

# **NORTHERN PROJECTS LIMITED**

## **DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of the company for the financial year ended 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS**

	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Net Profit before Taxation	20,329,445	8,098,071
<b>Less:</b> Provision for Income Tax	3,200,000	1,255,000
<b>Add:</b> Provision for Deferred Tax	2,538	3,015
<b>Net Profit after Taxation</b>	<b>17,131,983</b>	<b>6,846,086</b>
<b>Less:</b> Transfer to RBI Reserve Fund	4,065,890	1,370,000
<b>Add:</b> Balance brought forward	140,939,417	135,463,331
<b>Balance Carried Forward to Balance Sheet</b>	<b>154,005,510</b>	<b>140,939,417</b>

### **COMPANY PERFORMANCE**

In the light of challenging business conditions, the working results of your Company during financial year ended on 31<sup>st</sup> March, 2010 was satisfactory.

### **DIVIDEND**

The Directors have considered to plough back the profit in business for better financial strength and as such they have not recommended any dividend for the financial year under review.

### **DIRECTORS**

Shri G. K. Agarwal, Director retires by rotation and being eligible offers himself for re-appointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed,

- i) That in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;

- iii) That the Directors had 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 the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011 on a 'going concern' basis.

#### **AUDITORS**

Messrs Salarpuria & Partners, Chartered Accountants, Auditors of the Company, hold office till the conclusion of this Annual General Meeting. They have expressed their willingness to continue as the Statutory Auditors of the Company, if so reappointed and have furnished to the Company the requisite certificate to the effect that their re-appointment if affected would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Accordingly, approval of the Shareholders will be sought at the ensuing Annual General Meeting of the Company to the re-appointment of and remuneration payable to Messrs Salarpuria & Partners, Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

#### **FIXED DEPOSIT**

Your Company has not invited and/or accepted any deposits from the General Public under Sections 58A and 58AA of the Companies Act, 1956.

#### **PARTICULARS OF EMPLOYEES**

Information required to be given pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to your Company.

#### **INTERNAL CONTROL**

The Company has an Internal Control System commensurate with the nature and size of its business. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reports and due compliance of status and Company policies and procedure.

#### **INDUSTRIAL RELATION**

Industrial Relation between the Management and Employees within the Organization was cordial. The Directors look to the future in confidence.

#### **COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

There are no information to be reported as required in accordance with the provisions of 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, regarding Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo.

**ACKNOWLEDGEMENTS**

Your Directors would like to thank shareholders, customers, dealers, suppliers, bankers, employees union and all other business associates for the continuous support given by them to the Company and their confidence in its management.

**FOR AND ON BEHALF OF THE BOARD**

**PLACE: Kolkata**

**DATE: 26<sup>th</sup> May, 2011**

  
  
**DIRECTORS**

# **SALARPURIA & PARTNER**

**CHARTERED ACCOUNTANTS**

**7, C.R. AVENUE**

**KOLKATA - 700 072**

**e-mail : [sjoo@cd2.vsnl.net.in](mailto:sjoo@cd2.vsnl.net.in)**

**Branches at New Delhi & Bangalore**

## **AUDITORS' REPORT: TO THE MEMBERS:**

We have audited the attached Balance Sheet of **NORTHERN PROJECTS LIMITED** as at 31st March, 2011 and also the Profit and Loss account for the year ended on that date annexed thereto and the Cash Flow statement for the period ended on that date. 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 the 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 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 above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and 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;
- v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is 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.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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.
  - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date and;
  - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

**FOR SALARPURIA & PARTNERS**

**CHARTERED ACCOUNTANTS**

**Nihar Ranjan Nayak**

**N. R. Nayak**  
**Member No. - 057076**  
**PARTNER**

**ICAI Reg. No. 302123E**

**Place : Kolkata**

**Date : the 28th day of May, 2011**



# SALARPURIA & PARTNER

CHARTERED ACCOUNTANTS

7, C.R. AVENUE

KOLKATA - 700 072

e-mail : sjco@cal2.vsnl.net.in

Branches at New Delhi & Bangalore

## ANNEXURE TO THE AUDITORS' REPORT:

- 1.a) The company has maintained proper records showing full particulars details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management periodically in a phased manner and no material discrepancies have been noticed on physical verification as confirmed by the Management.
- c) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
- 2.a) As per information & explanation given to us, physical verification of Inventory have been conducted at reasonable intervals during the year by the management.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification.
- 3.a) As per information and explanation given to us, the company has not granted secured/unsecured loans/advance to any companies or firms covered in the register maintained under section 301 of the Companies Act, 1956.
- b) Since the company has not granted/taken loan as above hence Clauses (b) to (g) does not apply.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- 5.a) In our opinion & according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained u/s.301 of the Companies Act, 1956 have been so entered.
- b) In our opinion & according to the information & explanations given to us these transactions have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
6. The company has not accepted public deposits and so the provisions of Sec.58A, 58AA and any other relevant provisions of the Act does not apply to the company.
7. The company have an internal audit system, however, as explained to us internal control system of the company is commensurate with the size and nature of the business.
8. Maintenance of cost records U/s.209(1)(d) of the Companies Act,1956 does not apply to the company.
- 9.a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is generally regular in depositing undisputed statutory dues including Income Tax, and other statutory dues with the appropriate authorities.
- b) The disputed statutory dues aggregating to Rs.220.69 Lacs, have not been deposited on account of disputed matters pending before ITAT for assessment year 2002-03, 2003-04, 2005-06 & 2006-07.

