

**58th
Annual Report
and Accounts**

2006

Report  junction.com



National Cereals Products Limited

NATIONAL CEREALS PRODUCTS LIMITED**CONTENTS**

Board of Directors	2
Notice	3
Directors' Report	6
Compliance Certificate	9
Auditors' Report	14
Balance Sheet	17
Profit & Loss Account	18
Cash Flow Statement	19
Schedules Annexed to the Accounts	21
General Business Profile	31

NATIONAL CEREALS PRODUCTS LIMITED

BOARD OF DIRECTORS

Smt. Comilla Mohan

Managing Director

Shri V.N. Koura

Shri D.S. Yadava

Shri A.K. Garg

Secretary

Report  Junction.com

ANNUAL GENERAL MEETING:

**at 12.00 Noon, Saturday, the 30th September, 2006
at Solan Brewery. Pin Code -173 214. (Himachal Pradesh)**

Registered Office : Solan Brewery. Pin Code - 173 214.

Distt. : Solan (Himachal Pradesh)

Works : Mohan Nagar (U.P.)-201007

NATIONAL CEREALS PRODUCTS LIMITED

NATIONAL CEREALS PRODUCTS LIMITED

Regd. Office : Solan Brewery. Pin – 173214

District : Solan (Himachal Pradesh)

NOTICE OF MEETING :

Notice is hereby given that the 58th Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company at Solan Brewery, District Solan (H.P.) on Saturday, the 30th September, 2006 at 12.00 Noon to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and Profit and Loss Account for the year ended on that date together with notes annexed thereto and the reports of the Auditors and Directors thereon.
2. To elect a Director in place of Shri V.N. Koura who retires by rotation and being eligible, offers himself for re-election.

SPECIAL BUSINESS:

3. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED that M/s. Ravi Kumar & Co., Chartered Accountants, Ghaziabad be & are hereby appointed auditors of the Company's Accounts for the year ending 31st March, 2007 at a remuneration of Rs.75,000/- plus service tax/education cess and out of pocket . The Auditors shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.”

4. To consider and if thought fit to pass with or without modification, the following resolution as a special resolution:

“RESOLVED by way of Special Resolution that the following words, appearing in the special resolution No.4 under the head (B) Perquisites passed by the shareholders at the 57th Annual General Meeting of the Company held on 30th September, 2005 with respect to re-appointment of Smt. Comilla Mohan, Managing Director of the Company;

“In addition to the remuneration hereinabove, Smt. Comilla Mohan shall be entitled to perquisites restricted to an amount equal to the annual salary of the Managing Director or Rs.5,28,000 per annum whichever is less.”

be substituted by the following,

“In addition to the remuneration hereinabove, Smt. Comilla Mohan shall be entitled to perquisites restricted to an amount which together with remuneration do not exceed the limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956.”

Enclosed are the Accounts, Balance Sheet, Directors' Report and Auditors' Report and other documents required to be attached or annexed to the Annual Accounts under the Companies Act, 1956. The Register of members & Share Transfer Books will remain closed from 16th September, 2006 to 30th September, 2006 (both days inclusive).

SOLAN BREWERY
31st August, 2006

By order of the Board
(A.K. GARG)
Secretary

NATIONAL CEREALS PRODUCTS LIMITED

NOTES & ANNEXURE :

1. The relatives explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of the SPECIAL BUSINESS under item No. 3 & 4 set out above, are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxy/ proxies to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxies, in order to be effective, must be deposited/reach at the Company's Registered Office not less than 48 hours before the time fixed for the meeting.
3. Pursuant to Section 205A of the Companies Act, 1956 ("the Act") all unclaimed/unpaid dividends upto the final dividend for 1997 have been transferred to the General Revenue Account of the Central Government.

Shareholders who have not yet encashed the dividend warrants for the said period, are requested to claim their amounts from the Registrar of Companies, Punjab, H.P. and Chandigarh, 286-A, Defence Colony, Garha Road, Jalandhar City (Pb.).

Shareholders are hereby informed that after the amendment of the Act w.e.f. 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or un-claimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government in accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claim.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the Listing Agreement, the particulars of Director, who is proposed to be appointed/re-appointed, is given below :

Name	: Shri V.N. Koura
Age	: 66 years
Qualification	: Barrister-at-Law
Experience	: A senior & leading Advocate, practising at Hon'ble High Court, Delhi.
Other Directorships	: <u>Name of the Company</u> Bharti Infotel Ltd. Ray Ban Sun Optics India Ltd. Controls and Switchgear Contactors Ltd. HCL Infosys Limited

NATIONAL CEREALS PRODUCTS LIMITED**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

AGENDA – ITEM NO. 3:

M/s. A.F. Ferguson & Co., Chartered Accountants, New Delhi, auditors has resigned from the office of the auditors of the Company before expiry of their term of appointment. The Company has received notice from a shareholder suggesting that M/s. Ravi Kumar & Co., Chartered Accountants, Ghaziabad be appointed auditors of the Company's accounts for the year ending 31.03.2007. Yours directors recommended the appointment of M/s. Ravi Kumar & Co., Chartered Accountants, Ghaziabad as auditors of the Company for the year ending 31.03.2007 at the existing remuneration of Rs.75,000/- per annum plus service tax/education cess and out of pocket. The auditors shall hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting. The consent from M/s. Ravi Kumar & Co., Chartered Accountants has been obtained and they are eligible, if appointed.

AGENDA – ITEM NO.4:

Since Section II of part II of Schedule XIII to the Companies Act, 1956 places certain restrictions on the remuneration and perquisites payable to whole time directors. It is proposed to increase the perquisites payable to Smt. Comilla Mohan, Managing Director in line with the limits permissible under Schedule XIII to the Companies Act, 1956. The terms as mentioned in the resolution may also be treated as an abstract under Section 302 of the Companies Act, 1956 relating to the increase in the remuneration payable to Smt. Comilla Mohan, Managing Director.

Smt. Comilla Mohan, Managing Director is interested in the Resolution.

SOLAN BREWERY
31st August, 2006

By order of the Board
A.K. GARG
Secretary

NATIONAL CEREALS PRODUCTS LIMITED

DIRECTORS' REPORT :

The Directors present their 58th Annual Report on the business and operations of the Company, with the statements of accounts, for the year ended March 31, 2006 together with the report of the Auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants.

SUMMARISED FINANCIAL RESULTS:

	Current year Rs.	Previous year Rs.
Sales	3,75,29,042	3,13,75,392
Less : Excise duty	52,78,057	44,02,992
	3,22,50,985	2,69,72,400
Other income	12,21,79,160 *	1,42,975
	15,44,30,145	2,71,15,375
Profit/(Loss) for the year before Tax	12,09,09,872	(42,52,964)
Provision for Income-tax - Current tax	1,01,58,659	-
- Deferred tax benefit	(51,306)	(24,067)
- Fringe benefit tax	1,25,000	-
Profit/(Loss) for the year after tax	11,06,77,519	(42,28,897)
Excess provision for taxation relating to earlier years written back (net)	-	82,637
Profit/(Loss) for the year	11,06,77,519	(41,46,260)
Balance brought forward	(4,37,801)	-
Transferred from general reserve	-	37,08,459
Surplus/(Loss) carried to balance sheet	11,02,39,718	(4,37,801)

* Includes Rs.1,187.36 lacs in respect of Profit on sale of Company's surplus land.

WORKING RESULTS :

During the year under review, the Company has recommenced production of malt. The company has earned profit before tax of Rs.1,209.10 lacs as against a loss of Rs.42.53 lacs in the immediately preceding year. The Profit for the year includes profit of Rs. 1,187.36 lacs on sale of Company's surplus land and interest income of Rs.28.80 lacs on investment. In view of the lack of funds to purchase barley at the best prices during the barley season of April to June, 2005, the Company could not purchase barley at remunerative prices. However, with a view to restart manufacturing operations and to be fully primed to take advantage of the next barely season in 2006, the Company recommenced manufacturing operations in September-October, 2005, and incurred a total operating loss of Rs.7.06 lacs for the year.

During the current year, barring unforeseen circumstances, your directors expect to arrest the operating loss, and to return manufacturing operations to a profit.

DIVIDEND:

Keeping in view the operating loss for the year, your directors do not recommend any dividend.

DIRECTORS:

Shri V.N.Koura a Director of the company will retire by rotation on the conclusion of 58th Annual General Meeting, in accordance with the provisions of Articles of Association of the Company and the Companies Act, 1956 and being eligible, offers himself for re-election.

NATIONAL CEREALS PRODUCTS LIMITED

AUDITORS:

Messrs. A.F. Ferguson & Co., Chartered Accountants, New Delhi has resigned from the office of the auditors of the Company before the conclusion of the 58th Annual General Meeting of the Company. Your Directors recommend the appointment of M/s. Ravi Kumar & Co., Chartered Accountants, Ghaziabad as auditors for the year ending 31.3.2007 at a remuneration of Rs.75,000/- plus service tax/education cess and out of pocket expenses for approval of the shareholders at the forthcoming 58th Annual General Meeting. M/s. Ravi Kumar & Co., Chartered Accountants, are eligible for appointment and has given their consent.

AUDITORS' REPORT:

The observations made by the Auditors, have already been fully explained in the Notes attached to the Accounts and therefore do not call for any further comments, under section 217(3) of the Companies Act, 1956.

INVESTMENT:

The unquoted shares have been valued at purchase price according to the practice of the Company, since it is difficult to ascertain the market value thereof.

FIXED DEPOSIT:

The Company has discontinued accepting/renewing Fixed Deposits since last two years and repays the same as and when falling due. No Fixed Deposit from the Public have remained unpaid as on 31st March, 2006.

INSURANCE:

The Company's stocks are fully insured against risks of fire, riot and malicious damages.

INDUSTRIAL RELATIONS:

Management employees relations throughout the year remain very cordial as usual.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA) of the Companies Act, 1956, it is hereby stated that :

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting

policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;

- c) 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
- d) the Directors had prepared the Annual Accounts on a going concern basis.

COMPLIANCE CERTIFICATE UNDER COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001:

As required under proviso to sub section (1) of section 383A of the Companies Act, 1956 and the rules made thereunder the compliance certificate obtained from Sh. Anurag Goel, practising company secretary is attached, which does not require any further comments.

PARTICULARS OF EMPLOYEES:

Particulars of employees pursuant to the provisions of section 217 (2A) of the Companies Act, 1956, and forming part of Directors' Report for the year ended March 31, 2006.

No person was employed throughout the financial year or part of the year who was in receipt of remuneration in aggregate of not less than Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES, 1988:

The information required as per 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 given as under :

1. Conservation of energy:
 - (a) Energy conservation measures taken; -
 - (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy ; -
 - (c) Impact of measures; -
at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods;

NATIONAL CEREALS PRODUCTS LIMITED

(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION: FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

(A)	Power and fuel consumption:	Current year	Previous year
	1. Electricity:		
	(a) Purchased:		
	Generated unit	5,47,579	6,961
	Total amount	Rs. 37,52,177	Rs. 36,864
	Rate per unit	Rs. 6.85	Rs. 5.30
	(b) Own generated	-	-
	(i) Through diesel generator:		
	Unit	-	-
	Units per ltr. of diesel oil	-	-
	Cost/unit	-	-
	(ii) Through steam turbine/generator:		
	Units	-	-
	Units per ltr. of fuel oil/gas	-	-
	Cost/units	-	-
	2. Coal (used in klin):		
	(a) Soft coke:		
	Quantity (tonnes)	438.215	-
	Total cost	Rs. 27,67,482	Rs. -
	Average rate	Rs. 6,315.35	Rs. -
	(b) Charcoal:		
	Quantity (tonnes)	152.065	-
	Total cost	Rs. 10,21,354	Rs. -
	Average rate	Rs. 6,716.56	Rs. -
	3. Furnace oil:		
	Quantity (k.ltrs.)	-	-
	Total amount	-	-
	Average rate	-	-
	4. Others/Internal generation:	-	-
(B)	Consumption per unit of production:		
	(i) Malt per tonne	Standard	(if any)
	Electricity	-	-
	Furnace oil	-	-
	Soft coke and charcoal	-	-
	Others	-	-
		Rs. 1,211.68	Rs. -
		Rs. -	Rs. -
		Rs. 1,223.52	Rs. -
		Rs. -	Rs. -

FORM 'B'

- A. Conservation of Energy:
- (a) energy conservation measures taken; -
- (b) additional investments and proposal, if any, being implemented for reduction of consumption of energy; -
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods; -
- (d) total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto, -
- B. Technology absorption:
- (e) efforts made in technology absorption as per Form B of the Annexure: -
- C. Foreign exchange earnings and outgo:
- (f) activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans; -
- (g) total foreign exchange used and earned. -

NEW DELHI
August 31, 2006.

COMILLA MOHAN
V.N. KOURA
D.S. YADAVA

Managing Director
Director
Director

NATIONAL CEREALS PRODUCTS LIMITED

ANURAG GOEL
 B.Tech. (IITK), A.I.C.W.A.
 A.M.I.M.A., F.C.S., P.D.Q.M.
Company Secretary

P 2/22, Block 15, Kailash Dham,
 E-1, Sector-50, Noida-201 307
 E-mail - anuraggoel-iitk@yahoo.co.in
 Phone - 0120-2571319, 9810313145

COMPLIANCE CERTIFICATE

Registration No. of the Company 06-01381

Nominal Capital : Rs. 30.00 Lakhs

To,
 The Members
 National Cereals Products Limited,
 Solan Brewery, SOLAN-173214

I have examined the registers, records, books and papers of National Cereals Products Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers, I certify that in respect of the aforesaid financial year:

- 1 The company has kept and maintained all registers as stated in *Annexure 'A'* to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
- 2 The company has duly filed the forms and returns as stated in *Annexure 'B'* to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
- 3 The company being a public limited company, comments are not required.
- 4 The Board of Directors duly met 8 (Eight) times on 03.06.2005, 29.06.2005, 30.07.2005, 26.09.2005, 29.10.2005, 03.11.2005, 31.01.2006, 28.02.2006 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
- 5 The company closed its Register of members from 27th September 2005 to 30th September, 2005 and necessary compliance of section 154 of the Act has been made.
- 6 The annual general meeting for the financial year ended on 31st March, 2005 was held on 30th September 2005 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7 Two extra ordinary general meetings were held on 11.07.2005 and 31.10.2005 during the financial year.
- 8 The company has not advanced any loans to its directors and/or persons or firms or companies referred to under section 295 of the Act.
- 9 The company has not entered into any contracts falling within the purview of section 297 of the Act.