

ASSOCIATED CEREALS LIMITED

27, BENTINCK STREET, GROUND FLOOR, KOLKATA-700001

DIRECTORS REPORT TO THE SHARE HOLDERS

Your Directors have pleasure in presenting their report together with the audited account for the year ended on 31st March, 2011.

Working Results

The working results for the ended on 31st March, 2011 shows Net Loss of Rs. 237216.90/- (after income tax but before Provision for standard Assets).

Dividend

In the absence of suitable Profit, the Directors do not recommend any dividend for the year 2010-2011.

Auditors

M/s. Ashok Kumar Natwarlal & Co., Chartered Accountants, retires and is eligible for re-appointment.

Change in Management

Ultraplus Housing Estate Pvt Ltd has acquired 68,69,620 equity shares i.e 74.73% of the total equity Shares of the Company and as such your company become a subsidiary of Ultraplus Housing Estate Pvt Ltd

Directors

Consequent to above change in Management Sri Anant Bhagat and Sri Binod Chand Kankaria are appointed as Director of the company with effect from 20/01/2011.

Sri Laxmi Kant Tiwari, Sri Raj Kumar Agarwal and Sri Ajay Agarwal has resigned from Directorship with effect from 21/01/2011.

Directors' Responsibility Statement

As stipulated, your Directors affirm their commitment to the Directors' Responsibility Statement as below :

The directors state that in preparation of the Annual Accounts, your Company has followed the applicable accounting standards with proper explanations relating to material departures. The Directors have 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 your Company at the end of the financial year ended 31st March, 2011 and of the profit or loss for the year. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities. The annual accounts of your Company have been prepared on a going concern basis.

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Auditors Report :

The observations made in the auditors report are self-explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

CEO/ CFO Certification

As required by Clause 49 of the Listing Agreement, the Certificate issued by the Chairman and CFO is forming part of this report.

Auditors' Certificate of Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an Annexure to this Report.

Acceptance of Public Deposits

Since your company has neither accepted any public deposit nor does it propose to accept any public deposit during the current year and resolution to this effect has already been passed at board meeting as such the "Non Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions 1998" to the extent applicable are not applicable to the company.

Conservation of Energy

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy, this is to stated that the Company not being a manufacturing Company, has not consumed energy of any significant level and accordingly no measures are required to be taken for energy conservation.

Foreign Exchange

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988, regarding Foreign Exchange, it is to state that there has been no transaction relating to Foreign exchange during the year.

Particulars

Provision of Section 272(2A) of the Companies Act, 1956 is not applicable as no employees were in receipt of remuneration to the extent laid down therein.

**Dated :
Kolkata**

BY ORDER OF THE BOARD

ASSOCIATED CEREALS LIMITED

Director

Director

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :

Corporate Governance is about commitment to values and ethical business conduct. It is also about how an organization is managed viz; its corporate and business structure, its culture, policies and manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the company, its performance and ownership forms part of effective corporate governance. Corporate Governance ensures long term relations with the investors and customers of the company.

Clause 49 of the Listing Agreement executed with the Stock Exchange(s), inter alia, lays out several corporate governance related practices and requirements, which listed companies are required to adopt and follow. This report sets out to define the governance practices followed by the company in compliance with the said requirements of the Listing agreement.

PHILOSOPHY ON CORPORATE GOVERNANCE :

Good governance practices stem from the culture and mindset of the organization. It is therefore, not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders.

The Corporate Governance philosophy of the Company is driven by the following fundamental principles :

- ◆ Conduct the affairs of the Company in an ethical manner
- ◆ Ensure transparency in all dealings
- ◆ Ensure highest level of responsibility and accountability
- ◆ Ensure compliance with all laws and regulations
- ◆ Ensure timely dissemination of all price sensitive information & matters of interest to stakeholders

Through the Corporate Governance mechanism in the company, the Board alongwith its committees endeavours to strike the right balance with various stakeholders.

BOARD OF DIRECTORS :

As at 31st March, 2011 The Board of Directors are comprised of Three Directors, viz, Mr. Anant Bhagat, Mr. Binod Chand Kankaria and Mr. Shrish Tapuriah.

BOARD MEETINGS :

During the Financial year 2010-2011, Fourteen meetings of the Board of Directors were held on 21st April, 2010, 27th April, 2010, 25th May 2010, 31st July, 2010, 14th August 2010, 13th September 2010, 13th September 2010, 15th September 2010, 27th September 2010, 29th October, 2010, 17th December, 2010, 20th December, 2010, 20th January, 2011, 21st January, 2010 and 27th January, 2011 and 23th February, 2011 with the time gap between any two consecutive meeting not being more than three months.



ATTENDANCE, DIRECTORSHIP AND COMMITTEE MEMBERSHIP :

Sl. No.	Name of Director	Category	No. of Board Meeting Attended during The year 2010-2011	Attendance At the last AGM held 15-09-2010
1.	Mr. Raj Kumar Agarwal	Director	12	Yes
2.	Mr. Ajay Agarwal	Director	12	Yes
3.	Mr. Laxmi Kant Tiwari	Director	12	Yes
4.	Mr. Shrish Tapuriah	Director	14	Yes
5.	Mr. Binod Chand Kankaria	Director	2	No
6.	Mr. Anant Bhagat	Director	2	No

AUDIT COMMITTEE :**(I) Terms of Reference**

The terms of reference of the Audit Committee inter alia include following :

- Overseeing the Company's Financial reporting process and disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible.
- Recommending to the Board the appointment, re-appointment and replacement of the statutory auditor and the fixation of audit fee.
- Approval of payments to the statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of sub section (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.



- ✓ Significant adjustments made in the financial statements arising out of audit findings.
- ✓ Compliance with listing and other legal requirements relating to financial statements.
- ✓ Disclosure of any related party transactions
- ✓ Qualification in the draft audit report.
- e. Reviewing, with the management, the quarterly financial statements before submission to the boards for approval.
- f. Reviewing, with the management, the performance of statutory and internal Auditors, and adequacy of the internal control systems.
- ✓ g. Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
- h. Discussion with internal auditors any significant findings and follow up there on.
- i. 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.
- j. Discussion with the Statutory auditors about the nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- k. To Look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.
- l. Reviewing the Company's Financial and risk management policies.
- m. To work under the control and supervision of the Board of Directors.



30/6/11

ASSOCIATED CEREALS LIMITED

27, BENTINCK STREET, GROUND FLOOR, KOLKATA-700001

CHAIRMAN & CFO CERTIFICATION

We Binod Chand Kankaria, Chairman and Anant Bhagat, Chief Financial Officer of Associated Cereals Limited, to the best of our knowledge and belief, certify that :

1. We have reviewed the balance sheet and profit and loss account, and all its schedules and notes on accounts, as well as the cash flow statements, and the director's report;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
5. We are responsible for establishing and maintaining disclosures controls and procedures and internal controls over financial reporting for the Company, and we have:
 - a. designed such disclosure control and procedures to ensure that material information relating to the Company
 - b. disclosed in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonable likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions)
 - a. all deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies;
 - b. significant changes in internal controls during the year covered by this report;
 - c. all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
 - d. instances of significant fraud of which we are aware, that involve management or other employees who have a significant role in the Company's internal controls system.
7. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices; and
8. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year

Binod Chand Kankaria
Chairman

Anant Bhagat
Chief Financial Officer

Anant Bhagat

AUDITOR'S REPORT TO THE MEMBERS OF M/S. ASSOCIATED CEREALS LIMITED

We have audited the attached Balance Sheet of ASSOCIATED CEREALS LIMITED, as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment) Order, 2004, (the Order) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
3. The Balance Sheet and Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
4. In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
5. On the basis of the written representation received from the Board of Directors and taken on record by the Board of Directors, none of the directors of the Company was disqualified as on 31st March, 2011 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, 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, 2011; and
 - b) in the case of the Profit and Loss Account, Loss of the company for the year ended on that date.
 - c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

161/1, Mahatma Gandhi Road,
5th Floor, Room No. 70B,
Kolkata – 700 007

Dated : 30TH JUNE, 2011



For, Ashok Kumar Natwarlal & Co.
Chartered Accountants

A K. Agarwal
ASHOK KUMAR AGARWAL
Proprietor
Membership No. 056189
Firm Regn No.322307E