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**BOARD OF DIRECTORS**

**Smt. Comilla Mohan**

*Managing Director*

DIN : 00196231

**Shri Satish Mohan**

*Non-Executive Director*

DIN : 00230292

**Shri Subhash Arya**

*Non-Executive Director*

DIN : 00308369

**Shri L.N. Malik**

*Independent Director*

DIN : 00481449

**Shri Sanjeev Bawa**

*Independent Director*

DIN : 03633427

**Shri Minas Kumar**

*Company Secretary*

**Shri Manoj Madan**

*Chief Financial Officer*

**Statutory Auditors**

K.C. Malhotra & Company

Chartered Accountants

New Delhi-110048

**Registrar & Transfer Agents :**

Mas Services Pvt. Ltd.

T-34, IInd Floor, Okhla Industrial Ares, Phase-II

New Delhi-110020

**Secretarial Auditors**

M/s. AKP & Associates

Practicing Company Secretary

Noida

**ANNUAL GENERAL MEETING:**

**at 12.00 Noon, Saturday, the 28th September, 2019**

**at Solan Brewery. Pin Code -173 214 (Himachal Pradesh)**

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

Distt. : Solan (Himachal Pradesh)

**Works :** Mohan Nagar, Ghaziabad, (U.P.)-201007

## NATIONAL CEREALS PRODUCTS LIMITED

CIN-L99999HP1948PLC001381

Regd. Office : Solan Brewery -173214, Distt. Solan (H.P.)

e-mail: ncp@nationalcereals.com, Tel. 01792-230222

### NOTICE OF MEETING

Notice is hereby given that the 71<sup>ST</sup> Annual General Meeting of National Cereals Products Limited will be held at the Registered Office of the Company at Solan Brewery, District Solan (H.P.) on Saturday, the 28th September, 2019 at 12.00 Noon to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2019 and the Profit & Loss Statement for the year ended on that date and the report of Directors and Auditors thereon.
2. To elect a Director in place of Mr. Satish Mohan (DIN-00230292) who retires by rotation and being eligible offers himself for re-election.

### SPECIAL BUSINESS

#### 3. Related party transaction

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Mohan Meakin Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for use of MML premises including water and electricity and other ambience and facilities, on such terms and conditions as the Board of Directors may deem fit, for the financial year 2019-20, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis.

RESOLVED further that the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Director, Committee of Directors, Company Secretary of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

#### 4. Re-appointment of Shri Sanjeev Bawa as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulations 17 and other applicable Regulations of the SEBI (LODR) Regulations, 2015 as amended from time to time, Shri Sanjeev Bawa (DIN 03633427) who was originally appointed as an independent Director at the 66th Annual General meeting of the company and who holds office up to the conclusion of 71st Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independent as provided in section 149 (6) of the Act along with rules framed thereunder and regulation 16(1)(b) of SEBI Listing Regulations, and who submitted a declaration to that effect and in respect of whom the company has received a Notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an independent Director of the company not liable to retire by rotation, to hold office for a second term of 5 (five) years commencing with effect from the conclusion of forthcoming 71st Annual General Meeting i.e. from 29th September 2019 to 28th September, 2024.

#### 5. Re-appointment of Shri L. N. Malik as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulations 17 and other applicable Regulations of the SEBI (LODR) Regulations, 2015 as amended from time to time, Shri Lachmi Narain Malik (DIN 00481449) who was appointed as an independent Director at the 66th Annual General meeting of the company and who holds office up to the conclusion of 71st Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independent as provided in section 149 (6) of the Act along with rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations, and who submitted a declaration to that effect and in respect of whom the company has received a Notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an independent Director of the company not liable to retire by rotation, to hold office for a second term of 5 (five) years commencing with effect from the conclusion of forthcoming 71st Annual General Meeting i.e. from 29th September 2019 to 28th September, 2024

Regd. Office:

Solan Brewery, PO Shimla Hills

Distt. Solan-173214 (H.P.)

Dated :10<sup>th</sup> August 2019

Place: Solan (H.P.)

For ORDER OF THE BOARD  
For National Cereals Products Limited

Minas Kumar  
Company Secretary

**NOTES**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
- 2) In terms of Listing Agreement, the additional information on Directors seeking re-appointment at this Annual General Meeting has been provided elsewhere in this Report.
- 3) Members who hold shares in electronic form are requested to notify any changes in their particulars like change in address, etc. to their respective Depository Participants immediately and Members who hold shares in physical form are requested to notify any change in their particulars like change in address, etc to the Registrar & Transfer Agents of the Company.
- 4) The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 26<sup>th</sup> day of September 2019 to Saturday, the 28<sup>th</sup> day of September 2019 (both days inclusive)
- 5) Copies of the Annual Report are being sent by electronic mode only to all the members whose email address are registered with the company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent by the permitted mode.
- 6) The Notice of the 71<sup>st</sup> AGM and instructions for e-voting, along with the 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. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the RTA/Company.
- 8) The Register of Directors & 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 AGM.
- 9) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 10) Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.
- 11) The Members / Proxies are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall. The members who hold shares in dematerialized form are requested to bring their Client Master List / Depository Participant Statement / Delivery Instruction Slip, reflecting their Client ID and DP ID Nos for easier identification of attendance at the meeting.
- 12) Members are requested to intimate to the Company queries, if any, regarding Accounts/Notice at least 7 days before the Meeting at its Registered Office address to enable the Management to keep the information ready at the meeting.
- 13) Your company is offering e-voting facility to all shareholders of the company and accordingly it has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.
- 14) The evoting will commence on Wednesday, 25<sup>th</sup> September 2019 at 10:00 am IST and ends on Friday, 27<sup>th</sup> September 2019 at 5:00 p.m. IST. The cut-off date for the purpose of evoting is 21<sup>st</sup> September 2019. Please read the instructions for e-voting given herein below before exercising your vote electronically.
- 15) The Company has appointed Mr. Ashutosh Kumar Pandey, Company Secretary in whole time practice, as the Scrutinizer to conduct e-voting and poll process in a fair and transparent manner.

- 16) Instruction for e-voting is being given hereunder: In case of members receiving e-mail:
- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii. Click on "Shareholders" tab.
  - iii. 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.
  - iv. Next enter the Image Verification as displayed and Click on Login.
  - v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. 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).
- Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field.
- Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
- 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.
- Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 21/09/2019 in the Dividend Bank details field.
- vii. After entering these details appropriately, click on "SUBMIT" tab.
  - viii. 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.
  - ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - x. Click on the EVSN No. **190902034** for the relevant National cereals Products Limited on which you choose to vote.
  - xi. 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.
  - xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - xiii. 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.

- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. 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.
- xvii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobiles.**

**xviii. Note for Non – Individual Shareholders and Custodians**

- ♦ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- ♦ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 of members receiving the physical copy:**

- A. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- B. The voting period begins on, Wednesday 25<sup>th</sup> September 2019 at 10:00 am IST and ends on Friday, 27<sup>th</sup> September 2019 at 5:00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Members may also note that the Notice of the 71<sup>st</sup> Annual General Meeting and the Annual Report for 2019 will also be available at the Company’s Registered Office in Himachal Pradesh for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company Secretary, at email id: [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com)

Dated :10<sup>th</sup> August 2019

Registered Office:-  
Solan Brewery, PO Shimla Hills  
Distt. Solan-173214 (H.P.)

By Order of the Board of Directors  
For National Cereals Products Limited  
Minas Kumar  
Company Secretary

Particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting as follows :

1. Name : Mr. Satish Mohan  
Age : 78 Years  
Qualification : M. Tech., Industrial Engineer  
Experience : Industrialist  
Other Directorship : Name of the Company  
Trade Links Private Limited  
Mohan Rocky Spring Water Breweries Limited  
Mohan Laboratories Pvt. Ltd.  
Mohan Zupack Limited  
Shareholding in the Company : 450 Shares
2. Name : Mr. Lachmi Narain Malik  
Age : 79 Years  
Qualification : FCA  
Experience : He has got a vast experience in the area of finance, accounts and other related matters.  
Other Directorship : Name of the Company  
D S Sales Pvt. Ltd.  
KRISHNA CONTINENTAL LIMITED  
ALLEN LEASING AND FINANCE PRIVATE LIMITED  
INDO ASIAN LAND DEVELOPMENT PRIVATE LIMITED  
TRIVENI TOWERS PRIVATE LIMITED  
GANGA TOWERS PRIVATE LIMITED  
JAI DURGE CONSTRUCTIONS PRIVATE LIMITED  
ATLANTIC DEVELOPERS PRIVATE LIMITED  
SRINATH OVERSEAS PRIVATE LIMITED  
MOON-SUN INFOTECH PRIVATE LIMITED  
HB LEASING AND FINANCE COMPANY LIMITED  
AUDE SAPERE HEALTHCARE PRIVATE LIMITED
3. Name : Shri Sanjeev Bawa  
Age : 60 Years  
Qualification : Graduate  
Experience : He is CEO in a reputed company from last so many years.  
He has got a vast experience in the area of managing day to day affairs of the company.  
Other Directorship : None

ANNEXURE TO THE NOTICE

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS GIVEN BELOW.**

### **AGENDA ITEM NO 3**

**TO CONSIDER AND IF THINK FIT TO PASS WITH OR WITHOUT MODIFICATION AS AN ORDINARY RESOLUTION**

The Company has been using the premise owned by Mohan Meakin Limited since long for its office purpose at a very reasonable cost far below from that of the normal market rate. If the company hires the similar premise along with all the available facilities and amenities elsewhere, it would be force to incur a heavy amount in the form of rent. Having regard to the facilities and cost effectiveness, your board vide its resolution passed on 22-05-2019, has proposed once again to enter into an arrangement with Mohan Meakin Limited for the use of MML Premises including but not limited to electricity and water etc., effective from 01/04/2019 to 31/03/2020. It is needless to say that the arrangement, if executed, would be in best interest of the company and at arm's length basis. The Arrangement with Mohan Meakin

Limited., referred to above shall be available for inspection at the Regd. Office of the Company on all working days except Sunday, including the date of Annual General Meeting.

The proposal as aforesaid was subject to approval of the shareholders by way of an Ordinary Resolution and hence the resolution in question is being put before the shareholders for their consideration and necessary approval. The members are requested to consider it and pass it, if think fit to pass, with or without modification as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Satish Mohan is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 except to the extent of their shareholding, if any.

#### **AGENDA ITEM NO 4**

The members be informed that tenure of Sh. Sanjeev Bawa, Independent Director, comes to an end at the ensuing Annual General Meeting. Further, based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Shri Sanjeev Bawa, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 29<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2024. A declaration from said Mr. Sanjeev Bawa to the effect that he meets the criteria of independence as provided in section 149(6) of the Act and Rules framed there under and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosures Requirements) Regulations 2015, has already been obtained. Accordingly, the resolution for his reappointment as an independent Director is being proposed and put before the shareholders for the necessary approval. The members are requested to consider it and pass it, if think fit to pass, with or without modification as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Sanjeev Bawa, being appointee, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 except to the extent of their shareholding, if any.

#### **AGENDA ITEM NO 5**

The members be informed that tenure of Shri Lachmi Narain Mallik, Independent Director, comes to an end at the ensuing Annual General Meeting. Further, based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, of Shri Lachmi Narain Mallik, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 29<sup>th</sup> September, 2019 to 28<sup>th</sup> September, 2024. A declaration from said of Shri Lachmi Narain Mallik to the effect that he meets the criteria of independence as provided in section 149(6) of the Act and Rules framed thereunder and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosures Requirements) Regulations 2015, has already been obtained. Accordingly, the resolution for his reappointment as an independent Director is being proposed and put before the shareholders for the necessary approval. The members are requested to consider it and pass it, if think fit to pass, with or without modification as an ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except of Shri Lachmi Narain Mallik, being appointee, is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 except to the extent of their shareholding, if any.



**DIRECTORS REPORT**

**To**  
**The Members**  
**National Cereals Products Limited**

Your Directors have pleasure in presenting the 71st Annual Report together with Audited Financial Statement of Accounts for the year ended 31st March 2019.

**OPERATIONS**

During the financial year 2018-2019, the revenue from operations was Nil due to no production and sale during the year, however interest income of the company on Fixed Deposit increased by 5.27 % to Rs. 32,21,640 as compared to last year's interest income of Rs. 30,60,318 and Loss before interest, depreciation and taxation is decreased by 13.87 % to Rs. 62,30,643 in the current year as compared to Rs. 72,34,508 in the previous year ended 31st March 2018.

**1. COMPANY SPECIFIC INFORMATION****Financial summary and highlights**

<b>Particulars</b>	<b>Current Financial Year (2019)</b>	<b>Previous Financial Year (2018)</b>
Revenue from Operations		
Other Income	35,33,256	30,77,698
Profit/Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	(62,30,643)	(72,34,508)
Less:- Depreciation/Amortization/Impairment	2,286	4,920
Profit/Loss before Finance Costs, Exceptional Items and Tax Expense	(62,29,918)	(72,34,400)
Less:- Finance Costs	725	108
Profit/Loss before Exceptional items and Tax Expense	(62,30,643)	(72,34,508)
Add/(Less):- Exceptional items	-	-
Profit/Loss before Tax Expense	(62,30,643)	(72,34,508)
Less:- Tax Expense (Current & Deffered)	-	44,152
Profit/Loss for the year (1)	(62,30,643)	(71,90,356)
Total Comprehensive Income/Loss (2)	8,11,024	5,67,714
Total(1+2)	(54,19,619)	(66,22,642)
Balance of Profit/Loss for earlier years	-	-
Less:- Transfer to Debenture Redemption Reserve	-	-
Less:- Transfer to Reserve	(54,19,619)	(66,22,642)
Less:- Dividend paid on Equity Shares	-	-
Less:- Dividend paid on Preference Shares	-	-
Less:- Dividend Distribution Tax	-	-
Balance Carried forward	-	-

**Working Results**

The members be informed that your company was not engaged in any business during the financial year 2018-2019. However, still the company has potential to achieve the desired and planned results.

**Transfer to Reserve**

During the year under consideration, your board has recommended to adjust/transfer the loss of the year against general reserve.

**Change in the nature of business**

There is nothing to report under this head as company has not changed its nature of Business during the financial year under consideration.

**Share Capital**

There is no change in the share capital of the company during the year and hence no comment is required

**Dividend**

Your Board has not recommended any dividend during the year under consideration

**Public Deposits**

The company has not invited and accepted any deposit from the public.

**Board Evaluation**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The Chairman and Managing Director had one-on-one meetings with the Independent Directors and the Chairman of the Audit Committee had one-on-one meetings with the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes. The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at their meeting reviewed the performance of Board, Chairman and Managing Director and of Non-Executive Directors

**NOMINATION AND REMUNERATION POLICY COMPANY'S POLICY ON APPOINTMENT OF DIRECTORS, THEIR REMUNERATION AND OTHER RELATED THINGS**

The company is having its policy on appointment of Directors, their Remuneration and other related things which are in conformity of the Laws, Rules and Regulations. The nomination and remuneration committee of the Board has to play a wider role in the matter. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration which forms an integral part of this Report. Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 are annexed to this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015, there were no employee(s) drawing remuneration in excess of the limits set out in the said Rules, hence not applicable.

Further, in compliance of section 136(1) of the Companies Act, 2013, the Annual Report is available for inspection at Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary, at the registered office and the same will be furnished on request.

Further the details are also available on the Company's website: [www.nationalcereals.com](http://www.nationalcereals.com)

**Declaration by Independent Directors and statement on compliance of code of conduct**

The independent Directors of the company, in opinion of the Board, are the person of integrity and possess relevant expertise and experience. They are or were not a promoter of the company or its holding, subsidiary or associate company and they are not related to promoters or directors in the company, its holding, subsidiary or associate company. They including their relatives have or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year. They are not related with the company in any manner or except being Independent Director. The relevant declaration has been obtained.

**DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

There are no subsidiary/Joint Ventures Companies and hence no comment is required.

## **COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER**

There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report; and by the company secretary in practice in his secretarial audit report, hence no comment is required.

## **INTERNAL CONTROL SYSTEM**

This is being provided elsewhere in this report.

## **DISCLOSURE ABOUT COST AUDIT AND COST RECORDS**

The provisions pertaining to Cost Audit are not applicable to your company

## **SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act, Rules and Regulations made there under, the company had appointed M/s. AKP & Associates, Company Secretaries (Practicing Company Secretary) as Secretarial Auditor of the company for the year 2018-19. The Board Considers their services valuable as far as betterment of the company is concerned and has proposed their appointment as Secretarial Auditors of the Company for the year 2019-20. The report of the Secretarial Auditors has been obtained and is being annexed to this report. The report is self-explanatory and do not call for any further comments

## **VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The purpose is to strengthen its policy of corporate policy of corporate transparency; the company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy

## **RISK MANAGEMENT POLICY**

Company is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor in determining a company's capacity to create sustainable value is the risks that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management process focusses on ensuring that these risks are identified on a timely basis and addressed.

The Board of Directors has constituted a Risk Management Committee. The Committee has adopted a Charter that outlines the role, responsibilities and power of the Committee and the procedure for organizing the meeting of the Committee.

## **HEALTH, SAFETY & WELFARE (HSW)**

Safety, occupational health and welfare of the employee has been the prime concerns of the National Cereals Products Limited and accordingly your company has worked upon implementation of various provisions and facilities in this regard and continuously working for betterment of the same.

## **DETAILS OF THE BOARD MEETING**

The Details of the Board meeting held during the year ended on 31-03-2019 is being given somewhere else in the Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31<sup>st</sup> March 2019 and is being given elsewhere in this report.

## **CORPORATE GOVERNANCE**

Your company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability. It is the endeavor of the company to implement these values to attain excellency in all the fields directly or indirectly related to the company. The company has implemented the conditions of Corporate Governance as stipulated in the Listing Agreement with Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended 31<sup>st</sup> March 2019. A report on Corporate

Governance along with a certificate of compliance from the Auditors' of the company is annexed and forms part of this report.

A declaration by the Chairman & Managing Director pursuant to Listing Agreement with Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that all the Board Members and senior Management of the Company have affirmed compliance with the code of conduct, during the financial year ended 31<sup>st</sup> March 2019 is also attached with this report.

**AUDITORS**

Based on recommendation of the Audit Committee and after obtaining certificate required certificate under section 139 read with section 141 of the companies Act, 2013, the Company, at its 69<sup>th</sup> Annual General Meeting, had appointed M/s K. C. Malhotra & Co., Chartered Accountants, (ICAI Firm Registration No. 000057N), as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of 69<sup>th</sup> Annual General Meeting till the conclusion of the 74<sup>th</sup> Annual General Meeting to be held in 2022. The requirement of ratification of appointment of the Statutory Auditors has been dispensed with vide The Companies (Audit and Auditors) \*Second Amendment Rules, 2018 Dated 7<sup>th</sup> May 2018 and nothing is required to be mentioned about ratification of appointment of statutory auditors.

**AUDITORS' REPORT**

The Audit Report does not contain any adverse remarks. The Notes forming part of the Accounts, being self-explanatory, the comments made by the Auditors in their report are not being dealt separately.

**REPORTING OF FRAUD BY THE AUDITORS**

During the year under review neither the statutory auditors nor secretarial auditors has reported to the Audit Committee, under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the company by its officers and employees, the details of which would need to be mentioned here in the Board Report.

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016, all unclaimed and unpaid dividends are required to be transferred to the Investor and Education Protection Fund after expiry of Seven Years. Further, according to the rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the DEMAT account of IEPF Authority. The company, during the year, has made below transfer to the IEPF/Demat Account of IEPF Authority: -

SI No	Particulars	Amount/No of shares
1	Unpaid and Unclaimed Dividend	Rs. NIL
2	Corresponding shares on which Dividends were unclaimed for seven consecutive years	NIL (No of Shares)

**EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report is attached.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No such changes and commitments have taken place during the year under consideration.

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is nothing to report under this head.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

There is nothing to report under this head.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto is being disclosed in Form No- AOC-2 which forms an integral part of this report.

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has all good intention to adopt a policy for prevention of Sexual Harassment of Women at workplace though it has not a single woman employee. The policy for prevention of Sexual Harassment of Women at workplace will be implemented as and when required. Being NIL woman employee, nothing is to be mentioned about complaint of harassment during the year in question.

**FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>Expenditure in Foreign Currency</b>		
a) Purchase of Raw Materials and Spare Parts	NIL	NIL
b) Travelling	NIL	NIL
<b>Earnings in Foreign Exchange</b>		
a) Export	NIL	NIL
b) others	NIL	NIL

**CORPORATE SOCIAL RESPONSIBILITY**

It is not applicable to your Company hence Company has not implemented any policy for Corporate Social Responsibility.

**HUMAN RESOURCE**

This forms part of the Management and Discussion Analysis Report annexed with the Board Report.

**LISTING**

The Company's Shares are listed at Calcutta Stock Exchange. The company is in process of connecting to NSDL and CDSL for Dematerialization of shares of the company and is expecting to get it very soon.

**DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134 OF THE COMPANIES ACT, 2013**

The financial statements are prepared in accordance with the Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting standard) Rules 2006, the provisions of the Companies Act, 2013, and the guidelines issued by the SEBI. The Board accept responsibility for integrity and objectivity of these financial statements. The Accounting policy used in preparation of the financial statements has been constantly applied except otherwise mentioned in the Notes. The Board has taken sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Pursuant to the requirement under Section 134 (3) read with 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and loss of the company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable law and that such systems were adequate and operating effectively.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

The declaration regarding compliance by board members and senior management personnel with the code of conduct of the company has been obtained and forms part of this Annual Report.

**Transfer of Amounts to Investor Education and Protection Fund**

There is nothing to report under this head.

**Listing with stock exchange:**

The Shares of the Company listed with The Calcutta Stock Exchange Ltd. and it has paid the Annual Listing Fees for the year 2019-2020.

**BUSINESS RESPONSIBILITY REPORT (BRR)**

The BRR is applicable only to the top 500 companies and hence no comment is required.

**GO-GREEN INITIATIVE**

Electronic Copies of the Annual Report for the year 2018-19 and the notice of the 71<sup>st</sup> Annual General Meeting are sent to all members whose email addresses are registered with company/depository participant(s). For members who has not registered their email addresses, physical copies are sent through permitted mode.

**APPRECIATION**

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by Bankers, Statutory Auditors, Practicing Company Secretaries.

The Directors also take this opportunity to thank the fraternity of shareholders for their continued confidence & trust reposed in the company.

Smt. Comilla Mohan  
(Managing Director)

Shri Satish Mohan  
(Director)

Shri Subhash Arya  
(Director)

Shri L. N. Malik  
(Director)

Date:-10<sup>th</sup> August, 2019

Place: - New Delhi

Shri Sanjeev Bawa  
(Director)

**Annexure to the Directors' Report****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE & DEVELOPMENT**

Malt is a product prepared from grains through a malting process, which involves partial germination, to modify the grains' natural food substances. Barley is generally used to prepare malt, while rice wheat, corn and rye are used less frequently. The principle use of malt is in brewing beer. Malt is also used for preparation of whiskey and other beverages. Its wide usage in alcohols, beverages and food products makes it an important product in the food and beverage industry. It is also used to make confections such as malted shakes, malt vinegar, flavored drinks such as Horlicks, and Milo, and some baked goods, such as bagels, malt loaf, and rich tea. Malted barley is an ingredient in blended flours specifically used in the manufacture of yeast breads and other baked goods.

**Malt Market: Drivers & Restraints**

The key driver for this market is the use of malt in the beer industry, which is growing at a fast rate. Its widespread use in the food industry is another impetus for the growth of this market. Opportunities for this market lie in the use of different types of malt extracts in food products. Growing popularity of wine and other beverages acts as a hindrance in the growth of this market, as this would reduce the consumption of beer. Increase in the use of organic malt in making breweries is boosting the growth of the market. The major challenge to this market is the entry of local players in the market. They offer low cost product, and thus are able to generate a broader customer base.

**Malt Market: Segmentation**

The global malt market can be broadly segmented on the basis of type, application, brewers, and source. On the basis of type, the malt market can be classified into-Dry Extract, Liquid Extract, Malt Flour. On the basis of application, the malt market can be segmented into-Beer Industry, Whisky Distilleries, Food & Beverages, and Pharmaceutical industry. On the basis of brewers, the malt market can be segmented into- Base Malt, Standard Malt and Specialty Malt. On the basis of source, it can be segmented into-Barley, Wheat, Rye.

**Market Insights**

Global malt ingredient market is expected to register a CAGR of 7.1 %, during the forecast period of 2018–2023. Malt has been traditionally used for beer making through fermentation, along with whisky, which is driving the demand of malt. Malt ingredients are used in the food industry as food additives, which impart desirable flavor and color to the finished product.

**KEY OPPORTUNITIES**

The growing demand for various types of Beers and Wines and other Beverages is expected to drive the Asia Pacific Malt Market in the near future. Europe was the second largest market for abrasives followed by North America and Rest of World. Asia Pacific is expected to be the most attractive market for abrasives in the future. North America has been the largest market for malts, sharing superiority in both production as well as consumption. Western Europe and Central Europe are also one of the key malt markets. Countries in Asia Pacific such as, China, South Korea and Australia are showing relatively quicker growth and are expected to be the dominant markets over the coming years. Countries in Africa such as, Zimbabwe and Botswana constitute of two of the most promising market potentials followed by Latin America

- ♦ Asia Pacific may considered as the largest regional market for Malt and have potential to be accounted for a considerable portion of the global market. Growing demand from developing nations in Asia, especially China and India, is expected to drive the demand for the Malt in the Asia Pacific market.
- ♦ The rapid demands of Beers, Wine and other related Beverages in youth in Asia region is anticipated to drive the Asia Pacific market for malt in the years to come.
- ♦ India is the second largest populated country in the world and is expected to see its population expand to 1.5 billion people in 2026. This will result in an increase in the industry as a whole and is expected to grow demand for all kinds of Beer, Wines and Beverages.

**THREATS & CHALLENGES**

The major challenge today for Indian malt industry is unavailability of standard quality of raw material in sufficient quantity. There has been arisen in the number of corporate groups with heavy pockets foraying into this sector through green field activities, JVs and acquisitions. Some of the major companies operating in the global malt market are Crisp Malting Group Ltd, Simpsons Malt Ltd, Bairds Malt Ltd, Muntons, Malteurop Group, Muntons Malt plc, Cargill Inc, Others and Heineken. Increasing inflation in India is depleting the purchasing power of parties and is intensifying the cost of living. There is also upward pressure on other costs such as transportation, supplies, equipment and other expenses, and an inability to manage costs or pass increased costs onto parties will lead to compressed returns.

**OUTLOOK**

The malt sector in India is undergoing a phase of reformed propelled by rapid economic growth. The future looks bright and promising keeping in view the initiatives being taken for Infrastructure Reforms. Automobile Reforms etc.

**SEGMENT-WISE PERFORMANCE**

There is nothing to Report under this head as company is engaged in only one segment i.e. Manufacturing of Malt.

**RISKS & CONCERNS**

National Cereals Products Limited recognizes that risk is an intrinsic part of the business which covers various aspects viz operational, financial, legal & regulatory etc. These risks can adversely impact the functioning of the company through their effect on operating performance, cash flows, financial performance and over all sustainability of the company. The risks that may affect the functioning of the company viz. inflationary pressures, increasing cost of raw material, transport and storage, competitive market conditions, compliance & regulatory pressures including change of tax laws, technological obsolescence in medical equipment. The company has been trying hard to mitigate these risks by taking adequate measures.

**QUALITY ASSURANCE**

National Cereals Products Limited has always been in the forefront of providing quality products, continual improvement and technological upgradation, ensuring maximum satisfaction of the users. The company is also fully committed to provide eco-friendly environment thereby complying with all applicable environmental legislations and regulations.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

Your Company has a well-established and efficient internal control system and procedures. The Company has a well-defined delegation of the financial powers to its various executives through a well-designed system of delegation. To ensure internal controls, the company has appointed independent firm of chartered accountants for reviewing the effectiveness of operations, systems and procedures. In addition, the audit committee of the Board of Directors reviews, advises and suggests internal auditors to continuously improve upon on their reporting process to ensure inter-alia compliance of various rules and regulations.

**FINANCIAL OPERATIONS VERSUS OPERATIONAL PERFORMANCE**

During the year under report, the company did not have any income from operations, however the company has recorded interest income of Rs. 32,21,640/- as compared to interest income of Rs. 30,60,318/- for the previous year ended 31st March 2018. During the year under review, Profit (Loss) before interest, depreciation and taxation was Rs. (62, 27,632) as compared to Rs. (72, 29,480) in the previous year ended 31st March 2018.

**HUMANRESOURCE**

Human Resource Management is an important and focused area for the company. The success of the organization depends on the satisfaction of human needs, aspirations consistent with company's objectives. The company also lays emphasis on identifying and developing talent in the organization with a view to retain them and imparting further training to those capable of handling additional responsibilities recruits and train talented manpower enabling it to achieve its goals in effective and efficient manner.

**CAUTIONARY NOTE**

The Management Discussion and Analysis Report contain forward looking statements based on data and information available with the company. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the company's operations such as government policies, global/local, political and economic development, risk inherent to the company's growth and such other factors.

**For and on behalf of the Board**

**Comilla Mohan  
(DIN : 00196231)  
Managing Director**

**Date: 22<sup>nd</sup> May, 2019  
Place: New Delhi**



## CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER AS PER APPLICABLE REGULATION OF SEBI (LODR) REGULATIONS, 2015.

We, Comilla Mohan, Managing Director and Manoj Madan, Chartered Accountant (CFO) hereby certify that:

- (a) We have reviewed the financial statements for the year ended on 31.03.2019 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 the internal control systems of the Company pertaining to financial reporting and 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 for rectifying 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 made during the year and 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 NATIONAL CEREALS PRODUCTS LIMITED

Manoj Madan  
Chief Financial officer

Comilla Mohan  
Managing Director

Date: 22<sup>nd</sup> May, 2019  
Place: New Delhi

**DECLARATION OF INDEPENDENCE**

To  
The Board of Directors  
National Cereals Products Limited  
Solan Brewery, Distt. Solan  
Himachal Pradesh-173214

22<sup>nd</sup> May, 2019

**Sub: Declaration of independence as per Regulation 16 of SEBI (LODR) Regulations 2015 and sub-section (6) of section 149 of the Companies Act, 2013**

We, the undersigned, do hereby certify that we are a Non-executive Independent Directors of National Cereals Products Limited, Solan Brewery, Distt. Solan, Himachal Pradesh- 173214 and comply with all the criteria of independent directors as envisaged in SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

We certify that:

We possess relevant expertise and experience to be an independent directors in the Company;

- ♦ We are/were not a promoters of the company or its holding, subsidiary or associate company;
- ♦ We are not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- ♦ Apart from receiving directors sitting fees / remuneration, We have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- ♦ none of our relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

Neither we nor any of our relatives;

- a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any non profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- ♦ We are not a material supplier, service provider or customer or a lessor or lessee of the company;
  - ♦ We are not less than 21 years of age.

**Declaration**

We undertake that we shall seek prior approval of the Board if and when We have any such relationship / transactions, whether material or non -material. If we fail to do so We shall cease to be an Independent directors from the date of entering in to such relationship / transactions.

Further, we do hereby declare and confirm that the above said information's are true and correct to the best of our knowledge as on the date of this declaration of independence and we shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

We further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

(Lachmi Narain Malik)  
DIN: 00481449  
8, South Patel Nagar, New Delhi-110008

(Sanjeev Bawa)  
DIN: 03633427  
E-74, IFS Apartments, MayurVihar, Phase-I, Delhi-110091

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis:

S. No	Particulars	Detailed Information
(a)	Name(s) of the related party and nature of relationship:	N.A.
(b)	Nature of contracts/arrangements/transactions:	N.A.
(c)	Duration of the contracts / arrangements/transactions:	N.A.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	N.A.
(e)	Justification for entering into such contracts or arrangements or transactions	N.A.
(f)	Date(s) of approval by the Board:	N.A.
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	N.A.

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No	Particulars	Detailed Information
(a)	Name(s) of the related party and nature of relationship:	Mohan Meakin Limited
(b)	Nature of contracts/arrangements/transactions:	Rent, Electricity agreement
(c)	Duration of the contracts / arrangements/transactions:	One year commencing from April 1, 2019
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Arms Length (Approx. 60,000 +Taxes as applicable)
(e)	Date(s) of approval by the Board, if any:	22nd May, 2019
(f)	Amount paid as advances, if any:	NIL

Comilla Mohan  
(Managing Director)

Subhash Arya  
(Director)

Satish Mohan  
(Director)

L.N.Malik  
(Director)

Sanjeev Bawa  
(Director)

Date:- 22<sup>nd</sup> May, 2019

Place:- New Delhi

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
National Cereals Products Limited  
Solan Brewery, Distt. Solan Himchal  
Pradesh-173214

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Cereals Products Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's records and also the information provided by the Company, its officers, agents and authorized representatives during conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2019, according to the provisions of:

- I) The Companies Act, 2013 (the Act) and the rules made thereunder;
- II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not Applicable as the Company has not issued any further capital under the regulations during the period under review]**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not Applicable as there is no scheme for direct or indirect benefit of employees involving dealing in or subscribing to or purchasing securities of the company, directly or indirectly]**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[The Company is suspended by the Stock Exchange, however, the company has not proposed delisting of its equity shares during the financial year under review];**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back and there was no proposal for buy-back of its securities during the financial year under review].**

Apart from other applicable laws, the Management has identified and confirmed the following laws as specifically applicable to the Company:-

- a) The Environment (Protection) Act, 1986.
- b) The Minimum Wages Act, 1948.
- c) The Payment of Wages Act, 1936.

d) The Negotiable Instrument Act, 1881.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with Calcutta Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except and to the extent of the reporting made herein this Report

I further report that:-

- a) I have relied upon the explanation of the company, its officers and agents, to the effect that the company does not have any foreign direct investment nor it has any overseas direct investment except and to the extent of few equity shares held by foreign national. In this regard, it is represented by the management that these shares are coming in the book before implementation of FERA/FEMA and all these shareholders are non-traceable. The board of the company is advised to identify those shares and take effective steps to transfer the same to IEPF.
- b) As represented, the company in general is regular in securing compliance of the applicable laws, rules and regulations made thereunder, however, the company is suspended by the Calcutta Stock Exchange. The Board of Directors are advisable to take the effective steps to ensure pending compliances, if any, and get the company activated. Further, all equity shares including that of the promoter's holding are in the form otherwise than that of the dematerialize.
- c) In respect of other laws specifically applicable to the Company, I have relied on information/records produced by the company during the course of my audit and the reporting is limited to that extent only.
- d) I have relied upon the explanation of the company, its officers and agents, to the effect that the company has complied with provisions of PF/ESI and there is no proceeding having material effect with regards to PF/ESI initiated and/or pending during the year under review.
- e) I have relied upon the explanation of the company, its officers and agents, to the effect that the company has complied with provisions of Income Tax/TDS and there is no proceeding having material effect with regards to Income Tax/TDS initiated and/or pending during the year under review.
- f) I have relied upon the explanation of the company, its officers and agents regarding other litigation which are subsisting as on date and which might have the potential to materially affect the company. Accordingly, I report that Litigation under UP Krishi Utpadan Mandi Adhinyam, 1964, which is subsisting before Honourable High Court, Allahabad seems to have the potential to affect the company in either way which has been properly mentioned and quantified in the Balance Sheet and its Annexures wherever it is necessary.
- g) The Board of Directors of the Company is duly constituted with balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
- h) Adequate notice is given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda are sent generally seven days in advance.
- i) A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- j) All decisions of the Board and Committees are carried with requisite majority

I further report that based on review of compliance mechanism established by the Company, I am of the opinion that there are adequate systems and processes in place in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines except and to the extent of the report mentioned herein above.

I further report that during the audit period there were no instances of:

- a) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- b) Redemption / buy-back of securities
- c) Merger / amalgamation / reconstruction, etc.
- d) Foreign technical collaborations

For AKP & Associates  
Company Secretaries

Ashutosh Kumar Pandey  
FCS-6847:CP-7385  
Proprietor

Place: Noida  
Date: 3.8.2019

**'ANNEXURE A'**

The Members,  
National Cereals Products Limited  
Solan Brewery, Distt. Solan  
Himchal Pradesh-173214

Our Secretarial Audit Report for the financial year 31st March, 2019 is to be read along with this letter.

**Management's Responsibility**

- a) It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
- b) It is the responsibility of the management of the Company to file all e-forms and returns with the concerned authority and to ensure that the delay, if any, is duly condoned unless specifically reported.

**Auditor's Responsibility**

- c) My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- d) I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- e) Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) I have not verified the correctness and appropriateness of financial records and books of account of the Company.

For AKP & Associates  
Company Secretaries

Ashutosh Kumar Pandey  
FCS-6847: CP-7385  
Proprietor

Place: Noida  
Date : 3.8.2019

## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

CIN	L99999HP1948PLC001381
Registration Date	11 <sup>th</sup> August, 1948
Name of the Company	NATIONAL CEREALS PRODUCTS LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and contact details	Regd Office: Solan Brewery, PO Shimla Hills, Distt. Solan (H.P.) – 173214, Tel. No. 01792-230222
Whether listed company	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Pvt. Ltd. T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacturing of Barley Malt	1015	-----

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	-	-	-	-	-

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total		% of Total Shares
A. Promoters (1) Indian									
a) Individual/HUF	-	367810	367810	27.98	-	367810	367810	27.98	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	341352	341352	25.97	-	213683	213683	16.25	9.72
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	709162	709162	53.95	-	581493	581493	44.23	9.72

# NATIONAL CEREALS PRODUCTS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year					% Change during the year
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	-	709162	709162	53.95	-	581493	581493	44.23	9.72
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	9400	9400	0.72	-	9400	9400	0.72	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others – N.R.	-	98256	98256	7.47	-	98256	98256	7.47	-
Sub-total (B) (1):-	-	107656	107656	8.19	-	107656	107656	8.19	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp									
Indian	-	61660	61660	4.69	-	121660	121660	9.26	4.57
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	436050	436050	33.17	-	503719	503719	38.32	5.15
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	497710	497710	37.86	-	625379	625379	47.57	9.72
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	605366	605366	46.05	-	733035	733035	55.76	9.72
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1314528	1314528	100	-	1314528	1314528	100	-



# NATIONAL CEREALS PRODUCTS LIMITED

## ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Pledged encumbered to total shares	
1	Brig. (Dr.) Kapil Mohan	48536	3.69	-	100	0.007	-	3.68
2	Smt. Comilla Mohan	58286	4.43	-	58286	4.43	-	-
3	Smt. Comilla Mohan & Sh. Pankaj Mohan	7500	0.57	-	7500	0.57	-	-
4	Smt. Pushpa Mohan, Trustee 1 <sup>st</sup> son of Sh. Rakesh Mohan	5000	0.38	-	5000	0.38	-	-
5	Smt. Usha Mohan	115204	8.76	-	115204	8.76	-	-
6	Sh. Hemant Mohan Karta S.D. Mohan	8000	0.61	-	8000	0.61	-	-
7	Sh. Hemant Mohan (Trustee) of Ram Rakhi Mohan Trust	123784	9.42	-	123784	9.42	-	-
8	Mohan Meakin Limited	341352	25.97	-	213683	16.25	-	9.72
9	Sh. D.S. Yadava	500	0.04	-	500	0.04	-	-
10	Sh. V.N. Koura	1000	0.08	-	1000	0.08	-	-
11	Sh. Hemant Mohan	-	-	-	24218	1.84	-	1.84
12	Sh. Vinay Mohan	-	-	-	24218	1.84	-	1.84
	<b>Total</b>	<b>709162</b>	<b>53.95</b>	<b>-</b>	<b>581493</b>	<b>44.23</b>	<b>-</b>	<b>13.40</b>

## iii) Change in Promoters' Shareholding ( please specify, if there is no change) - No Change

S. No	Name	Shareholding at the beginning of the Year		Date of Change	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Brig.Dr.Kapil Mohan VSM	48536	3.69	10/11/2018	48436	Sell/Transmission	100	0.007
2	Mohan Meakin Limited	341352	25.97	30/3/2019	127669	Sell/Transmission	213683	16.25
3	Sh. Hemant Mohan	-	-	10/11/2018	24218	Sell/Transmission	24218	1.84
4	Sh. Vinay Mohan	-	-	10/11/2018	24218	Sell/Transmission	24218	1.84

iv) Shareholding Pattern of top ten Shareholders:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Mohan Meakin Limited	341352	25.97	341352	25.97
2.	Sh. Hemant Mohan (Trustee) of Ram Rakhi Mohan Trust	123784	9.42	123784	9.42
3.	Smt. Usha Mohan	115204	8.76	115204	8.76
4.	Major Johnie George Skiptonker	79992	6.09	79992	6.09
5.	Smt. Comilla Mohan	58286	4.43	58286	4.43
6.	Mr. Divyanshu Aggarwal	51457	3.91	51457	3.91
7.	Brig. Kapil Mohan	48536	3.69	48536	3.69
8.	Mr. Kamal Parekh	36792	2.80	36792	2.80
9.	Mohan Meakin Limited	25056	1.91	25056	1.91
10.	Mr. Vipin Garg	24508	1.86	24508	1.86
	<b>Total</b>	<b>904967</b>	<b>68.84</b>	<b>904967</b>	<b>68.84</b>
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)				
1.	Mohan Meakin Limited	213683	16.25	213683	16.25
2.	Sh. Hemant Mohan (Trustee) of Ram Rakhi Mohan Trust)	123784	9.42	123784	9.42
3.	Smt. Usha Mohan	115204	8.76	115204	8.76
4.	Major Johnie George Skiptonker	79992	6.09	79992	6.09
5.	Nupack Cartons & Closures Ltd.	60000	4.54	60000	4.54
6.	Smt. Comilla Mohan	58286	4.43	58286	4.43
7.	Mr. Divyanshu Aggarwal	51457	3.91	51457	3.91
8.	Mrs. Deepti Kedia	42669	3.24	42669	3.24
9.	Mr. Kamal Parekh	36792	2.80	36792	2.80
10.	Mohan Meakin Limited	25056	1.91	25056	1.91
	<b>Total</b>	<b>806923</b>	<b>61.38</b>	<b>806923</b>	<b>61.38</b>

v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	Smt. Comilla Mohan	58286	4.43	58286	4.43
	Shri Satish Mohan	450	0.03	450	0.03
	Shri Subhash Arya	450	0.03	450	0.03
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year				
	Smt. Comilla Mohan	58286	4.43	58286	4.43
	Shri Satish Mohan	450	0.03	450	0.03
	Shri Subhash Arya	450	0.03	450	0.03
	<b>Total</b>	<b>59186</b>	<b>4.49</b>	<b>59186</b>	<b>4.49</b>

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured excluding deposits	Deposits Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Smt. Comilla Mohan, Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.8,64,000	Rs.8,64,000
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	Rs.1,74,993	Rs.1,74,993
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NA	NA
3	Sweat Equity	NIL	NIL
4	Commission as % of profit others, specify	NIL	NIL
5	Others, please specify (Mobile & Land Line)	Rs. 9,472	Rs. 9,472
	Total (A)	Rs. 10,48,465	Rs. 10,48,465
	Ceiling as per the Act Rs. 18,00,000 per annum (as per schedule V Part II of the Companies Act, 2013)		

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors	Total Amount
	1. Independent Directors	Shri L.N. Malik - Rs.20,000	
	Fee for attending board / committee Meetings	Shri Sanjeev Bawa - Rs.15,000	Rs.35,000
	Commission	-	
	Others, please specify	-	
	Total (1)	Rs.35,000	Rs.35,000
	2. Other Non-Executive Directors		
	Fee for attending board / committee Meetings	Shri Satish Mohan - Rs.20,000 Shri Subhash Arya - Rs.20,000	Rs.40,000
	Commission	-	
	Others, please specify	-	
	Total (2)	Rs.40,000	Rs.40,000
	Total (B)=(1+2)	Rs.75,000	Rs.75,000
	Total Managerial Remuneration	Rs.75,000	Rs.75,000
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting per Director	

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7,34,453	8,33,541	15,03,176
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify (Telephone Reimbursement)	-	8,997	8,220	17,217
	<b>Total</b>	-	7,43,450	8,41,761	15,19,943

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Comilla Mohan  
(Managing Director)

Satish Mohan  
(Director)

Subhash Arya  
(Director)

L.N.Malik  
(Director)

Sanjeev Bawa  
(Director)

Date:- 22nd May, 2019

Place:- New Delhi

**Disclosure to the Board Report pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

<b>S.No.</b>	<b>Particulars</b>	
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	6.28%
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Normal Increase
(iii)	The percentage increase in the median remuneration of employees in the financial year	(6.94 %)
(iv)	the number of permanent employees on the rolls of company;	5
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	(12.50%) There is no change in the managerial remuneration but salaries of employees as per their job responsibility
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

Comilla Mohan  
(Managing Director)

Satish Mohan  
(Director)

Subhash Arya  
(Director)

L.N.Malik  
(Director)

Sanjeev Bawa  
(Director)

Date:- 22nd May, 2019

Place:- New Delhi

## TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

		Current year		Previous year
(A)	Power and fuel consumption:			
	1. Electricity:			
	(a) Purchased:			
	(i) Hydle unit	-		-
	Total amount	<b>Rs.</b>	-	Rs.
	Rate per unit	<b>Rs.</b>	-	Rs.
	(ii) Generated unit	-		-
	Total amount	<b>Rs.</b>	-	Rs.
	Rate per unit	<b>Rs.</b>	-	Rs.
	(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)	-		-
	Total cost	<b>Rs.</b>	-	Rs.
	Average rate	<b>Rs.</b>	-	Rs.
	(b) Charcoal:			
	Quantity (tonnes)	-		-
	Total cost	<b>Rs.</b>	-	Rs.
	Average rate	<b>Rs.</b>	-	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	-	<b>Rs.</b>	-
	Furnace oil	-	<b>Rs.</b>	-
	Softcoke & charcoal	-	<b>Rs.</b>	-
	Others	-	<b>Rs.</b>	-

Comilla Mohan  
(Managing Director)

Satish Mohan  
(Director)

Subhash Arya  
(Director)

L.N.Malik  
(Director)

Sanjeev Bawa  
(Director)

Date:- 22nd May, 2019

Place:- New Delhi

## Annexure to the Directors' Report REPORT ON CORPORATE GOVERNANCE

### 1 PHILOSOPHY

The company's philosophy of corporate governance is preserving promoting core values and ethical business conduct, and is committed in maximizing the expectations of all stakeholders on a sustained basis. The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with the best practices of governance. Your company recognizes that good governance is an ongoing exercise and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of all its stakeholders.

### 2 BOARD OF DIRECTORS

#### A Composition of the Board

The Board of Directors is at the core of the company's Corporate Governance practices and oversees how management serves and protects the long term interest of its stakeholders. It brings in strategic guidance, leadership and an independent view to the company's Management while discharging its fiduciary responsibilities, thereby, ensuring that management adheres to highest standards of ethics, transparency and disclosure.

The present strength of the Board is Five Directors. The Board comprises of executive, non-executive and woman directors who bring a broad perspective to the Board's deliberations and decisions.

The size and composition of the Board is in accordance of the requirements of the Corporate Governance code under the Listing Agreement with the Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the directors as on 31st March 2019 are as follows

Name of Director	Position held in the company	Number of other directorships in companies incorporated in India excluding Private Companies	Committee memberships in other companies*	Committee chairmanship in other companies*
Mrs. Comilla Mohan	Managing Director	NIL	NIL	NIL
Mr. Satish Mohan	Director	3	NIL	NIL
Mr. Subhash Arya	Director	NIL	NIL	NIL
Mr. Lachmi Narain Malik	Director	2	NIL	NIL
Mr. Sanjeev Bawa	Director	NIL	NIL	NIL

\*Represent membership / chairmanship of Audit Committee

None of the directors on the Board is a member in more than 10 committees and / or act as chairman as more than 5 committees across all the companies in which he is a director. The company does not have any direct pecuniary relationship / transaction with any of its Non-Executive Director.

#### B Remuneration Policy for Directors

The remuneration paid to Executive Director is recommended by Remuneration Committee and approved by Board of Directors subject to the approval of shareholders in General Meeting. Non-Executive Directors are paid sitting fees for the meetings of the Board and committees, if any, attended by them. The details of the Remuneration paid to the Directors for the year ended 31st March 2019 is detailed below:

Name of the Director	Relationship with other directors	Remuneration paid/ payable for the year ended 31st March 2019			
		Sitting Fee	Remuneration	Commission	Total
Smt. Comilla Mohan	Not related to others except Mr. Satish Mohan	NIL	10,48,465	NIL	10,48,465
Sh. Satish Mohan	Not related to others except Mrs. Comilla Mohan	20000	NIL	NIL	20000
Sh. Subhash Arya	Not related to others	20000	NIL	NIL	20000
Sh. LachmiNarain Malik	Not related to others	20000	NIL	NIL	20000
Sh. Sanjeev Bawa	Not related to others	15000	NIL	NIL	15000



## C Board Procedures

a) Number of Board meetings held and dates on which held

Number of Board Meetings Held : **Four**

Dates on Which Held : **28/05/2018, 10/08/2018, 10/11/2018, 12/02/2019**

b) Attendance details of each director at the Board Meetings and at the last AGM are set out below:

Name of the Director	Number of Board Meetings Held	Number of Board Meetings Attended	Last AGM attendance (Yes/No)
Smt. Comilla Mohan	<b>Four</b>	<b>Four</b>	<b>No</b>
Sh. Satish Mohan	<b>Four</b>	<b>Four</b>	<b>Yes</b>
Sh. Subhash Arya	<b>Four</b>	<b>Four</b>	<b>No</b>
Sh. LachmiNarain Malik	<b>Four</b>	<b>Four</b>	<b>No</b>
Sh. Sanjeev Bawa	<b>Four</b>	<b>Three</b>	<b>No</b>

c) **Availability of information to the members of the Board**

As required under applicable clause of the listing agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, following information is placed before the Board.

- ♦ Annual operating plans and budgets and any updates thereto.
- ♦ Capital expenditure plan and any updates.
- ♦ Quarterly results for the Company and its operating divisions or business segments.
- ♦ Minutes of meetings of audit, risk & controls committee and other committees of the Board.
- ♦ The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- ♦ Show cause, demand, prosecution notices and penalty notices, which are materially important.
- ♦ Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- ♦ Any material default in financial obligations to and by the company, or substantial non-payment for services rendered by the company.
- ♦ Any issue, which involves possible public liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- ♦ Details of any joint venture or collaboration agreement.
- ♦ Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- ♦ Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- ♦ Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- ♦ Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- ♦ Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

d) **Statutory Compliances**

The Board periodically reviews the mechanism put in place by the Management to ensure the compliances with Laws and Regulations as may be applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliances, if any.

e) **Code of Conduct**

The Board has prescribed a Code of Conduct ("Code") for all employees of the Company including Senior Management and Board Members, which covers the transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company's property and information.

All employees including Senior Management and Board Members have confirmed the compliance with the Code for the financial year 2018-19. A declaration to this effect signed by the Chairman & Managing Director of the Company is provided elsewhere in this Report.

**3 BOARD COMMITTEES**

The company has constituted various committees in order to comply with applicable Laws, Rules and Regulations made thereunder

**a) Audit Committee**

The Company has an Audit Committee, the terms of reference of which includes the matters specified under the Listing Agreement entered into with the Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, as well as those in section 177 of the Companies Act, 2013 and include the reviewing of quarterly, half-yearly and annual financial statements before submission to the Board, ensure compliance of internal control systems and internal audit, timely payment of statutory dues and other matters.

During the year under review, 4 meetings of the committee were held 28th May 2018, 10th August 2018, 10<sup>th</sup> November 2018, and 12th February 2019. The composition of committee and attendance at its meetings is given below:

Name of Director	Chairman/Member	Category	Number of Meetings Attended
Shri Satish Mohan	Chairman	Non Executive	Four
Shri L. N. malik	Member	Independent	Four
Shri Sanjeev Bawa	Member	Independent	Three

The meetings of the Audit Committee are attended by internal auditors, Chief Financial Officer and operation heads are invited to the meetings. The Company Secretary acts as Secretary to the Committee.

**Powers of the Audit Committee**

The powers of the Audit Committee include the following:

- ♦ To investigate any activity within its terms of reference.
- ♦ To seek information from any employee.
- ♦ To obtain outside legal or other professional advice.
- ♦ To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Functions of the Audit Committee**

The role of the Audit Committee includes the following:

- ♦ Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ♦ 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.
- ♦ Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
- ♦ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to;
- ♦ Matters required being included in the Director’s Responsibility Statement to be included in the Board’s report in terms of Section 134 of the Companies Act, 2013.
- ♦ Changes, if any, in accounting policies and practices and reasons for the same and major accounting entries involving estimates based on the exercise of judgment by management.
- ♦ Significant adjustments made in the financial statements arising out of audit finding and Compliance with listing and other legal requirements relating to financial statements.
- ♦ Disclosure of any related party transactions and qualifications in the draft audit report.
- ♦ Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- ♦ Reviewing, with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
- ♦ Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
- ♦ Discussing with internal auditors any significant findings and follow up thereon.
- ♦ 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.

- ♦ Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ♦ To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- ♦ To review the functioning of the Whistle Blower Mechanism and Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ♦ The Audit Committee shall mandatorily review the following information.
  - ♦ Management discussion and analysis of financial condition and results of operations.
  - ♦ Statement of significant related party transactions (as defined by the audit committee and submitted by management)
  - ♦ Management letters / letters of internal control weaknesses issued by the statutory auditors.
  - ♦ Internal audit reports relating to internal control weaknesses; and
  - ♦ The appointment/removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee.

In addition to the areas noted above, the audit committee looks into controls and security relating to the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principle, if any.

## b) Nomination & Remuneration Committee

The Scope of the Nomination & Remuneration Committee includes the following

- 1) To submit recommendations to the Board with regard to:-
  - a) Filling up of vacancies in the Board that might occur from time to time and appointment of additional Non-Executive Directors. In making these recommendations, the Committee shall take into account the special professional skills required for efficient discharge of the Board's functions;
  - b) Retirement of Directors liable to retire by rotation; and
  - c) Appointment of Executive Directors.
- 2) To determine and recommend to the Board from time to time
  - a) The amount of commission and fees payable to the Directors within the applicable provisions of the Companies Act, 2013.
  - b) The amount of remuneration, including performance or achievement bonus and perquisites payable to the Executive Directors.

The Board of Directors of the company have constituted a Nomination & Remuneration Committee of Directors mainly for the purposes of recommending the Company's policy on Remuneration Package for the Managing/ Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of key management personnel. As on 31st March, 2019, the Nomination & Remuneration Committee consisted of 3 Directors.

The name of members, Chairman and their attendance at the Remuneration Committee Meeting are as under:

Members	Category	Meeting Held	Meeting Attended
Shri Subhash Arya	Non Executive	Four	Four
Shri L. N. Malik	Independent	Four	Four
Shri Sanjeev Bawa	Independent	Four	Three

## c) Share Transfer and Shareholder Grievance Committee

The Board has constituted a Share Transfer and Shareholder Grievance Committee comprising Shri Subhash Arya as Chairman of the Committee, and Shri L. N. Malik & Shri Sanjeev Bawa as member. The Committee approves and monitors transfers, transmissions, splits and consolidation of shares and investigates and directs redressal of shareholder grievance. Share transfers are processed well within the period stipulated by SEBI.

The committee oversees the performance of M/s. Mas Services Limited, the Registrars and Share Transfer Agents of the company and recommends measures to improve the level of investor related services. Though the powers to approve share transfer/transmission are delegated to the Registrar and Share Transfer Agents, all the share

transfer/transmission cases approved by the Registrars are reported to the Committee. During the year under review, no investor complaint was received directly from the shareholder and no complaints were pending as on 31st March 2019. The company is taking all measures to improve investor relations through its Registrars and Share Transfer Agents

**d) Risk Management Committee:**

The Board has constituted Risk Management Committee in due compliance of the applicable Laws, Rules and Regulations made thereunder.

**4 Subsidiaries**

The company has no subsidiary company

**5 Disclosures**

There were no transactions of a material nature with the promoters, the Directors or the Management, or relatives, subsidiaries, etc. that may have potential conflict with the interest of the Company at large.

There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

**A Related Party Transactions**

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors, promoters or the management that may have potential conflict with the interests of the Company at large.

The details of related party transactions are disclosed in Notes forming part of the Accounts as required under Accounting Standard 18 of the Institute of Chartered Accountants of India, and all related party transactions are negotiated on an arm's length basis.

All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote in such matters. The Audit Committee of the Company also reviews related party transactions periodically.

**B Accounting Treatment**

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed by any Accounting Standard.

**C Management Discussion and Analysis Report**

The Management Discussion and Analysis Report is appended to this report

**D Shareholders**

**1) Disclosures regarding appointment or re-appointment of Directors**

This is already there in the Directors' Report. The resumes of all these directors are provided as part of the Notice of the Annual General Meeting.

**2) Communication to shareholders**

The unaudited quarterly/half yearly financial statements are announced within forty five days from the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the Stock Exchanges have been intimated, these results are communicated by way of a Press Release to various news agencies/analysts and published within 48 hours in two leading daily newspapers-one in English and one in Hindi.

The quarterly/half yearly and the annual results of the company are put on the Company's website <http://www.nationalcereals.com>

**3) Share Transfer and Share Grievances**

As mentioned earlier, the Company has a Board-level Share Transfer and Share Grievances Committee to examine and redress shareholders and investors' complaints. The status on complaints and share transfers is reported to the Committee. For matters regarding shares transferred in physical form, share certificates, change of address etc., shareholders should send in their communications to M/s. Mass Services Limited, our Registrar and Share Transfer Agent. Their address is given in the section on Shareholder Information.

#### 4) Details of Non-Compliances

There are no non-compliances by the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

#### 5) General Body Meetings

The date, venue and time of the Annual General Meetings held during the preceding three years are given below:-

Financial Year	Location	Date	Time	Special Resolution
2015-2016	Solan	15.09.2016	12.00 Noon	No
2016-2017	Solan	29.09.2017	12.00 Noon	No
2017-2018	Solan	26.09.2018	12.00 Noon	Yes

#### 6) Postal Ballots

During the year no ordinary or special resolutions were required to be put through postal ballot.

#### 7) CEO/CFO Certification

Certificate from CEO / CFO for the financial year ended 31st March 2019 is annexed to the Directors' Report and the Management Discussion and Analysis Report.

#### 9) Compliance with Corporate Governance Norms

##### a) Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in the Listing Agreement with the Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### b) Non-Mandatory Requirements

The status of compliance in respect of non-mandatory requirements of the Listing Agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:-

The Board:-

- a) There is no Non-Executive Chairman for the Company.
- b) Specific tenure has been specified for the Independent Directors

Remuneration Committee:-

Details are given under the heading 'Nomination & Remuneration Committee'.

Audit Qualifications:-

During the year under review, there was no audit qualification in the Company's financial statements.

The Company has also adopted other non-mandatory requirements up to certain extent. However the Company has fully complied with SEBI guidelines relating to Corporate Governance in respect of compliance of mandatory requirements.

#### 6 Compliance Certificate of the Auditors

Certificate from the Secretarial/Statutory Auditors, conforming compliance with all the conditions of corporate governance as stipulated in the Listing Agreement of the Stock Exchanges is annexed to the Directors' Report and the Management Discussion and Analysis Report.

#### 7 Means of Communication

- ◆ Quarterly Results are published in Financial Express (English) and Danik Tribune (Hindi version) respectively.
- ◆ The Quarterly results are sent to Stock Exchanges on which the Company shares are listed in the prescribed format and time.
- ◆ During the period no presentation were made to any institutional Investors or analysts.
- ◆ The Management Discussion and Analysis Report (MD&A) is attached and forms a part of the Annual Report.

**8 General Shareholders' Information**

Annual General Meeting:-

- a) Date, Time and Venue of AGM  
28<sup>th</sup> day, September 2019 at 12:00 Noon at Solan Brewery, Solan, HP
- b) Financial Calendar 2018-2019 (tentative & subject to change)

Tentative Schedule	Tentative Date	Tentative Date
Financial Reporting for the quarter ending 30th June 2019	14/08/2019	13/08/2019
Financial Reporting for the quarter ending 30th September, 2019	14/11/2019	13/11/2019
Financial Reporting for the quarter ending 31st December, 2019	14/02/2020	13/02/2020
Financial Reporting for the quarter ending 31st March 2020	30/05/2020	29/05/2020
Annual General Meeting for the year ending 31st March, 2020	30/09/2020	29/09/2020

**c) Book Closure Date**

The Share Transfer Books and Register of Members of the Company will remain closed from Thursday 26<sup>th</sup> day of September 2019, to 28<sup>th</sup> day of September 2019, Saturday (both days inclusive).

**d) Dividend Payment date**

The company has not declared any dividends, hence there is nothing to report under this head.

**e) Listing on Stock Exchanges**

Calcutta Stock exchange  
Add:- 7, Lyons Range, Dalhousie Murgighata,  
B. B. D. Bagh Kolkatta,  
West Bengal-700001  
Phone:# (033) 40253000

**f) Listing Fee**

Paid within Time  
Demat ISIN in NSDL & CDSL-NA. The company has started taking effective steps for converting promoters shareholding into Demat

**g) Registrar and Transfer Agents**

Mas Services Limited  
(Registrars & Share Transfer Agents)  
T-34, 2nd Floor,  
Okhla Industrial Area, Phase - II,  
New Delhi - 110 020  
Ph:- 26387281/82/83, Fax:- 26387384  
email:-info@masserv.com, website : www.masserv.com

**h) Category of Shareholders as on 31st March 2019**

S.No.	CATEGORY	NO. OF SHARES HELD	SHAREHOLDING
1	Promoters	581493	44.23
2	Private Bodies Corporate	121660	9.26
3	Indian Public	503719	38.32
4	NRIs/OCBS	98256	7.48
5	Others	9400	0.71

**i) Dematerialization of Shares**

The company's shares are in the process of dematerialization both for promoters and public and are capable of being traded in both the Form i.e physical and Demat. The shares are proposed to be dematerialized, both,

through National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) Shareholders can open account with any of the depository-participants registered with any of these depositories. As on 31st March, 2019, 0 % of the Company's shares were held in dematerialized form.

**j) Location of the Factory**

Mohan Nagar, Ghaziabad.

**k) Address for Investors' Correspondence**

Mas Services Limited  
(Registrars & Share Transfer Agents)  
T-34, 2nd Floor, Okhla Industrial Area, Phase - II,  
New Delhi - 110 020

Ph:- 26387281/82/83, Fax:- 26387384

email:- info@masserv.com,

website : www.masserv.com

The Company Secretary  
National Cereals Products Limited,  
Mohan Nagar, Ghaziabad - 201007 (UP),  
Email-ncp@nationalcereals.com  
Phone:- 91-9910730748

**l) Go Green Initiative**

The ministry of corporate affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies, vide Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 which validates the sending of documents through electronic mode and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s).

Accordingly, the Annual Report for the year 2018-19, Notice for the Annual General Meeting, etc., each being sent in electronic mode to the members of the company who have registered their email id to do their respective depository participant(s). The members, who do not opt to receive the communication / documents in electronic form, will continue to receive the same in physical form.

The company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rule, 2014. The instruction for e-voting is provided in the Notice.

**9 Declaration**

The Board of the Company has laid down a Code of Conduct for the directors and employees of the company. A declaration dated 22<sup>nd</sup> May, 2019, signed by the Managing Director to the effect is produced herein below:

**Declaration as required under relevant clause of the Listing Agreement read with SEBI (LODR) Regulations 2015**

I, Comilla Mohan, Managing Director of the Company, hereby declare that the Board of Directors has laid down a Code of Conduct for its Board Members and Senior Management Personnel of the Company and the Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct.

**For National Cereals Products Limited**

**Date: 22<sup>nd</sup> May, 2019**  
**Place: New Delhi**

**Comilla Mohan**  
**Managing Director**

**CERTIFICATE**

To

**The Members of National Cereals Products Limited**

I have examined the compliance of conditions of corporate governance by M/s. **National Cereals Products Limited** for the year ended on 31<sup>st</sup> March, 2019 as stipulated in SEBI (LODR) Regulations 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: NOIDA  
Date: 22/5/2019

For AKP & Associates  
Company Secretary  
Signature: Ashutosh Kumar Pandey  
Name of Company Secretary: Ashutosh Kumar Pandey  
Proprietor  
FCS-6847: CP-7385



**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

R-79, GREATER KAILASH-I,  
NEW DELHI- 110 048 (INDIA)  
Phone: + 91-11-41608133, 26418337  
E.mail: rcm\_kcmalhotra@yahoo.co.in

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of National Cereals Products Limited Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of National Cereals Products Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significance, in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report

#### **Key audit matter**

Accuracy of recognition, measurement, presentation and disclosures of revenue and other related balances - IND AS 115 "Revenue from contracts with Customers" (new revenue accounting standard). The application of new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the bases used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

#### **Auditor's Response**

The new revenue accounting standard is not applied by the company as the company has not been carrying on any commercial operations and thus there are no sales and therefore no disclosure has been made on account of new revenue accounting standard. Refer note 2(g) to the standalone IND AS financial statements.

#### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's information, but does not include the Standalone Ind AS financial statements and our auditor's thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of the such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and 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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representation received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements -refer Note 21 to the IND AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No.000057N)

(Ramesh Malhotra)  
Partner

Membership Number: 013624  
Place of Signature: New Delhi  
Date: 22.5.2019

**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

R-79, GREATER KAILASH-I,  
NEW DELHI- 110 048 (INDIA)  
Phone: + 91-11-41608133, 26418337  
E.mail: rcm\_kcmalhotra@yahoo.co.in

## Annexure 'A' to the Independent Auditors' Report

**(Referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of National cereals Products Limited of even date)**

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed asset.
- b) The management has certified that it has conducted a physical verification of the fixed asset during the year, and no material discrepancies were noticed on such verification.
- c) The Company does not have any immovable property acquired in its own name.
- ii) The Company's business does not involve inventories and accordingly the requirements paragraph 4(ii) of the Order are not applicable to the Company and hence not been commented upon.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to, companies, Limited Liability Partnership, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans to directors in terms of Section 185 of the Companies Act, 2013. Further, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public.
- vi) Maintenance of cost records has not been prescribed to the company by the Central Government under Section 148(1) of the Companies Act, 2013
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company is generally been regular in depositing undisputed statutory dues including, provident fund, employee's state insurance, income-tax, goods and service tax and other material statutory dues applicable to it with the appropriate authorities
  - b) There were no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, goods and service tax and other material statutory dues as applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - c) There are no dues of income tax, sales tax, duty of custom, duty of excise duty, value added tax, added tax outstanding on account of any dispute except as under:

Nature of Statute	Nature of dues	Year to which the amount relate	Amount (Rs.)	Amount paid under Protest (Rs.)	Forum where dispute is pending
U.P.Krishi Utpadan Mandi Adbiniyam, 1964	Mandi Cess	1990-95	70,75,772	24,92,898	High Court of Allahabad

- viii) The Company did not have any outstanding dues from banks, financial institutions, debenture holders or government.

- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence, reporting under clause (ix) of the order is not applicable to the Company
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the company has paid or provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting under clause 3(xiv) of the Order is not applicable.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For K.C.Malhotra & Co.**  
Chartered Accountants  
(Firm Regn.No.000057N)

(Ramesh Malhotra)  
Partner  
Membership No:013624  
Place:New Delhi  
Date: 22.5.2019

**K.C. MALHOTRA & CO.**  
**CHARTERED ACCOUNTANTS**

R-79, GREATER KAILASH-I,  
NEW DELHI- 110 048 (INDIA)  
Phone: + 91-11-41608133, 26418337  
E.mail: rcm\_kcmalhotra@yahoo.co.in

### **Annexure 'B' to the Independent Auditor's Report**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of National cereals Products Limited of even date)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of National Cereals products limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2019.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.C.Malhotra & Co**  
Chartered Accountants  
(Firm Regn.No.000057N)

(Ramesh Malhotra)  
Partner  
Membership No: 013624  
Place of signature: New Delhi  
Date:22.5.2019

**CIN: L99999HP1948PLC001381**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(IN INR)

	Note	31.03.2019	31.03.2018
<b>ASSETS</b>			
Non-current assets			
(a) Property, Plant and Equipment	4	65	2,351
(b) Capital Work-In Progress			
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible assets			
(f) Financial Assets			
(i) Investments	5(a)	23,99,671	12,40,761
(ii) Trade Receivables			
(iii) Loans			
(iv) Others	5(e)	1,09,78,616	2,12,02,012
(g) Deferred tax assets (Net)	6	1,32,83,138	1,32,83,138
(h) Other Non-current assets	7		-
<b>Total non-current assets</b>		<b>2,66,61,490</b>	<b>3,57,28,262</b>
<b>Current assets</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	5(b)	-	1,35,08,351
(iii) Cash and cash equivalents	5(c)	4,39,68,690	2,87,74,571
(iv) Loans	5(d)	63,965	78,540
(v) Others	5(e)	18,47,254	4,81,435
(c) Current Tax Assets (Net)	8	6,28,154	5,72,563
(d) Other Current assets	7	3,68,324	6,49,414
<b>Total current assets</b>		<b>4,68,76,387</b>	<b>4,40,64,874</b>
<b>Total assets</b>		<b>7,35,37,877</b>	<b>7,97,93,136</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9(a)	13,14,528	13,14,528
(b) Other Equity			
-Reserves and surplus	9(b)	6,95,31,431	7,49,51,050
<b>Total equity</b>		<b>7,08,45,959</b>	<b>7,62,65,578</b>



## BALANCE SHEET AS AT MARCH 31, 2019 Contd..

(IN INR)

	Note	31.03.2019	31.03.2018
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities			
(b) Deferred Revenue/income			
(c) Provisions	12	11,44,642	11,58,148
(d) Deferred tax liabilities (net)			
(e) Other Non-current liabilities	11		
<b>Total non-current liabilities</b>		<b>11,44,642</b>	<b>11,58,148</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables			
(ii) (a) Total outstanding dues to micro enterprises and small enterprises			
(ii) (b) Total outstanding dues of creditors other than to micro enterprises and small enterprises	10(a)	70,870	77,270
(iii) Other financial liabilities			
(b) Other current liabilities	11	14,65,864	20,59,810
(c) Provisions	12	10,542	2,32,330
(d) Current Tax liabilities (Net)			
<b>Total current liabilities</b>		<b>15,47,276</b>	<b>23,69,410</b>
<b>Total Equity and liabilities</b>		<b>7,35,37,877</b>	<b>7,97,93,136</b>

The accompanying notes '1' to '28' form an integral part to the financial statements

*As per our report of even date attached*

**For K.C. MALHOTRA & CO.**

**Chartered Accountants**

**(Firm Registration No. 000057N)**

**Ramesh Malhotra**

**Partner**

**Membership No. 013624**

**Place of Signature : New Delhi**

**Date : 22.5.2019**

**COMILLA MOHAN** *Managing Director*

*DIN 00196231*

**SUBHASH ARYA** *Director*

*DIN 00308369*

**L.N. MALIK** *Director*

*DIN 00481449*

**SATISH MOHAN** *Director*

*DIN 00230292*

**SANJEEV BAWA** *Director*

*DIN 03633427*

**MANOJ MADAN** *Chief Financial Officer*

**MINAS KUMAR** *Company Secretary*

CIN: L99999HP1948PLC001381

**Statement of Profit and Loss for the year ended 31st March, 2019**

			(IN INR)
Income	Note	31.03.2019	31.03.2018
Revenue from contract with customers	13	-	-
Other Income	14	35,33,256	30,77,698
<b>Total Income</b>		<b>35,33,256</b>	<b>30,77,698</b>
<b>Expenses</b>			
Employee Benefit expense	15	72,06,121	79,27,766
Finance Costs	16	725	108
Depreciation	17	2,286	4,920
Other Expenses	18	25,54,767	23,79,412
<b>Total Expenses</b>		<b>97,63,899</b>	<b>1,03,12,206</b>
<b>Loss before tax</b>		<b>(62,30,643)</b>	<b>(72,34,508)</b>
Tax Expense:			
(a) Current Tax	19	-	44,152
(b) Deferred Tax	5	-	-
<b>Loss for the year</b>		<b>(62,30,643)</b>	<b>(71,90,356)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss	20	811,024	567,714
<b>Total comprehensive loss for the year</b>		<b>(54,19,619)</b>	<b>(66,22,642)</b>
Earning per equity share in Rs			
Basic & diluted	26	(4.74)	(5.04)

The accompanying notes '1' to '28' form an integral part to the financial statements

*As per our report of even date attached*

For K.C. MALHOTRA & CO.

*Chartered Accountants*

(Firm Registration No. 000057N)

Ramesh Malhotra

Partner

Membership No. 013624

Place of Signature : New Delhi

Date : 22.5.2019

COMILLA MOHAN *Managing Director*

DIN 00196231

SUBHASH ARYA *Director*

DIN 00308369

L.N. MALIK *Director*

DIN 00481449

SATISH MOHAN *Director*

DIN 00230292

SANJEEV BAWA *Director*

DIN 03633427

MANOJ MADAN *Chief Financial Officer*

MINAS KUMAR *Company Secretary*

**CIN: L99999HP1948PLC001381**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019**
**(IN INR)**

	31.03.2019	31.03.2018
<b>Cash Flow from Operating activities</b>		
Profit/(Loss) before tax	(62,30,643)	(72,34,508)
Adjustments for :		
Depreciation	2,286	4,920
Dividend and interest income classified as investing cash flows	(32,55,505)	(30,66,198)
Finance costs	725	108
<b>Operating cash flow before changes in assets and liabilities</b>	<b>(94,83,137)</b>	<b>(1,02,95,678)</b>
Increase/(Decrease) in trade receivables	1,35,08,350	1,30,52,842
(Increase)/Decrease in other current loans	14,575	30,954
(Increase)/Decrease in other current financial assets	(13,65,820)	(481,435)
Increase/(Decrease) in other Non- current financial assets	1,02,23,396	2,12,56,867
Increase /(Decrease) in other current assets	281,090	296,709
Increase/(Decrease) in other Non-current assets	-	100,000
(Increase)/Decrease in current assets (Net)	(55,592)	(256,850)
(Increase) /Decrease in other current liabilities provisions	(2,21,788)	87,043
Increase/(Decrease) in other non-current liabilities provisions	(13,506)	33,551
(Increase)/Decrease in other current liabilities	(5,93,946)	815,033
Increase/(Decrease) in Trade Payable	(6,400)	(32,180)
<b>Cash generated from operations</b>	<b>1,22,87,222</b>	<b>2,46,06,856</b>
Income tax paid/(refund received)	(348,383)	(62,652)
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>1,19,38,839</b>	<b>2,45,44,204</b>
<b>Cash flow from investing activities</b>		
Dividend received	5,880	5,880
Interest received	32,49,625	30,60,318
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>32,55,505</b>	<b>30,66,198</b>
<b>Cash flows from financing activities</b>		
Finance costs	(725)	(108)
<b>Net cash flow/(outflow) from financing activities (C)</b>	<b>(725)</b>	<b>(108)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,51,94,119</b>	<b>2,76,10,294</b>
Cash and cash equivalents at the beginning of the financial year	2,87,74,571	11,64,277
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4,39,68,690</b>	<b>2,87,74,571</b>
<b>Components of cash and cash equivalents</b>		
Cash and stamps on hand	94,907	7,622
Balance with scheduled banks	35,75,128	5,55,111
Bank fixed deposits	4,02,98,655	2,82,11,838
<b>Cash and cash equivalents</b>	<b>4,39,68,690</b>	<b>2,87,74,571</b>

- Notes : 1 The above cash flow statement has been prepared under the Indirect method set out in Indian Accounting Standard (IND AS) 7.
- 2 Reconciliation of liabilities arising from financing activities

Particulars	Short-term borrowings
Opening balance as on 1st April, 2018	-
Non-cash changed due to:	
-Interest expense	-
-Others	-
Cash flows during the year	-
Closing balance as on 31st March, 2019	-

- 3 Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

*As per our report of even date attached*

**For K.C. MALHOTRA & CO.**

**Chartered Accountants**

**(Firm Registration No. 000057N)**

**Ramesh Malhotra**

**Partner**

**Membership No. 013624**

**Place of Signature : New Delhi**

**Date : 22.5.2019**

<b>COMILLA MOHAN</b>	<b>Managing Director</b>	<b>DIN 00196231</b>
<b>SUBHASH ARYA</b>	<b>Director</b>	<b>DIN 00308369</b>
<b>L.N. MALIK</b>	<b>Director</b>	<b>DIN 00481449</b>
<b>SATISH MOHAN</b>	<b>Director</b>	<b>DIN 00230292</b>
<b>SANJEEV BAWA</b>	<b>Director</b>	<b>DIN 03633427</b>
<b>MANOJ MADAN</b>	<b>Chief Financial Officer</b>	
<b>MINAS KUMAR</b>	<b>Company Secretary</b>	

Notes on Financial Statements for the year ended 31st March, 2019

## Statement of changes in equity

### A : Equity share capital

(IN INR)

<b>As at April 1, 2017</b>	13,14,528
Changes during the year	-
<b>As at March 31, 2018</b>	13,14,528
Changes during the year	-
<b>As at March 31, 2019</b>	13,14,528

### B : Other equity

(IN INR)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	General reserve	Retained earnings	Equity Instruments Through Comprehensive	Remeasurement of Defined Benefit	
<b>Balance as at April 1, 2017</b>	8,17,70,888	(1,97,196)			8,15,73,692
Add/(less): Transfer from retained earnings	(71,90,356)				(71,90,356)
Profit/(Loss) for the year		(71,90,356)			
Less: transfer to General reserve		(71,90,356)			
Other comprehensive income			6,74,519	(1,06,805)	5,67,714
<b>Total comprehensive Income /(Loss)</b>	<b>7,45,80,532</b>	<b>(1,97,196)</b>	<b>6,74,519</b>	<b>(1,06,805)</b>	<b>7,49,51,050</b>
<b>As at March 31, 2018</b>	<b>7,45,80,532</b>	<b>(1,97,196)</b>	<b>6,74,519</b>	<b>(1,06,805)</b>	<b>7,49,51,050</b>
<b>Balance as at April 1, 2018</b>	<b>7,45,80,532</b>	<b>(1,97,196)</b>	<b>6,74,519</b>	<b>(1,06,805)</b>	<b>7,49,51,050</b>
Add/(Less) : Transfer from profit & loss	(62,30,643)				
Profit/(Loss) for the year		(62,30,643)			(62,30,643)
Less: transferred to General reserve		(62,30,643)			
Other comprehensive income			11,58,910	(3,47,886)	811,024
<b>Total comprehensive income/(loss)</b>	<b>6,83,49,889</b>	<b>(197,196)</b>	<b>18,33,429</b>	<b>(4,54,691)</b>	<b>6,95,31,431</b>
<b>As at March 31, 2019</b>	<b>6,83,49,889</b>	<b>(197,196)</b>	<b>18,33,429</b>	<b>(4,54,691)</b>	<b>6,95,31,431</b>

*As per our report of even date attached*

**For K.C. MALHOTRA & CO.**

**Chartered Accountants**

**(Firm Registration No. 000057N)**

**Ramesh Malhotra**

**Partner**

**Membership No. 013624**

**Place of Signature : New Delhi**

**Date : 22.5.2019**

**COMILLA MOHAN**

**SUBHASH ARYA**

**L.N. MALIK**

**SATISH MOHAN**

**SANJEEV BAWA**

**MANOJ MADAN**

**MINAS KUMAR**

**Managing Director**

**Director**

**Director**

**Director**

**Director**

**Chief Financial Officer**

**Company Secretary**

*DIN 00196231*

*DIN 00308369*

*DIN 00481449*

*DIN 00230292*

*DIN 03633427*

**Note 1 : Corporate information**

The company is a Public Limited Company incorporated and domiciled in India and has its registered office at Solan Brewery, Shimla Hills, Himachal Pradesh. The company is listed on the Calcutta Stock Exchange (CSE). The company is engaged in manufacture of Barley Malt but the company has not carried out any commercial production.

**Note 2 : Significant accounting policies****(a) Basis of preparation and Statement of Compliance**

These financial statements are prepared in accordance with the Indian Accounting standards (IND AS) under the historical cost convention on accrual basis (except certain financial instruments which are measured at fair value), the provisions of the Companies Act, 2013 (the Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The IND AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment Rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Company's Board of Directors on 22nd May, 2019

**b) Current versus Non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is :

- ♦ expected to be realised or intended to be sold or consumed in normal operating cycle,
- ♦ Held primarily for the purpose of the trading,
- ♦ Expected to be realised within twelve months after the reporting period, or
- ♦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

A liability is classified as current when:

- ♦ it is expected to be settled in normal operating cycle,
- ♦ it is held primarily for the purpose of the trading,
- ♦ it is due to be settled within twelve months after the reporting period, or
- ♦ there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities

**(c) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated using the written down value method to allocate their cost, net of residual values, over their estimated useful lives of the assets as prescribed under schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable values. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within gains / (losses).

Significant accounting policies contd.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (IND AS) -7 "Statement of Cash Flows" using the indirect method for operating activities.

**(e) Provisions, Contingent Liabilities and Contingent assets**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed when there is a possible obligation from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability..

A contingent asset is disclosed when a possible asset that arises from past events and whose existence will be confirmed only by the Occurrence or non-occurrence of one or more uncertain events not wholly within the control of the entity.

Contingent liabilities and assets are not recognised but are disclosed in notes.

**(f) Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid/payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting period date. However, no provision for tax has been made as there is no assessable income.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and Unused tax losses only if it is probable that future taxable profit will be available to utilise those temporary differences and the carry forward of unused credits and unused tax losses.

However, during the year ended 31st March, 2019 ( Previous year ended 31st March, 2018), the company has not recognised deferred tax asset for all temporary differences and unabsorbed depreciation and unused tax losses as there is no probability that taxable profits will be available against which those temporary differences and losses can be utilized in the foreseeable future.

**(g) Revenue recognition**

Revenue from contracts with customers

The Ministry of Corporate Affairs ("MCA") has notified the IND AS 115, Revenue from Contract with Customers on 28th March, 2018, and the effective date is from accounting periods beginning on or after 1st April, 2018. In accordance with new accounting standard, revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. New revenue accounting standard contains certain disclosures which involves accuracy of recognition presentation and disclosure of revenues and other related balances.

However, since the company has not been carrying on any commercial operations, thus there are no sales and therefore there are no disclosures is to be provided on account of this revenue accounting standard other than those provided in the financial statements.

Other income

Interest income is recognised using the effective rate of interest. Dividend income is recognised when the right to receive payment is established.

**(h) Borrowing costs**

Other borrowing costs are expensed in the period in which they are incurred.

Significant accounting policies contd.

**(i) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the Balance sheet.

**(ii) Other long term employee benefit obligations**

The liabilities for earned leave and sick leave are expected to be settled wholly within twelve months after the end of the period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period using the projected unit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method, is funded with Life Insurance Corporation of India.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

**Defined contributions plan**

The company's contributions to provident fund are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. The company has no further payment obligations once the contributions have been paid.

**Bonus plans**

The company recognizes a liability and an expense for bonus. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**(j) Earnings per share**

Basic and diluted earnings is computed by dividing the profit/(Loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

**(k) Financial instruments**

**(i) Measurement**

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.



Significant accounting policies contd.

### **Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

**\*Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit and loss when the asset is derecognized or impaired these. Interest income from these financial assets is included in finance income using the effective interest rate method.

**\*Fair value through other comprehensive income(FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate.

**\*Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other gain/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### **Equity instruments:**

Investments in equity instruments classified under financial assets are initially measured at fair value, the company may on initial recognition, irrevocably effect to measure the same either at FVOCI or FVTPL. The company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of profit and loss unless the company has elected to measure such instrument at FVOCI.

### **(ii) Impairment of financial assets**

In accordance with IND-AS 109, the company applies expected credit loss (ECL) mode for measurement and recognition of impairment loss on financial assets and credit risk exposures. Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables and bank balance. Financial assets that are debt instruments and are measured as at FVTOCI. The company follows simplified approach for recognition of impairment loss allowance on trade receivables. Concentration of credit risk with respect to trade receivables is limited being amount due only from a related party. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its recognition.

### **(iii) Derecognition of financial assets**

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### **(I) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Significant accounting policies contd.

**(m) Trade payables**

The amount represents liabilities for services provided to the company prior to the end of the period which are unpaid. The amounts are unsecured non-interest bearings and are usually paid within 60 days of recognition. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized at amortised cost, and the carrying amounts are reasonable approximation of fair value.

**(n) Recent Accounting Developments****Standards issued but not yet effective**

The Ministry of Corporate Affairs has notified amendments on 30th March, 2019 to certain Ind ASs, but not yet effective, upto the date of issuance of company's financial statements are detailed below. These amendments are now effective from financial years beginning on or after April 1, 2019.

**A) New Standard IND AS 116 Leases:**

Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application OR

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The Company will adopt this standard, if applicable, when this will become effective

**B) Amendments to other IND As****i) IND AS 12, Appendix C, Uncertainty over Income tax Treatments :**

Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Significant accounting policies contd.

The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is evaluating the requirements of the amendment and its impact, if any, on the financial statements.

**(ii) Ind AS 12 – Income taxes:**

The amendment to the guidance in Ind AS 12, 'Income Taxes', is in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The company does not have any impact on account of this amendment.

**iii) Ind AS 19, Employee Benefits:**

The amendments to Ind AS 19, Employee Benefits relate to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement. The company does not have any impact on account of this amendment.

**iv) IND AS 109 Financial Instruments**

The amendments notified to Ind AS 109 pertain to classification of a financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

**Note 3 : Accounting estimates, assumptions and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, Uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period. The area involving critical estimate or judgement is Recognition of deferred tax assets for carried forward losses, Impairment of trade receivables, Estimation of tax expense and Measurement of defined benefit obligation.

Notes to financial statements for the year ended 31st March, 2019

**Note 4 :- Property, Plant and Equipment**

(IN INR)

	Plant & machinery	Furniture & fittings	Office equipments	Data Processing Machines	Total
<b>Year ended March 31, 2018</b>					
<b>Gross carrying amount</b>					
As at April 1, 2017	15,86,034	64,093	38,400	1,64,564	18,53,091
Additions					
Disposals					
<b>Closing gross carrying value</b>	<b>15,86,034</b>	<b>64,093</b>	<b>38,400</b>	<b>1,64,564</b>	<b>18,53,091</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	15,86,031	64,035	37,598	1,58,155	18,45,819
Depreciation charge during the year				4,920	4,920
Disposals					
<b>Closing accumulated depreciation</b>	<b>15,86,031</b>	<b>64,035</b>	<b>37,598</b>	<b>1,63,075</b>	<b>18,50,739</b>
<b>Net carrying amount</b>	<b>3</b>	<b>58</b>	<b>802</b>	<b>1,489</b>	<b>2,352</b>
<b>Year ended March 31, 2019</b>					
Opening Gross carrying amount	<b>15,86,034</b>	<b>64,093</b>	<b>38,400</b>	<b>1,64,564</b>	<b>18,53,091</b>
Additions					
Disposals					
<b>Closing gross carrying value</b>	<b>15,86,034</b>	<b>64,093</b>	<b>38,400</b>	<b>1,64,564</b>	<b>18,53,091</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	15,86,031	64,035	37,598	1,63,075	18,50,739
Depreciation charge during the year			800	1,487	2,287
Disposals					
<b>Closing accumulated depreciation</b>	<b>15,86,031</b>	<b>64,035</b>	<b>38,398</b>	<b>1,64,562</b>	<b>18,53,026</b>
<b>Net carrynig amount</b>	<b>3</b>	<b>58</b>	<b>2</b>	<b>2</b>	<b>65</b>

**Note (i) Disclosure under IND AS 16**

There is no item of property, plant and equipment which has retired from active use and has not been classified as held for sale in accordance with IND AS 105

Notes to financial statements for the year ended 31st March 2019

<b>5 (a) : Non-current Investments</b>	<b>(IN INR)</b>			
	<b>31.03.2019</b>		<b>31.03.2018</b>	
Investments in equity instruments (fully paid up)				
Quoted				
Trade				
4000 equity shares of Rs 5 each of Mohan Meakin limited	10,57,920		3,04,000	
Others				
4900 equity shares of Rs10 each of John Oakey and Mohan Limited	5,88,000		4,90,000	
Unquoted				
Trade:				
10000 equity shares of Rs 10 each of Mohan Goldwater Breweries Limited	1,00,250		1,00,250	
Less: Provision for diminution(at the time provision was made company's performance was not satisfactory)	<u>1,00,249</u>	1	<u>1,00,249</u>	1
9000 equity shares of Rs10 each of Mohan Rocky Springwater Breweries Limited	7,53,750		4,46,760	
<b>Total Non-current investments</b>	<b>23,99,671</b>		<b>12,40,761</b>	
Aggregate acquisition cost of quoted investments	1,02,293		1,02,293	
Aggregate Market value of quoted investments	16,45,920		7,94,000	
Aggregate book value of unquoted investments	90,001		90,001	

**5 (b) : Trade receivables  
(unsecured considered good)**

	<b>(IN INR)</b>			
	<b>31.03.2019</b>		<b>31.03.2018</b>	
	Non-current	Current	Non-current	Current
Trade receivables - Related party *				1,35,08,351
<b>Total trade receivables</b>				<b>1,35,08,351</b>
<b>Current portion</b>				<b>1,35,08,351</b>
<b>Non-current portion</b>				
<b>Total trade receivables</b>	<b>-</b>		<b>-</b>	<b>- 1,35,08,351</b>

\* No trade or other receivables are due from directors or other officers of the company severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner or a director

For terms and conditions relating to related party receivable refer Note 24(E)

Trade receivable are non- interest bearing and are unsecured

Notes to financial statements for the year ended 31st March, 2019

**5 (c) : Cash and cash equivalents**

**(IN INR)**

	<b>31.03.2019</b>	<b>31.03.2018</b>
Balances with banks in		
- Current accounts	35,75,128	555,111
Fixed deposit with original maturity of with in twelve months	4,02,98,655	2,82,11,838
Cash on hand	94,806	7,330
Stamps in hand	101	292
<b>Total Cash and cash equivalents</b>	<b>4,39,68,690</b>	<b>2,87,74,571</b>

**5 (d) : Loans**

	<b>31.03.2019</b>		<b>31.03.2018</b>	
	Non-current	Current	Non-current	Current
*Advance to employees		63,965		78,540
<b>Total loans</b>		<b>63,965</b>		<b>78,540</b>

\* Effective rate of interest is not applied as this has had no material effect on the statement of profit and loss.

**5 (e) : Other financial assets**

**(IN INR)**

	<b>31.03.2019</b>		<b>31.03.2018</b>	
	Non-current	Current	Non-current	Current
Security deposits	31,500		36,614	
Market fee deposited under protest with Mandi Samiti	24,92,898		24,92,898	
Bank deposit with original maturity more than twelve months	75,00,000		1,75,00,000	
Interest accrued on deposits	9,54,218	18,47,254	11,72,500	4,81,435
<b>Total other financial assets</b>	<b>1,09,78,616</b>	<b>18,47,254</b>	<b>2,12,02,012</b>	<b>4,81,435</b>

Notes to financial statements for the year ended 31st March, 2019

**Note 6: Deferred tax assets / (Liabilities) (net)**

The balance comprises temporary differences attributable to:

	(IN INR)	
	31.03.2019	31.03.2018
<b>Deferred tax assets</b>		
Property, Plant and Equipment	7,160	7,160
Employee Benefit obligation	28,753	28,753
Tax losses	1,30,76,695	1,30,76,695
Provision for Bonus	-	-
Allowance for doubtful debts	1,70,530	1,70,530
<b>Total deferred tax assets</b>	<b>1,32,83,138</b>	<b>1,32,83,138</b>
<b>Deferred tax liabilities</b>	-	-
<b>Net deferred tax assets / (liabilities)</b>	<b>1,32,83,138</b>	<b>1,32,83,138</b>

**Movements in deferred tax assets / (Liabilities)**

	(IN INR)				
	Property Plant and equipment	Defined Benefit obligation	Tax losses	Other items	Total
<b>Deferred Tax Assets</b>					
<b>As at April 1, 2017</b>	7,160	28,753	1,30,76,695	1,70,530	1,32,83,138
(charged)/ credited					
-to profit and loss					
-to other comprehensive income					
<b>As at March 31, 2018</b>	<b>7,160</b>	<b>28,753</b>	<b>1,30,76,695</b>	<b>1,70,530</b>	<b>1,32,83,138</b>
(charged)/ credited					
-to profit and loss					
-to other comprehensive income					
<b>As at March 31, 2019</b>	<b>7,160</b>	<b>28,753</b>	<b>1,30,76,695</b>	<b>1,70,530</b>	<b>1,32,83,138</b>

The company has not recognised deferred tax asset for all temporary difference and unabsorbed depreciation and unused tax losses during the year as there is no probability that taxable profits will be available against which the carry forward of unused tax credits and carried forward losses can be utilised.

Notes to financial statements for the year ended 31st March, 2019

**Note 7 : Other assets**

(IN INR)

	31.03.2019		31.03.2018	
	Non-current	Current	Non-current	Current
Advance to suppliers		25,000		
Unsecured considered doubtful-	5,51,877		5,51,877	
Less: Allowance for doubtful advance	(5,51,877)		(5,51,877)	
		25,000		-
<b>Others</b>				
Balance with Government authorities		-		
Group gratuity fund		2,40,908		5,46,055
Prepaid expenses		1,02,416		1,03,359
<b>Total other assets</b>		<b>3,68,324</b>	-	<b>6,49,414</b>

**Note 8 : Current tax assets (net)**

(IN INR)

	31.03.2019		31.03.2018	
	Non-current	Current	Non-current	Current
Advance tax		6,28,154		5,72,563
Less: Provision for tax				
				-
<b>Total current tax assets (net)</b>		<b>6,28,154</b>		<b>5,72,563</b>

**Note 9: Equity share capital and other equity**

**Note 9 (a) : Equity share capital**

(IN INR)

Particulars	31.03.2019		31.03.2018	
	No.of shares	Amount	No.of shares	Amount
<b>Authorised share capital</b>				
3,000,000 Equity shares of Rs.1/-each with voting rights	30,00,000	30,00,000	30,00,000	30,00,000
	<b>30,00,000</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>30,00,000</b>
<b>Issued ,subscribed and fully paid up</b>				
Equity shares of Rs.1/-each fully paid up with voting rights	13,14,528	13,14,528	13,14,528	13,14,528
<b>Total Equity share capital</b>	<b>13,14,528</b>	<b>13,14,528</b>	<b>13,14,528</b>	<b>13,14,528</b>

**Terms and rights attached to equity shares**

The company has only one class of equity shares having a per value of Rs 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts to their shareholdings.



Notes to financial statements for the year ended 31st March, 2019

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year**

(IN INR)

Particulars	31.03.2019		31.03.2018	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>				
<b>At the commencement of the year</b>	13,14,528	13,14,528	13,14,528	13,14,528
Add: issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>13,14,528</b>	<b>13,14,528</b>	<b>13,14,528</b>	<b>13,14,528</b>

**Detail of shares held by each shareholder holding more than 5% of total number of equity shares**

Name of the shareholder	31.03.2019		31.03.2018	
	Number of shares	% of holding	Number of shares	% of holding
Mohan meakin Limited	2,13,683	16.26	3,41,352	25.97
Shri Hemant Mohan (Trustee Ram Rakhi Mohan Trust)	1,23,784	9.42	1,23,784	9.42
Smt. Usha Mohan	1,15,204	8.76	1,15,204	8.76
Major Johnnie George Skiptonker	79,992	6.09	79,992	6.09

**Note 9(b) : Other equity**

(IN INR)

	31.03.2019	31.03.2018
<b>General Reserve</b>		
Opening Balance	7,45,80,532	8,17,70,888
Add: Additions during the year	-	-
Less: Loss during the year	(62,30,643)	(71,90,356)
Closing Balance	<b>6,83,49,889</b>	<b>7,45,80,532</b>
<b>Retained earnings</b>		
Opening Balance	(1,97,196)	(1,97,196)
Profit/(Loss) for the year	(62,30,643)	(71,90,356)
Less: Transferred to general reserve	(62,30,643)	(71,90,356)
Closing Balance	<b>(1,97,196)</b>	<b>(1,97,196)</b>
<b>Items of other comprehensive income</b>		
Equity instruments through other comprehensive income	18,33,429	6,74,519
Re-measurement gains/(Loss) on defined benefit plan	(4,54,691)	(1,06,805)
	<b>13,78,738</b>	<b>5,67,714</b>
<b>Total other equity</b>	<b>6,95,31,431</b>	<b>7,49,51,050</b>

**General reserve**

This represents appropriation of profits after tax by the company

**Retained earnings**

This comprise company's loss after taxes

Notes to financial statements for the year ended 31st March, 2019

**10 (a): Trade Payables**

(IN INR)

	31.03.2019		31.03.2018	
	Non-current	Current	Non-current	Current
Dues to Micro, small and medium enterprises *				
Payable to other parties		70,870		77,270
<b>Total trade payables</b>		<b>70,870</b>		<b>77,270</b>

**\*Disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

Particulars	31.03.2019		31.03.2018	
	Non-current	Current	Non-current	Current
Amount remaining unpaid to any supplier as at year end	-	-	-	-
-Principal amount remaining unpaid				
Interest due there in	-	-	-	-
Principal amount paid to suppliers beyond the appointed date during the year				
Interest paid other than Section 16 of MSMED Act to suppliers beyond the appointed date during the year	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers beyond the appointed date during the year	-	-	-	-
Interest due and payable towards suppliers for payments already made	-	-	-	-
Further interest remaining due and payable for earlier years				

**Note 11: Other liabilities**

(IN INR)

	31.03.2019		31.03.2018	
	Non-current	Current	Non-current	Current
Statutory remittances (including PF, ESIC, TDS and Service tax)		93,372		2,06,813
Other payables*		13,72,492		18,52,997
<b>Total other liabilities</b>		<b>14,65,864</b>		<b>20,59,810</b>
*Including due to the managing director		1,07,126		27,315

**Note 12: Provisions**

(IN INR)

	31.03.2019		31.03.2018	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
-Leave encashment	3,13,872	10,542	3,27,378	2,32,330
-Gratuity	8,30,770		8,30,770	
<b>Total Provisions</b>	<b>11,44,642</b>	<b>10,542</b>	<b>11,58,148</b>	<b>2,32,330</b>

Notes to financial statements for the year ended 31st March, 2019

**Note 13 : Revenue from contract with customers**

(IN INR)

	31.03.2019	31.03.2018
Sale of products	-	-
<b>Total revenue from contract with customers</b>	<b>-</b>	<b>-</b>

**Note 14 : Other Income**

(IN INR)

	31.03.2019	31.03.2018
Interest Income		
-On deposits	32,21,640	30,60,318
-On Income tax refund	27,985	
Dividend income	5,880	5,880
Provision no longer required	277,751	11,500
<b>Total other income</b>	<b>35,33,256</b>	<b>30,77,698</b>

**Note 15 : Employees benefit expense**

(IN INR)

	31.03.2019	31.03.2018
Salaries, wages and bonus	64,69,804	67,28,404
Contribution to Provident and other Funds	4,70,481	5,44,073
Staff Welfare Expenses	2,65,836	6,55,289
<b>Total employees benefit expense</b>	<b>72,06,121</b>	<b>79,27,766</b>

**Note 16: Finance cost**

(IN INR)

	31.03.2019	31.03.2018
<b>Interest paid -</b>		
<b>On late payment PF TDS</b>	725	108
<b>Total finance cost</b>	<b>725</b>	<b>108</b>

**Note 17 : Depreciation**

(IN INR)

	31.03.2019	31.03.2018
Depreciation on tangible assets	2,286	4,920
<b>Total depreciation</b>	<b>2,286</b>	<b>4,920</b>

Notes to financial statements for the year ended 31st March, 2019

<b>Note 18 : Other Expenses</b>	<b>(IN INR)</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
Power and Fuel	-	30,000
Rent	70,800	35,400
Repairs to:		
- Machinery	-	-
- Other repair	18,400	17,200
Insurance	9,273	42,489
Rates and Taxes	51,307	59,400
Miscellaneous Expenses	15,15,227	12,14,671
Directors sitting fee	75,000	75,000
Vehicle expenses	3,96,785	3,78,652
Payment to Statutory Auditors*		
-Statutory audit fee	41,300	41,300
-Taxation matters	-	5,900
Travelling expenses	3,76,675	4,79,400
<b>Total other expenses</b>	<b>25,54,767</b>	<b>23,79,412</b>

*Include GST	7,200	7,200
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<b>Note 19: Income tax Expense</b>	<b>(IN INR)</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
<b>(a) income tax expense</b>		
Current Tax	-	-
Adjustment of tax relating to earlier years (net)		44,152
<b>Total current tax</b>		<b>44,152</b>
Deferred tax	-	-
<b>Total deferred tax expense /(benefit)</b>	<b>-</b>	<b>-</b>
<b>Total income tax expense</b>	<b>-</b>	<b>44,152</b>

<b>(b) Reconciliation of tax expense and the accounting profit/(Loss) multiplied by tax rate :</b>	<b>(IN INR)</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
Profit/(Loss) before income tax expense	(62,30,643)	(72,34,508)
Tax rate @26% (2017-18 25.75%)	(16,19,967)	(18,62,886)
Deductible expenses	(1,67,986)	-
Effect of income on exempt income	(1,529)	(1,514)
Disallowable expenses	1,05,893	1,87,356
Income not considered for tax purpose	(8,44,902)	(7,88,032)
Adjustment relating to earlier years	76,951	44,152
Impact of deferred tax on loss not recognised	24,51,540	26,29,288
Impact of deferred tax adjustment		(1,64,212)
<b>Income tax expense</b>	<b>-</b>	<b>44,152</b>

Notes to financial statements for the year ended 31st March, 2019

**Note 20 : Other Comprehensive Income**

	<b>(IN INR)</b>	
	<b>31.03.2019</b>	<b>31.03.2018</b>
A (i) Items that will not be reclassified to profit and loss		
-Remeasurement of defined benefit obligation	(347,886)	(106,805)
-Equity instruments through other comprehensive income Change in fair value of FVOCI equity instruments	1,158,910	674,519
(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-
<b>Total other comprehensive income</b>	<b>811,024</b>	<b>567,714</b>

**Note 21 : Contingent liabilities**

	<b>(IN INR)</b>	
Claims against the company not acknowledged as debts in respect of U.P.krishi Utpadan Mandi Adhiniyam, 1964	7,075,772	7,075,772

In the opinion of the management, the Company has good prospects of success in proving its claims, and thus will not have any material effect on its financial position.

**Note 21.1 : Other Notes to financial statements**

- i) No provision for tax has been made in the accounts for industrial dispute arising out of suspension of one workman since matter is prejudice with labour court and liability is not ascertainable.
- ii) No provision for tax has been made in the accounts in view of losses of the company

**Note 22:- Employee benefits -As per IND AS 19**

**(a) Defined Contribution plan:**

The Company has recognised, in the statement of profit and loss, expenses for the following Defined Contribution Plans:

	<b>(IN INR)</b>	
<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Provident fund	240,645	250,056
Pension scheme	160,167	160,169
Employees State Insurance	90,523	108,165
	<b>491,335</b>	<b>518,390</b>

Notes to financial statements for the year ended 31st March, 2019

## (b) Defined Benefit Plan

The liability for Employee Gratuity and Leave encashment is determined on actuarial valuation using projected unit Credit Method

The obligations are as under:

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-2019	2017-2018	2018-2019	2017-2018
<b>i. Change in Present Value of Obligation</b>				
Present value of obligation at the beginning of the year	35,79,040	30,71,215	5,59,708	4,82,960
Interest cost	2,69,144	2,26,041	42,090	35,546
Current service cost	77,199	1,49,193	44,153	45,726
Benefits paid	(28,29,900)	-	(2,92,465)	(82,558)
Actuarial (gain)/loss on obligation	3,03,224	1,32,591	(29,072)	78,034
<b>Present value of obligation at end of the year</b>	<b>13,98,707</b>	<b>35,79,040</b>	<b>3,24,414</b>	<b>5,59,708</b>
<b>ii. Change in the Fair Value of Plan Assets</b>				
Fair value of plan assets at the beginning of the year	<b>41,25,095</b>	38,30,261	-	-
Return on plan assets	2,87,454	3,07,693	-	-
Contributions	78,876	20,000	-	-
Mortality charges	(21,910)	(32,859)	-	-
Benefits paid	(28,29,900)	-	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>16,39,615</b>	<b>41,25,095</b>	-	-
<b>iii. Reconciliation of Fair value of assets and obligations</b>				
Fair value of plan assets as at the end of the year	16,39,615	41,25,095	-	-
Present value of obligation at the end of the year	13,98,707	35,79,040	3,24,414	5,59,708
<b>Amount recognised in the Balance sheet</b>	<b>2,40,908</b>	<b>5,46,055</b>	<b>3,24,414</b>	<b>5,59,708</b>
<b>iv. Expenses recognised in the statement of profit &amp; loss</b>				
Current service cost	77,199	149,193	44,153	45,726
Net interest cost(income)	(41,063)	(55,866)	42,090	35,546
Net actuarial (gain)/loss recognised in the year			(29,072)	78,034
<b>Amount recognised in statement of profit and loss</b>	<b>36,136</b>	<b>93,327</b>	<b>57,171</b>	<b>1,59,306</b>
<b>v. Recognised in other comprehensive income:</b>				
Net cumulative unrecognised actuarial gain/(loss) opening	-	-	-	-
Actuarial gain/(loss) for the year on present benefit obligation	(3,03,224)	(1,32,591)	-	-
Actuarial gain/(loss) for the year on asset	(44,662)	25,786	-	-
Unrecognised actuarial gain/(loss) for the year	(3,47,886)	(1,06,805)	-	-

Notes to financial statements for the year ended 31st March, 2019

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-2019	2017-2018	2018-2019	2017-2018
<b>vi. Actual Assumptions</b>				
Discount Rate (Per annum)	7.32%	7.52%	7.32%	7.52%
Future salary increases	5.50%	5.50%	5.50%	5.50%
Withdrawal rate				
Upto 30 years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%
Mortality rates inclusive of provision for disability		100% IALM (2006-08)		100% IALM (2006-08)

**(c) The major categories of plan assets of the fair value of the total plan assets are as follows:**

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-2019	2017-2018	2018-2019	2017-2018
Fund managed by insurer	100%	100%	-	-

**(d) Maturity profile of defined benefit obligation**

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-2019	2017-2018	2018-2019	2017-2018
0 to1 year	26,219	7,15,756	10,542	2,32,330
1 to 2 year	24,671	49,227	1,80,498	8,349
2 to 3 year	5,51,977	5,18,457	68,145	1,59,169
<b>3 to 4 year</b>	<b>7,21,114</b>	<b>6,67,947</b>	1,458	42,446
4 to 5 year	1,582	26,783	1,441	2,107
5 to 6 year	1,562	27,248	802	2,121
6 year onwards	71,582	15,73,622	61,528	1,13,186

**(e) Sensitivity analysis of the defined benefit obligation**

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-2019	2017-2018	2018-2019	2017-2018
<b>a) Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	13,98,707	35,79,040	3,24,414	5,59,708
i. Impact due to change to increase of 0.50 %	(17,163)	(1,06,807)	(7,835)	(10,730)
ii. Impact due to decrease of 0.50%	17,905	1,06,799	8,417	11,441

Notes to financial statements for the year ended 31st March, 2019

Particulars	Gratuity (funded)		Leave Encashment (unfunded)	
	2018-2019	2017-2018	2018-2019	2017-2018
<b>b) Impact of the change in the salary</b>				
Present value of obligation at the end of the year	13,98,707	35,79,040	3,24,414	5,59,708
i. Impact due to change to increase of 0.50 %	18,134	108,377	8,525	11,613
ii. Impact due to decrease of 0.50 %	(17,536)	(1,03,156)	(8,001)	(10,979)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions as shown above at the end of the reporting period. Sensitivity due to mortality and withdrawals are insignificant and hence ignored.

Sensitivities as to rate of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

### Note 23 : Segment information

The company business activity falls within a single primary business segment viz, Barley malt, identified in accordance with principles enunciated in Accounting Standard AS-108, Segment Reporting. Hence, separate business segment information is not applicable. The Board of directors of the company has been identified as the Chief Decision Maker (CDM). The company has not carried out any commercial operations during the year and therefore there are no additional disclosures to be provided other than those already provided in the financial statements.

### Note 24 : Related party disclosures

#### Related parties

	Country of incorporation	% of Equity interest	
		31.03.2019	31.03.2018
<b>i. Enterprise holding equity interest</b>			
Mohan Meakin Limited	India	16.26%	25.97%
<b>ii. Key Management Personnel</b>			
a) Managing director	Mrs. Comilla Mohan		
b) Non-executive directors	Mr Sanjeev Bawa Mr Satish Mohan Mr Subhash Arya Mr. Lachmi Narain Malik		
c) Company secretary	Mr Minas Kumar		
d) Chief financial officer	Mr Manoj Madan		
<b>iii. Trust for post employment benefit</b>			
National Cereals Products Limited Employees Group-Gratuity cum Life Assurance scheme			
National Cereals Products Limited Employees Provident Fund trust			



Notes to financial statements for the year ended 31st March, 2019

**Note 24.1 : Disclosure of transactions between the Related parties and the status of outstanding balances as at March 31, 2019**

**a) Transactions with related parties**

	(In INR)	
	31.03.2019	31.03.2018
<b>i. Enterprise referred to in note 24(i)</b>		
-Rent	70,800	65,400
-Factory license fee	47,000	9,400
-staff welfare	8,334	7,712
-Employees contribution to Mohan Club	3,250	2,750
<b>ii. Key Management Personnel compensation</b>		
-Managing Director (refer note 24(ii)(a))	11,29,762	13,83,350
-Employee benefits (refer note 24(ii)(c & d))	16,59,842	12,79,248
<b>iii. Key Management Personnel</b>		
-Non-executive directors (refer note 24(ii) (b))		
-Sitting fees	75,000	75,000

**c) The outstanding balances at the end of the reporting year in relation to transactions with related parties :**

	31.03.2019	31.03.2018
<b>i. Amount receivable as at year end</b>		
Trade receivables		
-Mohan Meakin Limited (refer note 5(b) )	-	1,35,08,351
<b>Total</b>	<b>-</b>	<b>1,35,08,351</b>
<b>ii. Amount payable</b>		
-Key Management Personnel		
Mrs Comilla Mohan (Managing Director) (refer note 11)	1,07,126	27,315
<b>Total</b>	<b>1,07,126</b>	<b>27,315</b>
<b>iii. Investments as at year end</b>		
-Mohan Meakin Limited (refer note 5(a))	10,57,920	3,04,000
<b>Total</b>	<b>10,57,920</b>	<b>3,04,000</b>

**(E) Terms and conditions of transactions with related parties:**

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is undertaken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and interest free and the settlement occurs in cash.

Notes to financial statements for the year ended 31st March, 2019

## Note 25 : Earnings per share (EPS)

(In INR)

	31.03.2019	31.03.2018
Net Profit /(Loss) available to equity holders	(62,30,643)	(71,90,356)
Weighted average number of equity shares used as denominator for calculating of earning per share	13,14,528	13,14,528
Nominal value of equity shares	1	1
Basic and diluted earnings per share	(4.74)	(5.47)

## Note 26 : Financial risk Management

The Company's financial liabilities comprises of Trade payable for services and other payables. The main purpose of these financial liabilities is to manage finances to the company's operations, and financial assets include trade and other receivables, investment in marketable securities, cash and cash equivalents and other financial assets. The company is exposed to Market risk, Credit risk and liquidity risk.

### a. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises three types of risk: currency rate risk, interest rate risk and other price risks such as equity price risk commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments.

### b. Credit risk

Credit risk is the risk that a counter party will not meet the obligation under a financial instrument or customer contract, leading to financial loss. To manage this the Company periodically assesses the financial reliability of customers of, taking into account financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. The Company's major exposure is from trade receivables, which are unsecured. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks. Other loans provided to employees have very minimum risk of loss.

### Trade receivables

Customer credit risk is managed by the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and an impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. Concentration of credit risk with respect to trade receivables is limited being amount due only from a related party viz. Mohan Meakin Ltd. as detailed in Annexure 5(b). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The company does not hold collateral security

### Impairment of financial loss

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing conditions as well as looking estimates at the end of each reporting period.

### (c) Liquidity risk

Liquidity risk is defined that the company will not be able to settle or to meet its obligation on time at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and its liquidity requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's in addition, processes and policies related to such risk are overseen by senior management. Management monitors the liquidity position through rolling forecast on the basis of expected cash flows.

Notes to financial statements for the year ended 31st March, 2019

## i. Maturities of financial liabilities

The following table summaries the maturity profile of the company's financial liabilities based on contractual undiscounted payments

(IN INR)						
As at March 31, 2019	Note	Carrying Amount	On demand	Less than 12 months	More than 12 months	Total
Trade payables	10(a)		70,870			70,870
<b>Total</b>			<b>70,870</b>			<b>70,870</b>
<b>As at March 31, 2018</b>						
Trade payable	10(a)		77,270			77,270
<b>Total</b>			<b>77,270</b>			<b>77,270</b>

## Note 27 : Fair Value Measurement

### Financial instruments by category

(IN NR)							
	Note	31.03.2019 Amortised Cost	31.03.2019 *FVTPL	31.03.2019 *FVTOCI	31.03.2018 Amortised Cost	31.03.2018 *FVTPL	31.03.2018 *FVTOCI
<b>Financial assets</b>							
Investments	5(a)			23,99,671			12,40,761
Trade receivables	5(b)	-			1,35,08,351		
Cash and cash equivalents	5(c)	4,39,68,690			2,87,74,571		
Advance to employees	5(d)	63,965			78,540		
Security deposits	5(e)	31,500			36,614		
Other financial assets	5(e)	1,27,94,370			2,16,46,833		
<b>Total financial assets</b>		<b>5,68,58,525</b>		<b>23,99,671</b>	<b>6,40,44,909</b>		<b>12,40,761</b>
<b>Financial liabilities</b>							
Trade payables	10(a)	70,870			77,270		
<b>Total financial liabilities</b>		<b>70,870</b>			<b>77,270</b>		

\* FVTPL -Fair Value Through Profit and Loss

\* FVTOCI -Fair Value Through Other Comprehensive Income

### (i) Fair value hierarchy

This section explains the judgement and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value, and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each levels follows underneath the table.

Level 1:- Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in stock exchanges is valued using the closing price at the reporting period.

Notes to financial statements for the year ended 31st March, 2019

Level 2:- The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3:- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case of unlisted equity securities, contingent consideration and identification asset included in level 3.

(IN INR)					
Fair value Measurement using					
Particulars	Note	Carrying value 31.03.2019	Level 1	Level 2	Level 3
<b>A. Financial assets at fair value through other comprehensive income</b>					
-Investments in equity instruments	5(a)	23,99,671	16,45,920		7,53,751
<b>Total</b>		<b>23,99,671</b>	<b>16,45,920</b>		<b>7,53,751</b>
<b>B. Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2019</b>					
<b>Financial assets :</b>					
Loans					
-Advance to employees	5(d)	63,965			63,965
Security deposits	5(e)	31,500			31,500
<b>Total financial assets</b>		<b>95,465</b>			<b>95,465</b>
<b>Financial liabilities</b>					
Trade payables	(10(a))	70,870			70,870
<b>Total financial liabilities</b>		<b>70,870</b>			<b>70,870</b>
<b>A. Financial assets at fair value through other comprehensive income</b>					
-Investments in equity instruments	5 (a)	12,40,761	7,94,000		4,46,761
<b>Total</b>		<b>12,40,761</b>	<b>7,94,000</b>		<b>4,46,761</b>
<b>B. Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2018</b>					
<b>Financial assets :</b>					
Advance to employees	5(d)	78,540			78,540
Security deposits	5(e)	36,614			36,614
<b>Total financial assets</b>		<b>1,15,154</b>			<b>1,15,154</b>
<b>Financial liabilities</b>					
Trade payables	10(a)	77,270			77,270
<b>Total financial liabilities</b>		<b>77,270</b>			<b>77,270</b>

Notes to financial statements for the year ended 31st March, 2019

**(ii) Valuation technique used to determine fair value**

The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement value

Specific techniques used to value financial instruments included:

- > the use of quoted market prices or dealer quotes for similar instruments
- > the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow

**The following method and assumptions are used to estimate fair values:**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short-term deposits etc. are considered to be their fair value. Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

**Note 28:** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

*As per our report of even date attached*

**For K.C. MALHOTRA & CO.**

**Chartered Accountants**

**(Firm Registration No. 000057N)**

**Ramesh Malhotra**

**Partner**

**Membership No. 013624**

**Place of Signature : New Delhi**

**Date : 22.5.2019**

<b>COMILLA MOHAN</b>	<b>Managing Director</b>	<b>DIN 00196231</b>
<b>SUBHASH ARYA</b>	<b>Director</b>	<b>DIN 00308369</b>
<b>L.N. MALIK</b>	<b>Director</b>	<b>DIN 00481449</b>
<b>SATISH MOHAN</b>	<b>Director</b>	<b>DIN 00230292</b>
<b>SANJEEV BAWA</b>	<b>Director</b>	<b>DIN 03633427</b>
<b>MANOJ MADAN</b>	<b>Chief Financial Officer</b>	
<b>MINAS KUMAR</b>	<b>Company Secretary</b>	

## NATIONAL CEREALS PRODUCTS LIMITED

Regd. Office : Solan Brewery -173214, Distt. Solan (H.P.)  
 CIN-L99999HP1948PLC001381, Web:nationalcereals.com  
 e-mail:-ncp@nationalcereals.com, Tel.01792-230222

### PROXY FORM NO. MGT-11

[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(s) : .....

Registered address : .....

E-mail Id : .....Folio No./ DP ID and Client ID : .....

I / We, being the member(s) of the company and holding \_\_\_\_\_ shares of the company hereby appoint :-

1) Name: ..... Address: .....  
 E-mail :.....Signature:.....or failing him/her.....

2) Name: ..... Address: .....  
 E-mail :.....Signature:.....or failing him/her.....

3) Name: ..... Address: .....  
 E-mail :.....Signature:.....or failing him/her.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 71<sup>st</sup> Annual General Meeting of the Company to be held on Saturday, September 28<sup>th</sup>, 2019 at 12.00 Noon at Solan Brewery -173214, Distt. Solan (H.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

Sl. No	Resolution	Optional*	
Ordinary Business		For	Against
1	Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Satish Mohan as Director of the Company, liable to retire by rotation.		
Special Business			
3	Agreement entered into by the Company with Mohan Meakin Ltd, Solan Brewery (H.P.) for their premises.		
4	Re-appointment of Shri Sanjeev Bawa as an Independent Director		
5	Re-appointment of Shri L. N. Malik as an Independent Director		

Signed this \_\_\_\_ day of \_\_\_\_ 2019

Signature of the Shareholder \_\_\_\_\_

Signature of the Proxy holder \_\_\_\_\_

Notes:-

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 71<sup>st</sup> Annual General Meeting.
3. \*It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission

**Affix  
Revenue  
Stamp of  
Re. 1/-**



## NATIONAL CEREALS PRODUCTS LIMITED

Regd. Office : Solan Brewery -173214, Distt. Solan (H.P.), CIN-L99999HP1948PLC001381  
e-mail:-ncp@nationalcereals.com, Tel. 01792-230222

ATTENDANCE SLIP  
(To be presented at the entrance)

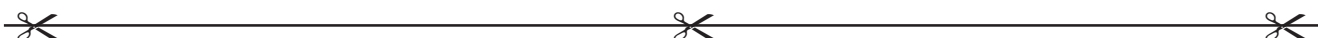
**71<sup>st</sup> Annual General Meeting on Saturday, 28<sup>TH</sup> September 2019, AT 12.00 Noon  
at Regd. Office : Solan Brewery -173214, Distt. Solan (H.P.)**

Folio No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



FORM NO. MGT-12

Polling Paper

## NATIONAL CEREALS PRODUCTS LIMITED

Regd. Office : Solan Brewery -173214, Distt. Solan (H.P.), CIN-L99999HP1948PLC001381  
e-mail:-ncp@nationalcereals.com, Tel. 01792-230222

**71<sup>st</sup> Annual General Meeting on Saturday, 28<sup>TH</sup> September 2019, AT 12.00 Noon**

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner :

Sl. No	Resolution	Optional*	
		For	Against
Ordinary Business			
1	Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Satish Mohan as Director of the Company, liable to retire by rotation.		
Special Business			
3	Agreement entered into by the Company with Mohan Meakin Ltd, Solan Brewery (H.P.) for their premises.		
4	Re-appointment of Shri Sanjeev Bawa as an Independent Director		
5	Re-appointment of Shri L. N. Malik as an Independent Director		

Signature : \_\_\_\_\_ (Shareholder/Proxy-Pls Tick)

Name of the Shareholders:-

Name of the Proxy (Please mention NA if not applicable):-Folio No/DP Id/Client ID:-

No of Shares Held:-





To,

The Company Secretary  
National Cereals Products Limited  
Solan Brewery, PO Shimla Hills  
Distt. Solan-173214 (H.P.)

Sub:- Updation of Shareholders Information

Dear Sir,

I/We request you to record the following information against my/our Folio No:-

General Information

Folio No	
Name of the first named Shareholder	
PAN	
CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No	
Email ID	

\* Self-attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type	
Bank A/c No	
Name of the Bank	
Bank Branch Address	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ we would not hold the Company/ RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No. / beneficiary account.

Place:

Date:

Signature of Sole / First holder

