 2/- (₹ Two) each on the Sub-division and the Company may, without requiring the surrender of existing Share Certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu of such existing share certificate(s), within the period prescribed or that may be prescribed in this regard, from time to time and in the case of Shares held in dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares before sub-division.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to fix a Record Date and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, things and matters, and to give, from time to time, such directions as may be necessary, proper and expedient or incidental for the purpose of giving effect of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any of Committee thereof as it may deem appropriate in this regard.”

Alteration in Capital Clause of Memorandum & Articles of Association

10. 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 contained in Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approvals, consents, permission and sanctioned as may be necessary from the appropriate authorities or bodies, the existing Clause V of the Memorandum of Association of the Company be and here by substituted as follows:

“The Authorized Share Capital of the Company is ₹ 30,00,00,000/- (₹ Thirty Crore) Only divided into ₹ 15,00,00,000 (₹ Fifteen Crore) Equity shares of ₹ 2/- (₹ Two) each with power to increase and reduce the Capital, to divide the share in the Capital for the time being into several classes and respectively such preferential, or Special rights thereto attach privileges and conditions as may determined by or in accordance with the regulations of the companies Act, 2013 and to vary, modify or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company.”

“RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorized to do all such acts, deeds, things and matters as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company.”

Notes :

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. 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.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from 8th September 2014 to 15th September 2014 (both days inclusive).
5. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
6. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail ncl.research@gmail.com for quick and prompt redressal of their grievances.
7. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
8. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the appropriate authorities; to the Annual General Meeting.
9. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company,

so that the information required can be made readily available at the meeting. 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.

10. 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.
11. 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.
12. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you're the quarterly reports and other communication via email.
14. The Members who have not registered their email address, physical copies of Annual Report 2014 are being sent by the permitted mode.
15. The Notice for the 29th AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
16. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice-a-versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
17. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. August 22, 2014.
18. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members facility to exercise their votes at the 29th AGM by electronic means and the business may be transacted through e-voting as per details below:-
 - a) Date and time of commencement of voting through electronic means: **Monday, September 8, 2014 at 9.30 a.m.**
 - b) Date and time of end of voting through electronic means beyond which voting will not be allowed : **Wednesday, September 10, 2014 at 5.30 p.m.**
 - c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **August 22, 2014**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
 - d) Details of Website: www.evotingindia.com
 - e) Details of Scrutinizer: Bharat D. Sarawagee, Chartered Accountants (Membership No. 061505), Partner, M/s. Bharat D. Sarawagee & Co., Chartered Accountants (FRN No. 326264E), Kolkata. E-mail: bharatsarawagee@gmail.com

- f) **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**

19. The instructions for Members for e-voting are as under:

Applicable in all cases whether NOTICE is received by e-mail or in physical form:

- i Log on to the e-voting website www.evotingindia.com during the voting period
- ii Click on "Shareholders" tab
- iii Now, select the NCL RESEARCH & FINANCIAL SERVICES LIMITED from the drop down menu and click on "SUBMIT"
- iv Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v Next enter the Image Verification as displayed and Click on Login.
- vi If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii If you are a first time user follow the steps given below:

For Members holding Shares in Demat Form and Physical Form

PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.
- In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Suresh Jain with folio number 900 then enter SU00000900 in the PAN field.

DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

- viii After entering these details appropriately, click on "SUBMIT" tab.
- ix Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi Click on the EVSN for NCL RESEARCH & FINANCIAL SERVICES LIMITED on which you choose to vote.
- xii On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- xv Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

20. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Bharat D. Sarawgee, Scrutinizer, C/o ABS Consultants Private Limited, Unit: NCL Research & Financial Services Limited, 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001, Tel. No: +91 33-2220 1043, Fax No : +91 33- 2243 0153, E-mail : absconsultant@vsnl.net so as to reach him on or before September 10, 2014 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
21. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
22.
 - (i) Members who have registered their e-mail addresses with the depositories or with the Company's RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/ Post.
 - (ii) Members can request for a Ballot Form at ABS Consultants Private Limited, Unit: NCL Research & Financial Services Limited, 99, Stephen House, 6th Floor, 4, B.B.D. Bag (East), Kolkata-700 001 or they may also address their request through e-mail to: absconsultant@vsnl.net. Contact no +91 33-2220 1043.
 - (iii) In case of voting by physical ballot, the institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.30 p.m. on Wednesday, September 10, 2014.
 - (iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the

Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.

23. The shareholders can also access the Annual Report 2013-14 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., www.nclfin.com or on Stock Exchange websites, which is www.bseindia.com.
24. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM, are furnished and forms a part of Notice. The Directors have furnished the requisite consents / declarations for their appointment.
25. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
26. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
27. Members are requested to quote Folio Number/Client ID & DP ID in their correspondence.
28. The Equity shares of the Company are listed on BSE Limited and Listing Fees for the financial year 2013-2014 have been paid to BSE Limited.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

ITEM NO. 4 & 5

The Board has appointed Mr. Laxmi Narayan Sharma (DIN: 00356855) and Mr. Goutam Bose (DIN: 02504803) as Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no. 14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31st March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. Laxmi Narayan Sharma and Mr. Goutam Bose as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	NO. OF YEARS	TERM
Laxmi Narayan Sharma	5 Years	Up to the conclusion of 34th Annual General Meeting
Goutam Bose	5 Years	Up to the conclusion of 34th Annual General Meeting

These Appointments may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Company has received from Mr. Laxmi Narayan Sharma and Mr. Goutam Bose –

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Director for the office of Directors of the Company.

In the opinion of the Board, Mr. Laxmi Narayan Sharma and Mr. Goutam Bose fulfill the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and are independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. Laxmi Narayan Sharma and Mr. Goutam Bose is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Mr. Laxmi Narayan Sharma and Mr. Goutam Bose are interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice with regard to their respective appointment.

The relatives of Mr. Laxmi Narayan Sharma and Mr. Goutam Bose may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 4 & 5 of the Notice for approval of the members.

ITEM NO.6

In order to facilitate the capitalization of Share Premium Account as set out in the Resolution at item No. 6 of the Notice, the Company proposes to increase its Authorized Share Capital.

As per section 61 (1) and other applicable provisions of the Companies Act, 2013, the consent of shareholders is required for increasing the authorized share capital of the Company. Therefore, it is proposed to increase authorized share capital from ₹ 7.00 Crore to ₹ 30.00 Crore.

Consequent o increase in the authorized share capital, it is necessary to change the existing capital clause of the Memorandum of Association and Articles of Association of the Company.

The Board of Directors of your Company recommends this Resolution for your approval to be passed as an Ordinary Resolution.

None of the directors and key managerial personnel and their relatives is in any way concerned or interested in the above referred resolution.

ITEM NO.7

The Company intends to increase the authorized share capital of the company from ₹ 7.00 Crore to ₹ 30.00 Crore. It is, therefore proposed to alter the Memorandum of Association of the Company, pursuant to Sections 13 of the Companies Act, 2013 read with Section 61 (1) of the Companies Act, 2013, to give effect to the said alteration.

The Board of Directors of your Company recommends this Resolution for your approval to be passed as Special Resolution.

None of the directors and key managerial personnel and their relatives is concerned or interested in the above referred resolution.

ITEM NO.8

The Board of Directors of the Company in its meeting held on May 27, 2014, has recommended for approval of the shareholders, issue of bonus shares to the holders of equity shares of the Company in the ratio of 4:1 (i.e. Four bonus Equity Share of ₹ 10/- for every one fully paid up Equity Share of ₹ 10/- each held) by increasing the Issued, Subscribed and Paid-up Share Capital of the Company to a sum not exceeding ₹ 23,26,80,000/- (₹ Twenty Three Crore Twenty Six Lac Eighty Thousand Only) from the Securities Premium Account, General Reserves or any other permitted reserves/ surplus of the Company as per the Audited Accounts of the Company for the financial year ended March 31, 2014.

The increased capital is proposed to be applied in paying up in full not exceeding 2,32,68,000 Equity Shares of ₹ 10/- each for the purpose of issue of fully paid up Bonus Shares of ₹ 10/- each (₹ Ten each), credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the 'Record Date', in the proportion of 4 (Four) Bonus Equity Share of ₹ 10/- for every 1 (One) fully paid-up Equity Shares of ₹ 10/- each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up Capital of the Company held by each such Member; and not as income;

The Bonus Shares so allotted shall rank pari-passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date, save and except that they shall not participate in any dividend that may be declared before the 'Record Date'.

Directors and Key Managerial Persons of your Company are interested in this Resolution to the extent of their respective shareholdings in the Company.

The Board of Directors of your Company recommends this Resolution for your approval to be passed as an Ordinary Resolution.

ITEM NO.9 & 10

The Equity Shares of the Company are listed on BSE Ltd. (BSE). With a view to broad base the investor base by encouraging the participation of the small investors and also to increase the liquidity of Equity Shares of the Company, the Board of Directors at its meeting held on 27th May 2014, have approved the sub-division of each Equity Share of face value of ₹ 10/- each of the Company into 5 Equity Shares of face value of ₹ 2/- each, subject to the approval of Members. The Company is seeking approval of Members in forthcoming Annual General Meeting for sub-division of each of the existing Equity Shares of the Company.

Accordingly, each issued Equity Share of nominal value of ₹ 10/- (₹Ten) of the Company existing on the Record Date shall stand sub-divide into 5 (Five) Equity Shares of nominal value of ₹ 2/- (₹Two) each.

The Record Date for the aforesaid sub-division of the Equity Shares will be fixed by the Board of Directors of the Company of committee thereof after the approval of the Members of the Company is obtained, pursuant to passing the resolution in Annual General Meeting.

The Resolutions for altering the Capital Clauses in the Memorandum and Articles of Association of the Company as set out at Item No. 10 of the Notice is to reflect the corresponding changes in the Capital Clauses of the Memorandum & Articles of Association of the Company, Consequent to splitting of the existing one Equity Share ₹ 10/-each into five Equity Shares ₹ 2/- each pursuant to the sub-division as proposed therein.

The Board is of the opinion that the aforesaid sub-division of the nominal value of Equity Shares is in the best interest of the members and hence recommends passing of the resolutions at items Nos.9 & 10.

The Directors of the Company, the Chief Financial Officer, the Company Secretary, being the key managerial person of the Company and their relatives, may be deemed to be interested in this Resolution to the extent of their respective shareholding, if any, in the Company in the same proportion as that of every other member of the company who holds Equity Shares, if any.

Lucknow, May 27, 2014

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

Registered Office :

Shop No. 216, City Hotel Complex,
Lalbagh, 24, B N Road
Lucknow-226 001 (U. P.)

Vijay J. Poddar
(DIN : 00339268)
Managing Director

Directors' Report

To The Members,

Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

(₹ in Lac)

FINANCIAL HIGHLIGHTS	Year Ended 31.03.2014	Year Ended 31.03.2013
Income	3277.82	1195.90
Profit before Tax & Extra-Ordinary Items	136.69	67.34
Less : Provision for Taxation	43.95	20.81
Profit after Tax	92.74	46.53
Less :Transfer to Statutory Reserves	18.55	9.31
Less :Transfer to Contingent Provision against Standard Assets	11.82	4.57
Add: Profit brought forward from Previous Year	71.87	39.22
Total Profit available for Appropriation	134.24	71.87
Less : Provision for Dividend @ 0.50 Paise	29.09	0.00
Less :Tax on Dividend	4.94	0.00
Balance carried forward	100.21	71.87

OVERVIEW OF ECONOMY

A survey by global consultancy firm Ernst & Young (E&Y) sees India as the world's most attractive investment destination. With the opening up of foreign direct investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products.

India is estimated to have grown at 4.9% during the year under review, i.e. Financial Year 2013-14, as compared to 4.5% during the previous year. Although commercial activity has stagnated in FY 2013-14, there has been a turnaround in investor sentiments in the latter half of the year. However the industry chose to adopt a cautious approach in the context of a tight monetary policy followed by the Reserve Bank of India (RBI) due to inflationary pressures and other prevailing economical and political uncertainties.

The NBFC sector in India is integral to the financial framework of the country. Compared to the global standards, the size of the industry is relatively small. However, the industry has witnessed a Compounded Annual Growth Rate (CAGR) of 22% during March 2006 to March 2013, when the country's Gross Domestic Product (GDP) slowed down to 4.5% in financial year 2012-13 from 9.6% in financial year 2006-07. (Source: Reserve Bank of India Report, January 2014)

The stakes held by foreign institutional investors (FII) in Indian companies touched a record high in the fourth quarter of FY 14. The estimated value of FII holdings in India stands at US\$ 279 billion.

OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the recessionary economic conditions leading to further slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2013-2014. In spite of unfavorable economic scenario, your Directors are pleased to inform you that your Company has registered growth during the financial year.

Gross income from operations during the year increased substantially and stood at ₹ 3277.82 Lac in comparison to last years' figure of ₹ 1195.90 Lac. In term of Net Profit after Tax for the year, the same has been doubled for the year and remained at ₹ 92.74 Lac in comparison to last years' Net Profit of ₹ 46.53 Lac.

Your Company as NBFCs continues to play a key role in the development of the country by being present in under-banked and unbanked regions and participating in inclusive growth. The recent global financial crisis has however highlighted the importance of widening the focus of NBFC.

The Company is in to the Business of Investment in Shares & Securities and Financing activities.

Your Company is hopeful of continue to do well in coming years and should remain as one of healthy and profitable entrepreneur in coming years.

DIVIDEND

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2014 at 50 Paise (Fifty Paise) per share or 5% (five percent) on face value of ₹ 10/- each, subject to approval of Members at the ensuing Annual General Meeting.

SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

PROPOSAL TO CHANGE ITS REGISTERED OFFICE FROM LUCKNOW TO MUMBAI

The Company has proposed to Change its Registered Office from city of Lucknow (Uttar Pradesh) to city of Mumbai (Maharashtra). For this purpose, the Resolution has already been passed by Members by way of Postal Ballot Rules 2011. The Company has filed its application with Regional Director (RD) and the application is under consideration with RD.

DIRECTORS

There is no change in composition of Board during the year

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

INDEPENDENT DIRECTORS

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 49 of the Listing Agreement (applicable from October 1, 2014), any person who has already served as independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2008 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended 31st March 2014, 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; and
4. The Directors had prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION

The Company being basically in to the business of Investment Shares & Securities and into the financing activities, requirement regarding disclosure of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in information and technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development

will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

AUDITORS

The Auditors M/s B. B. Shah & Co., Chartered Accountants, Mumbai who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 29th Annual General Meeting up to the conclusion of the 34th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 from M/s. B. B. Shah & Co.; that they are eligible for appointment as auditors, and are not disqualified for appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949, or the rules and regulations made there-under; the proposed appointment is as per the term and within the limits laid down by or under the authority of the Companies Act, 2013 and that there are no proceedings pending against them or any of their partners with respect to professional conduct.

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.

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 throughout 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, 1975 is reported to be NIL.

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

The Company is having no business other than the business of Investing in Securities Market as well as to lend money to Corporate and HNIs during the year under review and 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.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Lucknow, May 27, 2014

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

Registered Office :

Shop No. 216, City Hotel Complex,
Lalbagh, 24, B N Road
Lucknow-226 001 (U. P.)

Vijay J. Poddar
(DIN : 00339268)
Managing Director

Management Discussion & Analysis

MACRO ECONOMIC ENVIRONMENT

In the recent past, the Indian economy has had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included: unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of Gross Domestic Product (at factor cost at constant 2004-05 prices) from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth seems to have reversed. The growth slowdown in India is broadly in sync with trends in similar emerging economies. The sharp downturn in growth owes to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies. The growth of real GDP has generally shown a declining trend since the first quarter (Q1) of 2011-12, and is characterized by a moderation in services growth and a protracted slowdown in industry. The revival in agriculture on the back of a steady monsoon and robust growth in financial and business services led to a modest uptick in growth in 2013-14.

The economic situation remained difficult during financial year 2013-2014. Even if the new Government at the centre focuses on removing the various impediments to the growth of infrastructure in India, the fact is that most companies in the business of thermal or hydro electric power plants, of building or operating roads, toll-ways and highways, of telecommunications, of land and property development and of airports are financially stretched with high leverage and inadequate cash flows to service their debts. Many need to have their debt and interest obligations restructured through corporate debt restructuring. Therefore, even with the best of Government intents and a focused commitment to reforms in the infrastructure sector, Company believes that FY15 will remain a challenging year, and NBFC will emerge as the support for all these restructuring. That is why the Company is looking for ways to bring about even sharper operational efficiencies.

Banks and Financial Institutions broadly encompass the framework of the Indian financial system. The rapid rise of financial institutions was facilitated by simplified sanction procedures, flexibility and low-cost of operations. However, tighter liquidity conditions, stringent prudential norms and regulatory changes led to the survival of only a handful of Non-Banking Financial Companies (NBFCs) to partner in the financial inclusion of the country.

REVIEW OF OPERATIONS

Despite the challenging climate, we have been very active in Capital and Money Market and have increased our presence and profitability. We believe these investments have reaped dividend and helped us to capture market share as activity levels picked up in markets. The Company has registered gross Revenue of ₹ 3277.82 Lac as compared to ₹ 1195.90 Lac in previous financial year. PBT Margin during the year remains ₹ 136.69 Lac in comparison to last years' figure of ₹ 67.34 Lac whereas Net Profit remains at ₹ 92.74 Lac in comparison to last years' figure of ₹ 46.53 Lac.

BUSINESS SEGMENT

During the year, the Company was into the business of Investment in Capital and Money Market and was doing a business of investment in shares & securities as well as financing activities in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

OPPORTUNITIES

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism.

Despite the recent headwinds India has faced, its fundamentals remain solid. The economy is slowly regaining

momentum, with both domestic and external conditions starting to improve. Favorable demographics and recent government reforms are expected to accelerate expansion over the medium term, making India the world's fifth-fastest growing economy by 2015. Recent reforms in support of growth include the raised FDI ceilings for the retail, airline, telecoms, financial and defense sectors. To support future growth, the Government should focus on infrastructure investment and increased efficiency in delivery mechanisms. The monetary policy might remain tight in the near future, triggered by the US Federal Reserve's remarks in May about potentially scaling back its quantitative easing program. Consequently, to support the rupee, the Central Bank has announced a window in which foreign currency non-resident US dollar fund swaps will be allowed, enabling banks to convert US dollar deposits by Indians abroad. India saw tepid GDP growth in 2012, as it grappled with a challenging investment climate. Recently, the economy has been hampered by high fiscal deficit and low investment growth. The Government aims to bring down the fiscal deficit from 4.9% in 2012–13, to 3% by 2016–17.

In 2013, equity markets remained tame due to slowing economy, bonds lost value as interest rates rose and physical assets such as real estate and gold also started feeling the effect of economic slowdown.

THREATS & CONCERNS

Many developing countries including India have reaped handsome rewards from surging capital inflows in recent years. This is widely regarded as a very welcome phenomenon, raising levels of investment and encouraging economic growth. But surging capital inflows can also be something of a double-edged sword, inflicting rather less welcome and destabilizing side effects, including a tendency for the local currency to gain in value, undermining the competitiveness of export industries, and potentially giving rise to inflation. Why inflation? Capital inflows result in a buildup of foreign exchange reserves. As these reserves are used to buy domestic currency, the domestic monetary base expands without a corresponding increase in production: too much money begins to chase too few goods and services.

To ease the threat of currency appreciation or inflation, central banks often attempt what is known as the "sterilization" of capital flows. In a successful sterilization operation, the domestic component of the monetary base (bank reserves plus currency) is reduced to offset the reserve inflow, at least temporarily. In theory, this can be achieved in several ways, such as by encouraging private investment overseas, or allowing foreigners to borrow from the local market. The classical form of sterilization, however, has been through the use of open market operations, that is, selling Treasury bills and other instruments to reduce the domestic component of the monetary base. The problem is that, in practice, such sterilization can be difficult to execute and sometimes even self-defeating, as an apparently successful operation may raise domestic interest rates and stimulate even greater capital inflows. Unfortunately, many developing countries also lack the tools available to run a classical sterilization policy, or find it simply too costly to do so. This is often the case wherever the financial system is not fully liberalized.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for

achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

DELISTING OF SECURITIES FROM U. P. STOCK EXCHANGE LTD. (UPSE)

During the year, the Company has opted to de-list its securities from U. P. Stock Exchange Ltd. due to lack turnover and volatility on its exchange, absence of liquidity in the scrip as well as almost Nil volume during the year under review. However, Equity Shares of Company will continue to list on remaining Exchange i.e. on BSE Ltd. (BSE).

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the

directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Lucknow, May 27, 2014

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

Registered Office :

Shop No. 216, City Hotel Complex,

Lalbagh, 24, B N Road

Lucknow-226 001 (U. P.)

Vijay J. Poddar

(DIN : 00339268)

Managing Director

Annexure to the Directors' Report

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through –

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

BOARD OF DIRECTORS

GOVERNANCE STRUCTURE

The Corporate Governance Structure at NCL Research & Financial Services Ltd. (NCL) is as under :-

1. Board of Directors : The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. Committees of the Board : The Board has constituted the following committees viz. Audit Committee, Share Transfer Committee and Investors' Grievance Committee. Each of said Committee has been managed to operate within a given framework.

Composition of Directors

The Board has three members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 7 times on 30th May, 20th June, 14th August and 29th October in year 2013 and on 28th January, 14th February and 18th February in year 2014 during the financial year 2013-2014.

The composition and category of the Board of Directors as at March 31, 2014, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	DIN	Date of Joining	Board Meetings Attended	Committee Membership in Public Ltd. Cos.	Committee Chairman-ship in Public Ltd. Cos.	No. of Directorship in other Public Ltd. Cos.
Vijay J. Poddar*	Chairman & Managing Director	00339268	30th Jan. 2008	8	Nil	Nil	Nil
L. N. Sharma	Independent Director	00356855	25th July 2009	8	Nil	Nil	1
Goutam Bose	Independent Director	02504803	25th July 2009	8	1	Nil	1

*Chairman of the Board

AUDIT COMMITTEE

The Audit Committee of the Board consists of three Directors out of which two are independent. The Chairman is an Independent and Non-executive 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.

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;
- c) to take note of the significant decisions taken or important developments considered at the Management
- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee –

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 6. Reviewing, with the management, 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.
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. 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;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;

- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The members of Audit Committee met four times on 30th May, 14th August and 29th October in year 2013 and on 28th January in the year 2014 during the financial year ended on 31st March 2014.

Name	Number of Meetings Held	Meetings Attended
Mr. Vijay J. Poddar	4	4
Mr. Goutam Bose*	4	4
Mr. L. N. Sharma	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

No Remuneration has been paid to any of Directors, apart from Directors' sitting fees, during the year under review.

No Stock option has been allotted to any of the Directors during the financial year 2013-2014.

None of the Independent Directors holds any shares in their name or in the name of their relatives as on 31st March 2014.

SHARE TRANSFER COMMITTEE

Share Transfer Committee is continued to work under the Chairmanship of Mr. L. N. Sharma with other Member Mr. Goutam Bose and Mr. Vijay J. Poddar.

The members of Share Transfer Committee met four times on 30th May, 14th August and 29th October in year 2013 and on 28th January in the year 2014 during the financial year ended on 31st March 2014.

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:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ 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 Ms. Madhu P. Dharewa 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 2, May 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2013 and on January 2, February 1 and March 1 in year 2014.

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

Name	Position	Category	Meetings Attended
Mr. L. N. Sharma*	Chairman	Independent, Non-Executive	12
Mr. Vijay Poddar	Member	Executive Director	12
Mr. Goutam Bose	Member	Independent, Non-Executive	12

Details of Shareholders' Complaints

There was Nil Complaint at the beginning of Financial Year. During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2014.

Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is ncl.research@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES section on SEBI website for faster addressing and resolutions of Investor Complaints.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
28th Annual General Meeting	20th September 2013, 10.30AM	Registered Office
27th Annual General Meeting	27th September 2012, 10.30AM	Registered Office
26th Annual General Meeting	21st September 2011, 10.30AM	Registered Office

LOCATION AND TIME OF EXTRA-ORDINARY GENERAL MEETINGS :

During Financial Year 2012-13, Extra Ordinary General Meeting (EOGM) was held on 7th day of June 2012 at 2.30 PM at Registered Office of the Company for Issue and Allotment of up to 14.00 Lac Equity Shares on preferential basis at a price of ₹ 275/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company. Also the Authorized Capital of the Company was increased from ₹ 5.50 Crore to ₹ 7.00 Crore to enable Company to issue and allot further shares as proposed in said EOGM.

During Financial Year 2011-12, Extra Ordinary General Meeting (EOGM) was held on 19th day of August 2011 at 2.30 PM at Registered Office of the Company for Issue and Allotment of up to 15.00 Lac Equity Shares on preferential basis at a price of ₹ 175/- per Share to Non-Promoters Group to meet the Working Capital requirements of the Company. Also the Authorized Capital of the Company was increased from ₹ 4.00 Crore to ₹ 5.50 Crore to enable Company to issue and allot further shares as proposed in said EOGM.

No Extra-Ordinary General Meeting was being held during remaining financial year 2010-2011.

POSTAL BALLOT

Resolution was passed on 18th February 2014 by way of Postal Ballot Rules 2011, to shift its Registered Office from State of Uttar Pradesh to the State of Maharashtra.

Resolution were also passed to change its Statutory Auditors. The Members have appointed M/s. B. B. Shah & Co., Chartered Accountants, Mumbai in place of M/s. Mukesh Choudhary & Associates, Chartered Accountants, Kolkata.

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

No Special Resolutions was being passed during last three financial years.

BOARD DISCLOSURES

Compliance with Governance Framework

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors during the financial year 2014-2015.

Disclosure on materially significant related parties transactions that may have potential conflict of interests of the Company at large

There are no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors, Senior Management or relatives etc., which may have potential conflict with the interest of the Company at large.

Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the followings :-

- ❖ Governance of Risk
- ❖ Identification of Risk
- ❖ Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

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 Officer 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.
- (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) **Reconciliation of Share Capital Audit** : A qualified Practicing Company Secretary carries out Reconciliation of Share Capital 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.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure ID 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) There were no other related party transactions of material nature with the promoters, directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the company at large..

- c) The Company has generally complied with all the requirements of regulatory authorities on Capital Markets.
- d) The Board of Directors of the Company has adopted the whistle Blower Policy for establishing the mechanism of employees to report to management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Company affirms that no employee has been denied access to the Audit Committee.
- e) The Company follows Accounting Standards issued by Institute of Chartered Accountants of India and qualification in the auditors' report have been explained in directors' report.
- f) The Company has complied with all mandatory requirement as stated in clause 49 of Listing Agreement and the non-mandatory requirement have been complied with to the extent feasible.
- g) The Company is committed to conducting its Business in conformity with ethical standards and applicable Laws and Regulations. This commitment stands evidenced by model code of conduct adopted by Board of Directors at their meeting which is applicable to each member of the Board of Director and senior management of the Company.

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 BSE/UPSE Ltd. and published in the leading English Newspapers i.e. "Business Standard" and in vernacular language Newspaper in hindi edition of "Business Standard" in Lucknow.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.nclfin.com
- Official News releases have been posted on its website www.nclfin.com
- 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 is available on its website www.nclfin.com and also on BSE website www.bseindia.com. Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. ABS Consultants Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

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 29th Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

Date	:	Monday, 15th September, 2014
Time	:	10.30 A.M.
Venue	:	216, City Hotel Complex, Lalbagh, 24, B N Road, Lucknow -226 001

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

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2014	Mid of August, 2014
Financial Reporting of 2nd Quarter ended on 30th September 2014	Mid of November, 2014
Financial Reporting of 3rd Quarter ended on 31st December 2014	Mid of February 2015
Financial Reporting of 4th Quarter ended on 31st March 2015	During May 2015
Date of Annual General Meeting	During September 2015

d. Date of Book Closure : September 8 to September 15, 2014. (Both days inclusive)

e. Dividend Payment : The Board of Directors are pleased to recommend the payment of Dividend 50 Paise per Equity Share of ₹ 10/- each (i.e. 5 Percent of paid-up Capital) Subject to approval of Shareholders, will be paid within the prescribed time period. This Dividend, if approved at the Annual General Meeting, shall be paid on or before 14th October 2014.

f. Dividend History : The Company has not paid any Dividend during last 10 years.

g. Listing of Shares : BSE Limited

h. Stock Code & ISIN : 530557, Demat ISIN No. in NSDL & CDSL – INE132F01012

i. Market Price Data :

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2013	1925.00	1403.00	3,55,688	19622.68	18144.22
May 2013	1940.00	1180.00	4,36,310	20443.62	19451.26
June 2013	2200.00	1550.00	4,34,081	19860.19	18467.16
July 2013	2180.00	1702.00	4,81,975	20351.06	19126.82
August 2013	2142.00	1952.00	4,06,123	19569.20	17448.71
September 2013	2135.00	1300.00	4,16,996	20739.69	18166.17
October 2013	1699.00	1360.00	2,56,290	21205.44	19264.72
November 2013	1400.00	1140.00	2,23,308	21321.53	20137.67
December 2013	1285.00	1126.00	1,79,498	21483.74	20568.70
January 2014	1223.00	836.00	2,46,924	21409.66	20343.78
February 2014	830.00	452.00	1,65,414	21140.51	19963.12
March 2014	445.00	304.00	4,28,574	22467.21	20920.98

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

Phone - 033-22430153 / 033-22201043, Fax 033-22430153, E-Mail: absconsultant@vsnl.net

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 2014

No. of Equity Shares Holders	No. of Share Holders	% of Share Shares Held	Total No. of Holding	% of Share
1-500	129	41.21	7865	0.14
501-1000	21	6.71	17493	0.30
1001-2000	21	6.71	32470	0.56
2001-3000	11	3.51	30190	0.52
3001-4000	7	2.24	25337	0.44
4001-5000	15	4.79	68896	1.18
5001-10000	23	7.35	172276	2.96
10001-50000	54	17.25	1298392	22.32
50001-100000	12	3.83	908390	15.62
100001 and Above	20	6.39	3255691	55.97
Total....	313	100.00	5817000	100.00

m. Shareholding Pattern as on 31st March 2014

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	162500	2.79
Indian Bank	0	0.00
Others (NRI)	0	0.00
Private Corporate Bodies	5120920	88.03
Indian Public	533580	9.17
Total	5817000	100.00

n. Dematerialization of Equity Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and 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 21 days from the date of issue of Shares.

As on 31st March 2014, 90.18% Equity Shares of the Company are in dematerialized form.

o. Listing Fees and Annual Custodial Fees

The Company has paid the Annual Listing Fees for year 2014-2015 to BSE Limited and Annual Custodial Fees to the Depositories viz. NSDL & CDSL for the year 2014-2015 have 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 form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

q. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

r. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (Dps).

s. Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

t. Service of Documents through Electronic Mode

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, ABS Consultants Pvt. Ltd. to their dedicated e-mail id i.e., "absconsultant@vsnl.net."

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

Particulars of Utilization	Amount (₹ in Lac)
Loan / Financing to HNIs & Corporate Bodies	6028.97
Total	6028.97

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

Not Applicable.

w. **Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a “Green initiative in the Corporate Governance” by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company is sending notices/documents such as Annual Reports and notices by email to the shareholders who have registered their email address with DP/RTA. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding, through the respective Depository Participant (DP) and in respect of physical holding, through the Registrar and Share Transfer Agent (RTA) M/s. Purva Share Registry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company/RTA/DP, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

x. **Investors' Correspondence**

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

Ms. Madhu P. Dharewa - ncl.research@gmail.com

y. **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.

z. **Address for Correspondence**

NCL Research and Financial Services Limited

Bhagyodaya Building, 3rd Floor, 79, N. M. Road, Fort, Mumbai-400 023

Email : ncl.research@gmail.com

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:

The Members of

NCL Research & Financial Services Limited

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our 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 our 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **NCL Research and Financial Services Limited**

Vijay J. Poddar

(DIN : 00339268)

Managing Director

Declaration by the Managing Director under Clause 49 of the Listing Agreement

NCL RESEARCH & FINANCIAL SERVICES LIMITED

In accordance with Clause 49 sub clause I(D) of the Listing Agreement with the Stock Exchanges, I, **Vijay J. Poddar**, Chairman & Managing Director of NCL Research & Financial Services Limited hereby confirm that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conducts.

Vijay J. Poddar

(DIN : 00339268)

Managing Director

Lucknow, May 27, 2014

Secretarial Compliance Report for the year ended 31st March 2014

The Board of Directors,

M/s. NCL Research & Financial Services Limited

Lucknow

We have examined the registers, records, books 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 the Act and amended thereto from time to time and includes Companies Act, 2013 as applicable (hereinafter referred to as 2013 Act) and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2014. In our opinion and to the best of our information and according to the examinations carried out by and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year -

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. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has closed its Register of Members from 13th September 2013 to 20th September 2013 (both days inclusive) during the financial year and necessary compliance of section 154 of the Act has been made.
9. The Company has not declared dividend and thus payment of Dividend is not required in compliance with the provisions of section 205 of the Act during the year.
10. The Company has not paid remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
11. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
12. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
13. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
14. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 184 of the Act.
15. The Company has not appointed any person as a place of profit in terms of section 188 of the Act during the year.
16. The Company has not issued any duplicate share certificate during the financial year.
17. The Company has complied with the provisions of section 186 of the Act.

18. The Company :
- has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - was not required to deposit amount in a separate Bank Account as the Company has not declared Dividend during the year.
 - was not required to post warrants to members of the Company within the required time as the Company has not declared Dividend during the year.
 - was not required to transfer any amount to Investor Education and Protection Fund.
 - Has duly complied with the requirement of section 134 of Companies Act, 2013.
19. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
20. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
21. The Company has not issued any Shares, Debentures or other Securities during the financial year.
22. The Company has not bought back any share during the financial year.
23. There was no redemption of preference shares or debentures during the financial year.
24. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
25. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
26. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2014.
27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
30. The Company has not altered its Memorandum of Association and Articles of Association in respect to the Share Capital of the Company.
31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year 2013-2014.

For **G. S. Bhide & Associates**
Company Secretaries

Place : Mumbai

Date : May 28, 2014

Gayatri S. Bhide
Proprietor
C. P. No. 11816

Annexure "A"

Name of the Company : NCL Research & Financial Services Limited

CIN : L65921UP1985PLC007001

Financial Year ended : 31st March, 2014

Register as maintained by the Company :-

Statutory Registers :

Sl. No.	Section under the Companies Act, 2013	Name of the Register
1.	88	Register of Members
2.	94	Copies of Annual Returns
3.	118	Minutes Books for Board / General Meetings
4.	189	Register of contracts, companies and firms in which directors are interested
5.	170	Register of Directors
6.	170	Register of Directors' Shareholding

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2014.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31st March 2013	220	Annual Requirement	Yes	N.A.
2.	Form 20B for the Financial Year ended 31st March 2013	159	Annual Requirement	No	Yes
3.	Form 23B	192	Registration of Resolution	No	Yes
4.	Form 18	146	Shifting of Regd. Office	Yes	No

- b) **Forms and Returns filed with Regional Director** : INC-23 dated 28th May 2014 for Shifting of Regd. Office from State of Uttar Pradesh to State of Maharashtra
- c) Forms and Returns filed with Central Government or other Authorities : Nil

For **G. S. Bhide & Associates**
Company Secretaries

Place : Mumbai

Date : May 28, 2014

Gayatri S. Bhide
Proprietor
C. P. No. 11816

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 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Ltd and UP 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, we certify that 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 **B. B. Shah & Co.**
Chartered Accountants
FRN : 129121W

Place : Mumbai
Date : May 27, 2014

CA Kaushal P. Mistry
Partner
Membership No. 106113

Auditors' Report

To the Members of **NCL Research and Financial Services Limited**

We have audited the accompanying financial statements of **NCL Research & Financial Services Limited** a Non Deposit Taking and Non Banking Financial Company bearing Registration No. 12.00041 dated 26/02/1998 ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and also the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B. B. Shah & Co.**
Chartered Accountants
FRN : 129121W

Place : Mumbai
Date : May 27, 2014

CA Kaushal P. Mistry
Partner
Membership No. 106113

Annexure to the Auditors' Report

Referred to in Paragraph I under the heading of "report on other legal and regulatory requirements" of our report of even date

i In respect of Fixed Assets:

- a) According to the information and explanations given to us and in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year at reasonable intervals. As explained to us, no material discrepancies were noticed as compared to the book records, on such physical verification.
- c) In our opinion and according to the information and explanations given to us, the Company has not made substantial disposal of the fixed assets during the year and the going concern status of the Company is not affected.

ii In respect of Inventories:

- a) The inventories held as stock-in-trade have been verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records.

iii In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

- a) As explained to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) As per information and explanations given to us the company has not taken any loans, secured or unsecured, from any party covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the sub-clause (f) and (g) of para 4(iii) of the Order is not applicable.

iv In respect of Internal Control:

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and also for sale of goods and Services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls procedure.

v In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 in our opinion and according to information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, and consequently the paragraph v(b) of the order is not applicable.

vi The Company has not accepted any deposits from the public hence Clause 4(vi) of the Companies (Auditor's Report) Order 2003 is not applicable.

vii In respect of Internal Audit System:

According to the information and explanations given to us and in our opinion, the Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.

viii Maintenance of Cost Records:

According to the information and explanations given to us, the maintenance of cost records have not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of activities of the Company.

ix In Respect of Statutory Dues :

- a) According to the information and explanations given to us and according to the records, the Company has been regular in depositing undisputed statutory dues, including, Income Tax, Wealth Tax, Service Tax, and any other material statutory dues with appropriate authorities during the year. As per the information and explanations given to us and in our opinion, the statutes relating to Sales Tax, Employees Provident Fund, Employee's State Insurance, Customs Duty, Excise Duty & Cess, are not applicable to the Company.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of them becoming payable.

x In respect of Accumulated Losses:

The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding the financial year.

xi Repayment of dues of banks, etc. and creation of securities :

In our opinion and according to information and explanations given to us, the Company has no outstanding dues at the beginning of the year and has not taken any dues during the financial year and therefore the question of default in repayment of dues to financial institutions, banks and debenture holders does not arise.

xii In our opinion and according to information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the clause 4(xiii) and sub-clauses (a) to (d) of the Order is not applicable to the Company.

xiv 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 investment and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.

xv In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly Clause 4(xv) of the Companies (Auditor's Report) Order 2003 is not applicable.

xvi According to the information and explanations given to us, the Company has not availed any term loans and consequently the paragraph 4(xvi) of the Order is not applicable to the Company.

xvii According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, the Company has not raised any funds on short-term or long-term basis and consequently the paragraph 4(xvii) of the Order is not applicable to the Company.

xviii During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix According to the information and explanations given to us, the Company has not issued any debentures and consequently the paragraph (xix) of the Order is not applicable.

xx The Company has not raised any money by public issue during the year. Consequently the paragraph (xx) of the Order is not applicable.

xxi In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

For **B. B. Shah & Co.**
Chartered Accountants
FRN : 129121W

Place : Mumbai
Date : May 27, 2014

CA Kaushal P. Mistry
Partner
Membership No. 106113

BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	Refer Note No.	31.03.2014 ₹	31.03.2013 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	58,170,000	58,170,000
Reserves and Surplus	2	552,106,421	547,417,511
Non Current liabilities			
Deferred Tax Liability(Net)	3	233,822	268,659
Current liabilities			
Trade payables	4	68,672,100	-
Other Current Liabilities	5	56,976	32,761
Short term Provisions	6	5,129,526	756,819
TOTAL		684,368,845	606,645,750
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	7	1,389,899	2,316,495
Current assets			
Inventory	8	1,643,725	288,869,375
Trade Receivables	9	19,334,397	500,000
Cash and Cash Equivalents	10	4,094,545	777,737
Short-term Loans and Advances	11	657,906,279	314,027,463
Other Current Assets	12	-	154,680
TOTAL		684,368,845	606,645,750

Summary of significant accounting policies

18 - 19

The accompanying notes are an integral part of the financial statement.

As per our report of even date
For **M/s. B. B. Shah & Company**
Chartered Accountants
Firm Reg. No. 129121W

For and on behalf of the Board

CA. Kaushal P Mistry
[Partner]
Mem. No. 106113

Mr. Vijay Poddar
DIN - 00339268
Director

Mr. Goutam Bose
DIN - 02504803
Director

Place : Mumbai
Date : 27/05/2014

Statement of Profit and Loss for the year ended 31st March, 2014

PARTICULARS	Refer Note No.	31.03.2014 ₹	31.03.2013 ₹
Income:			
Revenue from operations	13	327,781,669	119,589,892
Total Revenue (I)		327,781,669	119,589,892
Expenses:			
Purchases of Stock-in-Trade	14	17,580,000	278,539,520
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	15	287,225,650	(171,204,375)
Employee benefits expense	16	4,142,259	2,901,718
Depreciation	7	926,599	126,205
Other expenses	17	4,238,304	2,493,003
Total Expenses (II)		314,112,812	112,856,071
Profit Before Taxation and Exceptional / Extraordinary items [(I) - (II)]		13,668,857	6,733,821
Profit Before Taxation		13,668,857	6,733,821
Tax Expense:			
Current tax		4,430,000	1,906,085
Deferred tax		(34,837)	174,666
Profit After Taxation		9,273,694	4,653,070
Profit (Loss) for the period after Tax		9,273,694	4,653,070
Earnings per Equity Share:			
Basic		1.59	0.80

Note and significant accounting policies 18 - 19

The accompanying notes are an integral part of the financial statement.

As per our report of even date
For **M/s. B. B. Shah & Company**
Chartered Accountants
Firm Reg. No. 129121W

For and on behalf of the Board

CA. Kaushal P Mistry
[Partner]
Mem. No. 106113

Mr. Vijay Poddar
DIN - 00339268
Director

Mr. Goutam Bose
DIN - 02504803
Director

Place : Mumbai
Date : 27/05/2014

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March 2014

PARTICULARS	31.03.2014 ₹	31.03.2013 ₹
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	13,668,856	6,733,821
Adjustments for Depreciation	926,598	126,205
Operating profit before working capital charges	I 14,595,454	6,860,026
Adjustments for Capital Changes		
Decrease (Increase) in Trade and other Receivables	-	-
Decrease (Increase) in Loan & Advances	(343,224,135)	(118,319,744)
Decrease (Increase) in Trade Payable & Provisions	70,966,371	(45,614,574)
Decrease (Increase) in Fixed Deposits	(926,598)	2,117,795
Cash Generated From Operations	II (273,184,362)	(161,816,523)
Net Cash From Operating Activities	I+II (258,588,908)	(154,956,497)
Income Tax Adjustments	III 4,216,511	1,906,085
Cash Flow before Extra-Ordinary Items	I+II+III (254,372,397)	(153,050,412)
Extra Ordinary Items	(756,819)	(299,562)
Net Cash Flow From Operating Activities	A (255,129,216)	(153,349,974)
[I + II + III]		
B. Cash Flow from Investing Activities		
Purchase / (Sale) of Fixed Assets	-	(2,244,000)
Decrease / (Increase) in Investments	287,225,650	(171,204,375)
Net Cash from Investing Activities\	B 287,225,650	(173,448,375)
C. Cash Flow From Financing Activities		
Proceeds from Preferential Issue	-	334,675,000
Net Cash used in Financing Activities	C -	334,675,000
D. Net Increase in Cash & Cash Equivalents	D 3,316,810	(694,562)
Opening Balance of Cash & Cash Equivalents	777,735	1,472,297
E. Closing Balance of Cash & Cash Equivalents	4,094,545	777,735

As per our report of even date
For **M/s. B. B. Shah & Company**
Chartered Accountants
Firm Reg. No. 129121W

For and on behalf of the Board

CA. Kaushal P Mistry
[Partner]
Mem. No. 106113

Mr. Vijay Poddar
DIN - 00339268
Director

Mr. Goutam Bose
DIN - 02504803
Director

Place : Mumbai
Date : 27/05/2014

Schedules Forming part of Notes on Accounts

Note 1 : Share Capital

1.1 : Each class of Shares Capital

Particulars	31 March 2014 ₹	31 March 2013 ₹
Authorised shares 70,00,000 (31 March 2013 : 70,00,000) equity shares of ₹10/- each	70,00,000	70,00,000
Issued, Subscribed and Paid up 5817000 (31 March 2013 : 5817000) equity shares of ₹10/- each	58,170,000	58,170,000
Total	58,170,000	58,170,000

1.2 : A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;

Particulars	31 March 2014		31 March 2013	
	No.	₹	No.	₹
Shares outstanding at the beginning of the year	5,817,000	58,170,000	4,600,000	46,000,000
Shares Issued during the year	-	-	1,217,000	12,170,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,817,000	58,170,000	5,817,000	58,170,000

Note 2 : Reserve and Surplus

Particulars	31 March 2014 ₹	31 March 2013 ₹
Securities Premium (As Per Last Balance Sheet)	523,000,000	523,000,000
	523,000,000	523,000,000
General Reserves		
Opening Balance	16,000,000	16,000,000
(+) Profit & Loss Appropriation		
(+) Current Year Transfer	-	-
Closing Balance	16,000,000	16,000,000
Special Reserve - NBFC Fund (As per Last Balance Sheet)	1,229,987	299,373
Add:transfer from surplus during the year	1,854,739	930,614
	3,084,726	1,229,987
Surplus in the statement of profit and loss		
Balance as per last financial statements	7,187,524	3,922,325
(+) Net Profit for the current year	9,273,694	4,653,070
(-) Transfer to Statutory Reserves 20% of above	1,854,739	930,614
(-) Transfer to Contingent Provision against Standard Assets	1,181,984	457,257
(-) Dividends proposed to be distributed to equity shareholders (Rs. 0.50/- Per Share)	2,908,500	-
(-) Tax on Dividend	494,300	-
Net surplus in the statement of profit and loss	10,021,696	7,187,524
Total reserves and surplus	552,106,421	547,417,511

*Note Special Reserve

Schedules Forming part of Notes on Accounts

In terms of section 45IC of Reserve Bank of India Act 1934, 20% of profit after tax have been transfer to statutory reserve

Note : 3 Deferred tax assets/ liabilities(net)

Particulars	31 March 2014 ₹	31 March 2013 ₹
Opening Deferred tax Liability	268,659	93,993
Add : Deferred Tax Asset		
1. Fixed Asset : Impact of difference in tax depreciation and depreciation/amortization charged for the financial reporting		
Gross deferred tax asset (A)	-	-
Less : Deferred Tax Liability		
1. On the Difference Between Book balance & Tax Balance of Fixed Assets	233,822	268,659
2. On Expenditure deferred in books but allowable for tax purposes	-	-
Gross deferred tax liabilities (B)	233,822	268,659
Net deferred tax liability created during the year (A-B)	34,837	(174,666)
Closing balance	233,822	268,659
Note 4 : Trade payables		
Other than Acceptance	68,672,100	-
Total	68,672,100	-
Note 5 : Other Current Liabilities		
Other Payables		
a) Statutory Remittance	56,976	32,761
(ii) Staff Loan	-	-
Total	56,976	32,761
Note 6 : Short term Provisions		
Provisions	1,726,726	756,819
Provision for Proposed Equity Dividend	2,908,500	-
Provision for Tax on Proposed Dividends	494,300	-
Total	5,129,526	756,819

Schedules Forming part of Notes on Accounts

Note 7: FIXED ASSETS (AT COST)

Sr.no		Depre Rate	Gross Block			Depreciation				Net Block		
			As on 01.04.2013	Additions During the Year	Deductions During the Year	As on 31.03.2014	Depreciation for the Nine month	Depreciation for the year	Depreciation for the year	As on 31.03.2014	As on 31.03.2013	
I	Tangible Assets-Owned Computer	40.00%	3,358,500	-	-	3,358,500	1,042,004	138,344	926,599	-	1,968,602	2,316,496
	CURRENT YEAR (RUPEES)		3,358,500	-	-	P	1,042,004	-	138,344	-	1,968,602	2,316,496
	PREVIOUS YEAR (RUPEES)		25,022,212	164,177	14,298	25,172,091	9,990,084	-	1,042,004	-	11,226,730	15,032,128

Schedules Forming part of Notes on Accounts**Note 8 Inventories**

Sl. Particulars No.	As at 31 March 2014		As at 31 March 2013	
	Quantity Nos.	Value ₹	Quantity Nos.	Value ₹
A. QUOTED				
1 KADAMB CONSTRUCTIONS LTD	-	-	55,000	115,500
2 Out of City Travel Solution Ltd.	18,500	1,643,725	18,500	1,643,725
3 Tunitex	-	-	1,000,000	20,300,000
TOTAL(A)	18,500	1,643,725	1,073,500	22,059,225
B. UNQUOTED				
1 Agradooti Vanijya (P) Ltd	-	-	194,500	19,450,000
2 Alcoa Trading Pvt. Ltd.	-	-	30,000	15,000,000
3 Anuska Vanijya Pvt. Ltd.	-	-	53,465	26,732,500
4 Beaumont Treadcom Pvt. Ltd.	-	-	57,620	28,810,000
5 Cincom Trading Pvt. Ltd.	-	-	20,700	10,350,000
6 Ellisbridge Trading Pvt. Ltd.	-	-	35,600	17,800,000
7 Fast Finance Pvt. Ltd	-	-	52,600	5,260,000
8 JoyGuru Commotrade Pvt. Ltd.	-	-	15,000	7,500,000
9 Kathakali Vincom Pvt. Ltd.	-	-	44,000	22,000,000
10 Larica Trading Pvt.Ltd.	-	-	64,979	32,489,500
11 Lisha Trading Pvt. Ltd.	-	-	31,400	15,700,000
12 Matarani Commercial Pvt. Ltd.	-	-	30,000	15,000,000
13 Olympia Tradefin Ltd	-	-	10,769	1,076,900
14 Rockers Tradelink Pvt. Ltd.	-	-	8,520	4,260,000
15 Sadgati Trading Pvt. Ltd.	-	-	27,990	13,995,000
16 Sarbamangalam Finetex (P) Ltd.	-	-	21,700	2,170,000
17 Sarbari Vincom Pvt. Ltd.	-	-	4,000	2,000,000
18 Sherwood Commercial Pvt. Ltd.	-	-	33,000	16,500,000
19 Shreeparna Trading Pvt.Ltd.	-	-	300	30,000
20 Silver Pearl Trading (P) Ltd.	-	-	3,500	350,000
21 Sprint Vanijya Pvt.Ltd.	-	-	1	250
22 Status Clothing Pvt Ltd	-	-	110,000	1,100,000
23 Swapanpuri Tradelink Pvt. Ltd.	-	-	3,000	1,500,000
24 Tezas Trading Co Pvt Ltd	-	-	1,560	156,000
25 Viacom Trade & Commerce Pvt. Ltd.	-	-	15,160	7,580,000
TOTAL(B)	-	-	869,364	266,810,150
GRAND TOTAL(A+B)	18,500	1,643,725	1,942,864	288,869,375

Schedules Forming part of Notes on Accounts

Note 9 :

Particulars	31 March 2014 ₹	31 March 2013 ₹
Other Trade Receivables	19,334,397	500,000
Total	19,334,397	500,000

Note 10 : Cash and cash equivalents

Balances with banks

This includes:

i) In current accounts

ICICI Bank - 000405103048

3,943,498 -

ICICI Bank - 623505386093

2,333 64,072

Cash on hand

148,714 713,665

Total

4,094,545 777,737

Note 11 : Short-term Loans and Advances

Prepaid Expenses

Unsecured, considered good

110,000 -

Others

Unsecured, considered good

657,796,279 314,027,463

Total

657,906,279 314,027,463

Note 12 : Other Current Assets

Advance payment of Income tax & TDS (Net)

- 154,680

Total

- 154,680

Note 13 : Revenue from operations

Interest on loans given

48,395,904 22,967,492

Sale of Shares & Commodities

Speculation Income from trading of commodity

1,363,382 -

Sale of Shares

278,022,383 96,622,400

Total

327,781,669 119,589,892

Note 14 : Purchases of Stock in trade

Purchase of Shares

17,580,000 278,539,520

Total

17,580,000 278,539,520

Note 15 : Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Closing Stock of Shares

1,643,725 288,869,375

Opening Stock of Shares

288,869,375 117,665,000

Total

287,225,650 (171,204,375)

Note 16 : Employee Benefits Expense

Salaries

Salary to staff

3,604,149 2,654,210

Staff Welfare

538,110 247,508

Total

4,142,259 2,901,718

Schedules Forming part of Notes on Accounts

Note 17 : Other Expenses

Particulars	31 March 2014	31 March 2013
	₹	₹
Advertisement Expenses	90,428	82,774
Audit Fees	25,000	20,000
Bank Charges	54	9,744
Book & Periodicals	80,400	69,258
Commission & Brokerage	500,000	-
Communication Expenses	198,365	86,596
General Expenses	489,754	557,227
Internet Expenses	156,578	78,663
Miscellaneous Expenses	98,540	48,210
Postage and telegram	201,870	95,749
Printing & Stationery	291,607	276,876
Professional Fess	308,640	139,500
Registration fees	28,581	104,213
Rent	146,750	110,000
Repairs & Maintainance	211,450	85,350
Repairs & Maintainance - General	379,370	92,577
ROC filing Fees	26,228	81,500
Stock Exchange & Other Regulatory Expenses	375,297	178,652
Travelling & Conveyance Expenses	629,393	376,114
Total	4,238,304	2,493,003
Note 17.1 : Payment to Auditor		
As Auditor :		
Statutory Audit Fees	25,000	20,000
Total	25,000	20,000

NCL RESEARCH & FINANCIAL SERVICES LIMITED

Note 18:

Significant Accounting Policies

18.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except otherwise stated.

18.2 Tangible Fixed Assets

- a. Fixed Assets are stated at cost less depreciation, Cost comprises the purchase price and any attributable cost of bringing the assets to working condition for its intended use.
- b. Expenditure, for additions improvements and renewals are capitalised and expenditure for maintenance & repairs are charged to the Profit & Loss account. When assets are sold or discarded, their cost and accumulated depreciation is removed from the account & any gain or loss, resulting from their disposal is included in the Profit & loss account.

18.3 Depreciation and Amortisation

Depreciation is provided using written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Depreciation on additions during the year is provided on a pro rata basis from the date of addition.

18.4 Revenue Recognition

- (i) Income are accounted on accrual basis.
- (ii) Expenses other than Interest are net of recoveries, wherever applicable

18.5 Employee Benefits

The company provides for unutilized leave benefits on the basis of the last salary drawn and the leave balance available to the credit of the employee on the last date of the year.

18.6 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information available and for which operating profit/Loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and Segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market /fair value factors.

Revenue expenses, assets and liabilities which relate to the company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

18.7 Taxes on Income

- a. Income tax payable for the year is determined in accordance with the provisions of the Income Tax Act, 1961.
- b. Deferred tax expense or benefit is recognized on "timing difference" being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient taxable income will be available to

realize these assets. All other deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available to realize these assets.

18.8 Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset from its disposal are discounted to their present value using pre tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment loss is recognized immediately as income in the profit and loss account.

18.9 Provisions and Contingencies

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

18.10 Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

18.11 Material events occurring after Balance Sheet date and till the date of signing of accounts are taken into cognizance.

18.12 Information as required in terms of paragraph 13 of Non Banking Financial (Non Deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 is given in separate annexure.

Note 19: Notes on Accounts:

19.1 During the year, the company has incurred certain expenditure for which, adequate supporting documents relating to third party invoices are not available. The Management maintains only internal vouchers, which are duly approved as per the authorised limits assigned at each level. The board of directors of company approved the said expenses as in the opinion of the Management. As per the Management the Company has incurred these expenditures, wholly and exclusively for the business of the Company and the nature of the expenses is consistent with the previous years.

19.2 In the opinion of the Board, the Current Assets, Sundry Debtors, Sundry Creditors, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Financial Statements. The balances thereof are as per Books of Accounts only.

19.3 Segment Reporting

A) Primary Segment Reporting (by Business Segments)

- i. The Company's business segments are identified as Textile Business, Investments in Shares & Securities and Money lending Activities.
- ii. The accounting policies used in the preparation of the financial statements of the Company are also applied for segment reporting.
- iii. Segment revenues, expenses, assets and liabilities are those, which are directly attributable to the segment or are allocated on an appropriate basis. Corporate and other revenues, expenses, assets and liabilities to the extent not allocable to segments are disclosed in the reconciliation of reportable segments with the financials.
- iv. Figures in brackets are in respect of the previous year.
- v. Segment Revenues, Results and Other Information:

Previous year Figures in () ₹

Particulars	Money Lending Activities	Dealing in Shares & Securities	Textile	Consolidated
Revenue				
External Income	48395904 (22967492)	26783267 10712745	1363382 -	22976019 (12254747)
Intersegment Income	-	-	-	-
Total Revenue	48395904 (22967492)	(26783267) 10712745	1363382 -	22976019 (12254747)
Segment Result				
Unallocated Corporate Expenses	-	-	-	9307162
(5520927)				
Unallocated Interest expenses	-	-	-	-
Unallocated other income	-	-	-	-
Taxes	-	-	-	4395163 (2080751)
Profit from ordinary activities	-	-	-	9273694 (4653070)
Extraordinary Profit / (Loss)	-	-	-	-
Net Profit	-	-	-	9273694

B) Secondary Segment Reporting (by Geographical Segments)

The Company operates predominately within the geographical limits of India. It has no secondary Segment Revenue

19.3 RELATED PARTY DISCLOSURE

Related party disclosures, as required by AS - 18, "Related Party Disclosures" are given below:

A) Relationships

a) Related parties where common control exists

Name of the Companies where the directors can exercise the control

- Ella Fintex Co. Private Limited

b) Key Management Personnel

Mr. Vijay Jaideo Poddar - Managing Director

Mr. Gautam Bose - Director

Mr. L. N. Sharma - Director

B) Transactions with Related Parties-

No Transactions were carried out during the year with the Related Party.

19.4 EARNING PER SHARE

No Potential Equity Shares were outstanding as on 31.03.2014 and hence Basics and Diluted Earnings per Shares are same.

Basic Earnings per Share/ Diluted Earnings per Share

(Amount in ₹)

	Particulars	2013-2014	2012-2013
A.	Weighted average number of equity shares of ₹10/- each		
1	Number of shares at the beginning of the year	5817000	4600000
2	Number of shares at the end of the year	5817000	5817000
3	Weighted average number of Equity shares outstanding during the year	5817000	5560263
B.	Net profit/(Loss) after tax available for equity shareholder	9273694	4653070
C.	Basics/ Diluted EPS (B/A)	1.59	0.84

- 19.5 Balances of Sundry Debtors, Unsecured Loans, Sundry Creditors and Loans & Advances are subject to reconciliation, since confirmations have not been received from them. Necessary entries shall be passed on the receipt of the same if required.
- 19.6 In the opinion of the management, the Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business. The provisions for all known liabilities are ascertained.
- 19.7 The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been made.
- 19.8 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be in relation to the amounts and other disclosures relating to the current year.

As per our report of even date
For **M/s. B. B. Shah & Company**
Chartered Accountants
Firm Reg. No. 129121W

For and on behalf of the Board

CA. Kaushal P Mistry
[Partner]
Mem. No. 106113

Mr. Vijay Poddar
DIN - 00339268
Director

Mr. Goutam Bose
DIN - 02504803
Director

Place : Mumbai
Date : 27/05/2014

NCL Research & Financial Services Ltd.

CIN : L65921UP1985PLC007001

Regd. Office : Shop No. 216, City Hotel Complex, Lalbagh, 24, B N Road, Lucknow-226 001 (U. P.)

Email : ncl.research@gmail.com; Website : www.nclfin.com

Form No. MGT – II, PROXY FORM / BALLOT FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), Rules 2014)

Name of the Member _____

Registered Address _____

Folio No. / DP/Client ID _____

I/We being the members of _____ Shares of NCL Research & Financial Services Ltd., hereby appoint

1. _____ having email Id _____ Signature _____ or failing him

2. _____ having email Id _____ Signature _____ or failing him

3. _____ having email Id _____ Signature _____

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, 15th September 2014 at 10.30 AM and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Ordinary Business :		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2014		
2.	Approval of Dividend for 2014		
3.	Appointment of M/s. B. B. Shah & Co., CA, as Statutory Auditors and to fix their remuneration.		
Special Business :			
4.	Appointment of Mr. Laxmi Narayan Sharma as Independent Director for a term of 5 Years.		
5.	Appointment of Mr. Goutam Bose as Independent Director for a term of 5 Years.		
6.	Increase in Authorized Capital from ₹ 7.00 Crore to ₹ 30.00 Crore.		
7.	Issue of Bonus Shares in ratio of 4:1 (issue of 4 Shares for every 1 Share held by Members)		
8.	To Alter Clause V (Capital Clause) of Memorandum of Association		
9.	To Sub-divide Face Value of Equity Shares from ₹ 10/- to ₹ 2/-		
10.	To Alter Capital Clause of Memorandum of Association for effecting Sub-division in Face Value.		

Signed this _____ day of _____ 2014

Signature of Shareholder _____ Signature of Proxy _____



Affix
Revenue
Stamp
₹ 1/-

NCL Research & Financial Services Ltd.

CIN : L65921UP1985PLC007001

Regd. Office : Shop No. 216, City Hotel Complex, Lalbagh, 24, B N Road, Lucknow-226 001 (U. P.)

Email : ncl.research@gmail.com; Website : www.nclfin.com

ATTENDANCE SLIP

(Pursuant to the section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Registered Folio No./DP ID/Client Id _____

Name & Address of Share Holder _____

I/We hereby record my/our presence at the 29th Annual General Meeting of the Company at its Registered Office on Monday, 15th September 2014.

Members' Folio/DPI/Client Id

Member/Proxy's Name in Capital

Member/Proxy's Signa

Please complete the Folio/DP ID/Client Id and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.

BOOK-POST

If undelivered, please return to :

NCL Research & Financial Services Ltd.

Regd. Office : Shop No. 216, City Hotel Complex, Lalbagh,
24, B N Road, Lucknow-226 001 (U. P.)