

**60th
Annual Report
and Accounts
2008**



National Cereals Products Limited

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NATIONAL CEREALS PRODUCTS LIMITED

BOARD OF DIRECTORS

Smt. Comilla Mohan

Managing Director

Shri V.N. Koura

Shri D.S. Yadava

Shri Subhash Arya

Shri A.K. Garg

Secretary

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ANNUAL GENERAL MEETING:

at 12.00 Noon, Saturday, the 27th September, 2008
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 60th 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 27th September, 2008 at 12.00 Noon to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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.
3. To appoint Auditors of the Company's Accounts and those of branches at Solan Brewery and Mohan Nagar for the year ending 31st March, 2009 and to fix their remuneration, the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED that Shri Subhash Arya, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company will hold office upto the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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 22nd September, 2008 to 27th September, 2008 (both days inclusive).

SOLAN BREWERY
28th July, 2008

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

NOTES & ANNEXURE :

1. The Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the appointment of Sh. Subhash Arya as Director is 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 1999 have been transferred to the General Revenue Account of the Central Government.

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 unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the

NATIONAL CEREALS PRODUCTS LIMITED

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 Directors, who are proposed to be appointed/re-appointed, are given below :

AGENDA – ITEM NO.2:

Name	:	Shri V.N. Koura
Age	:	68 years
Qualification	:	Barrister-at-Law
Experience	:	A senior leading Advocate, practicing 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
Shareholding in the Company	:	1000 Shares

AGENDA – ITEM NO.4:

Name	:	Shri Subhash Arya
Age	:	65 years
Qualification	:	Higher Secondary
Experience	:	Leading Businessman
Other Directorships	:	<u>Name of the Company</u> Trade Links Pvt. Ltd.
Shareholding in the Company	:	450 Shares

EXPLANATORY STATEMENT

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

AGENDA – ITEM NO.4:

In terms of the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Shri Subhash Arya was appointed as an Additional Director by the Board of Directors at their meeting held on 29th February, 2008. Shri Subhash Arya holds office up to the conclusion of this Annual General Meeting.

The Company has received a notice from a member signifying his intention to propose the appointment of Shri Subhash Arya as a Director of the Company alongwith a deposit of Rs.500/- (Rupees Five Hundred only) as security which shall be refunded to the member, if Shri Subhash Arya is elected as a Director.

Shri Subhash Arya is a leading businessman. The Directors consider that the Company should continue to avail the experience and guidance of Shri Subhash Arya.

The Directors recommend the Resolution for approval of the Members.

None of the Directors except Sh. Subhash Arya, Director is interested in this resolution.

SOLAN BREWERY
28th July, 2008

By order of the Board
A.K. GARG
Secretary

NATIONAL CEREALS PRODUCTS LIMITED

DIRECTORS' REPORT :

The Directors present their 60th Annual Report on the business and operations of the Company, with the statements of accounts, for the year ended March 31, 2008 together with the report of the Auditors, Messrs. Ravi Kumar & Co., Chartered Accountants.

SUMMARISED FINANCIAL RESULTS:

	Current year Rs.	Previous year Rs.
Sales	5,53,08,009	3,93,49,625
Less : Excise duty	77,01,585	57,21,984
	4,76,06,424	3,36,27,641
Other income	31,48,982	40,75,120
	5,07,55,406	3,77,02,761
Profit/(Loss) for the year before Tax	(9,76,330)	27,753
Provision for Income-tax		
- Deferred tax benefit	(49,483)	(29,481)
- Fringe benefit tax	1,37,000	1,35,000
Profit/(Loss) for the year after tax	(10,63,847)	(77,766)
Adjustment relating to earlier years in respect of		
- Trade Tax	2,78,620	2,53,700
- Fringe benefit tax	3,170	-
Profit/(Loss) for the year	(13,45,637)	(3,31,466)
Balance brought forward	-	11,02,39,718
Transferred to/(from) general reserve	(13,45,637)	10,99,08,252

WORKING RESULTS :

During the year under review, the company has registered an increase of 31% in sales quantity and 40.55% in sales value. However, increase in the salary/wages cost by 27% and in the Malt-house rent by 51% could not be reflected in the selling price of Malt because of advance sales contracts which is the norm in the industry. This has resulted in a marginal loss of Rs. 9.76 lac for the year.

Your directors expect the Company to improve its profitability during the current year, barring unforeseen circumstances.

DIVIDEND:

Due to loss for the year, your Directors express their inability to declare any dividend for the year (previous

year nil).

DIRECTORS:

- (i) Shri V.N. Koura a Director of the Company will retire by rotation on the conclusion of 60th 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.
- (ii) Shri Subhash Arya a leading businessman of considerable experience was appointed as Additional Director effective from 29.02.2008 and hold office upto the conclusion of the forthcoming Annual General Meeting of the Company. The

NATIONAL CEREALS PRODUCTS LIMITED

Company has received a notice from a shareholder proposing his candidature for appointment as Director. His appointment will be in interest of the Company. Resolution seeking approval of the shareholders for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting of the Company.

AUDITORS:

Messrs. Ravi Kumar & Co., Chartered Accountants, Ghaziabad will retire at the conclusion of the forthcoming 60th Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

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 not accepted/renewed any Fixed Deposit during the year and repaid the balance deposits on their due dates.

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,

- a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected 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 or loss of the company for that period ;

- c) that 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) that 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, practicing 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, 2008.

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; -

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(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	4,40,386		6,25,155
	Total amount	Rs. 35,44,151	Rs.	44,73,895
	Rate per unit	Rs. 8.05	Rs.	7.16
	(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)	456.888		500.242
	Total cost	Rs. 30,63,053	Rs.	30,42,433
	Average rate	Rs. 6,704	Rs.	6,082
	(b) Charcoal:			
	Quantity (tonnes)	156.490		146.300
	Total cost	Rs. 16,10,725	Rs.	14,70,652
	Average rate	Rs. 10,292	Rs.	10,052
	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	-	Rs. 1,403	Rs. 1,420
	Furnace oil	-	Rs. -	Rs. -
	Soft coke and charcoal	-	Rs. 1,851	Rs. 1,432
	Others	-	Rs. -	Rs. -

2. Technology absorption:

(e) Efforts made in technology absorption as per the following Form.

NATIONAL CEREALS PRODUCTS LIMITED

FORM 'B'

Research & Development (R&D)

- | | |
|--|---|
| (a) Specific areas in which R&D carried out by the Company | - |
| (b) Benefit derived as a result of the above R&D | - |
| (c) Future plan of action | - |
| (d) Expenditure on R&D: | |
| i Capital | - |
| ii Recurring | - |
| iii Total | - |
| iv Total R&D expenditure as a percentage of total turnover | - |

Technology absorption, adaptation and innovation

- | | |
|---|---|
| i Efforts, in brief, made towards technology absorption, adaptation and innovation. | - |
| ii Benefit derived as a result of the above efforts. | - |
| iii The company has not imported any technology | - |

3. 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
30th June, 2008

COMILLA MOHAN	<i>Managing Director</i>
V.N. KOURA	<i>Director</i>
D.S. YADAVA	<i>Director</i>
SUBHASH ARYA	<i>Director</i>

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
CIN – L99999HP1948PLC

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 2008. 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 6 (Six) times on 28.06.2007, 27.07.2007, 30.10.2007, 21.11.2007, 30.01.2008, 29.02.2008, 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 24th September 2007 to 29th September, 2007 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, 2007 was held on 29th September 2007 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 No extra ordinary general meeting was held 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.