

**72<sup>nd</sup>**  
**Annual Report**  
**and Accounts**  
**2020**

# NATIONAL CEREALS PRODUCTS LIMITED

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# NATIONAL CEREALS PRODUCTS LIMITED

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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 & CFO

Statutory Auditors  
K. C. Malhotra & Company  
Chartered Accountants  
New Delhi-110048

Secretarial Auditors  
M/s AKP & Associates  
Practicing Company Secretary

Registrar & Transfer Agents  
MAS Services Ltd.  
T-34, IInd Floor, Okhla Industrial Area  
Phase-II, New Delhi-110020

ANNUAL GENERAL MEETING  
AT 12.00 NOON, Monday, the 28<sup>th</sup> September, 2020  
AT Solan Brewery, Pin Code-173214 (Himachal Pradesh)

**Registered Office:**-Solan Brewery PinCode-173214  
District: - Solan (Himachal Pradesh)  
**Works:** - Mohan Nagar, Ghaziabad, (U.P.)-201007

# NATIONAL CEREALS PRODUCTS LIMITED

## NATIONAL CEREALS PRODUCTS LIMITED

CIN:-L99999HP1948PLC001381

REGD. OFFICE: - Solan Brewery-173214, Distt. Solan (H.P.)

E-mail:- [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com), Tel:-01792-230222

Website: -[www.nationalcereals.com](http://www.nationalcereals.com)

Invitation to attend the 72<sup>nd</sup> Annual General Meeting to be held on Monday, 28<sup>th</sup> September, 2020

Dear Members,

You are cordially invited to attend the Seventy Second Annual General Meeting of the Company to be held on Monday, 28<sup>th</sup> September, 2020 at 12.00 Noon IST through video conferencing. The notice convening the Annual General Meeting is attached herewith. In order to enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference:

Sl No	Particulars	Details
1	URL for participation through Video Conferencing (VC), e-voting during AGM and remote e-voting	<a href="https://www.evotingindia.com/login_BO.jsp?t=i1">https://www.evotingindia.com/login_BO.jsp?t=i1</a>
2	Username and password for VC	Same as remote e-voting
3	Helpline number for VC participation and e-voting	Mr. Rakesh Dalvi, Mr. Nitin Kunder and Mehboob Lakhani Central Depository Services (India) Limited A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East) Mumbai - 400013 <a href="mailto:email-helpdesk.evoting@cdslindia.com">email-helpdesk.evoting@cdslindia.com</a> Phone-022-23058538/42/43
5	Cut-off date for e-voting	21 <sup>st</sup> September, 2020
6	Time period for remote e-voting	Friday, 25th September, 2020 (10:00 AM) and ends on Sunday, 27 <sup>th</sup> September, 2020 (5:00 PM).
7	Book Closure date	Saturday 26 <sup>th</sup> September, 2020 to Monday, 28 <sup>th</sup> September, 2020 (Both days inclusive)
8	Link for Members to temporarily update e-mail address	<a href="mailto:info@masserv.com">info@masserv.com</a> or alternatively the shareholders may write to the company secretary at <a href="mailto:ncp@nationalcereals.com">ncp@nationalcereals.com</a>

# NATIONAL CEREALS PRODUCTS LIMITED

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9	Last date for publishing results of the E-voting	Within 48 hours after closure of the meeting
10	Registrar and Share Transfer Agent contact details	Mas Services Limited (Registrars & Share Transfer Agents) T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 20 Ph:- 26387281/82/83 website : <a href="http://www.masserv.com">www.masserv.com</a>
11	Company's contact details	Shareholder may contact company secretary at <a href="mailto:ncp@nationalcereals.com">ncp@nationalcereals.com</a>

We are hopeful that shareholders would find the aforesaid information/details useful and spare their valuable time to participate in 72<sup>nd</sup> Annual General Meeting of the company through video conferencing on Monday, 28<sup>th</sup> September, 2020 at 12.00 Noon.

Thanking you,

Yours truly,

**For National Cereals Products Limited**

**Minas Kumar**  
Company secretary

# NATIONAL CEREALS PRODUCTS LIMITED

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## NATIONAL CEREALS PRODUCTS LIMITED

CIN:-L99999HP1948PLC001381

REGD. OFFICE: - Solan Brewery-173214, Distt. Solan (H.P.)

E-mail:- [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com), Tel:-01792-230222

Website: -[www.nationalcereals.com](http://www.nationalcereals.com)

### **NOTICE OF MEETING OF 72<sup>nd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 72<sup>nd</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 Monday, 28<sup>th</sup> September, 2020, at 12.00 Noon to transact the following business.

#### **ORDINARY BUSINESS:-**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2020 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 Subhash Arya (DIN 00308369) who retires by rotation and being eligible offers himself for re-election.

#### **SPECIAL BUSINESS:-**

3. **Re-appointment of Mrs. Comilla Mohan, Woman Managing Director (DIN00196231)**

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

**“RESOLVED THAT** pursuant to recommendations of the Nomination and Remuneration committee, and proposal of the Board and subject to the provisions of Section 196, 197, 198, 203 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V and the other applicable provision and rules made there under, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“the Act”), the relevant provision of the Memorandum and Articles of Association and subject to such other consents, approvals and permission from Central Government or any other authorities, if any, approval of the members of the Company be and is hereby accorded for the re-appointment of Mrs. Comilla Mohan (DIN 00196231) as Managing Director of the Company for a period of three years with effect from September 1<sup>st</sup>, 2020 up to August 31<sup>st</sup>, 2023, upon the terms and conditions as set out in the Explanatory Statements annexed to this notice.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Company Secretary be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

# NATIONAL CEREALS PRODUCTS LIMITED

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## 4. Regularization and Appointment of Mr. Rajan Datt (DIN: 00229664) as the Director of the Company:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Rajan Datt (DIN 00229664), who was appointed as Additional Director on 27<sup>th</sup> June, 2020 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.

**“RESOLVED FURTHER THAT** any Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

### NOTES:-

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 and General Circular No.20/2020 dated May 5, 2020 (collectively “MCA Circulars”), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 72<sup>nd</sup> AGM of the Company is being convened and conducted through VC.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.
3. The Company has enabled the Members to participate at the 72<sup>nd</sup> AGM through the VC facility provided by Central Depository Services Limited, (“CDSL”). The instructions for participation in the 72<sup>nd</sup> Annual General Meeting through VC/OAVM Facility and e-Voting during the said Annual General Meeting by the Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.

# NATIONAL CEREALS PRODUCTS LIMITED

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4. As per the provisions under the MCA Circulars, Members attending the 72<sup>nd</sup> AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the subsequent paragraphs. Such remote e-voting facility is in addition to voting that will take place at the 72<sup>nd</sup> AGM being held through VC.
6. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
7. The Company has appointed Mr. Ashutosh Kumar Pandey, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
8. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 72<sup>nd</sup> AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 72<sup>nd</sup> AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
9. Corporate Members are requested send a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf at [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com). Institutional investors are encouraged to attend and vote at the meeting through VC.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. The Register of Members and Share Transfer books will remain closed from 26<sup>th</sup> day, of September, 2020 to 28<sup>th</sup> day, September, 2020 (both days inclusive).
12. In line with the MCA Circulars, the notice of the 72<sup>nd</sup> AGM along with the Annual Report 2019-20 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and Annual Report 2019-20 will also

# NATIONAL CEREALS PRODUCTS LIMITED

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be available on the Company's website at <https://www.nationalcereals.com/investors/annual-reports/>, and on the websites of CDSL at [https:// www.evotingindia.com](https://www.evotingindia.com) (Notice of AGM only).

13. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, **Mas Services Limited**. Members may note that pursuant to the General Circular No. 20/2020 dated May 5, 2020 issued by the MCA, the Company has enabled a process for the limited purpose of receiving the Company's annual report and notice for the Annual General Meeting (including remote e-voting instructions) electronically, and Members may temporarily update their email address by writing to RTA of the company or alternatively they may also write to the company secretary of the company at [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com)
14. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 72<sup>nd</sup> AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com).
15. The details of the Directors seeking appointment/re-appointment at the 72<sup>nd</sup> AGM are provided in Annexure A of this Notice. The Company has received the requisite consents/declarations for the appointment/re-appointment under the Companies Act, 2013 and the rules made there under.
16. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
17. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, Mas Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020.

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18. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its Registrar and Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Members after making requisite changes, there on. Members are requested to use the share transfer form SH-4 for this purpose.
19. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
20. Non-resident Indian shareholders, if any, are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be
  - a) The change in the residential status on return to India for permanent settlement, and
  - b) The particulars of the NRE account with a Bank in India, if not furnished earlier.
21. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Company's registered office or the Company's Registrar and Share Transfer Agent (Mas Services Limited) for revalidation and encashment before the due dates. The details of such unclaimed dividends are available on the Company's website at [www.nationalcereals.com](http://www.nationalcereals.com) Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to DEMAT account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an on line application in the prescribed Form IEPF-5 available on the website <http://www.iepf.gov.in/> and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

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22. Pursuant to the Rule 5(8) of the Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is to upload details of unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting on its website at <https://www.ncpl.com/investors/unpaid-dividend/> and also on the website of the Ministry of Corporate Affairs.
23. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its registered office.
24. The following documents will be available for inspection by the Members electronically during the 72<sup>nd</sup> AGM. Members seeking to inspect such documents can send an email to [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com).
  - a) Certificate from the Statutory Auditors/Secretarial Auditor relating to the compliance as per SEBI (LODR) 2015.
  - b) Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013.
25. In case of any queries regarding the Annual Report, the Members may write to [ncp@nationalcereaels.com](mailto:ncp@nationalcereaels.com) to receive an email response.
26. As the 72<sup>nd</sup> AGM is being held through VC, the route map is not annexed to this Notice.
27. 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.
28. 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.
29. 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.

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30. The e-voting will commence on Friday, 25<sup>th</sup> September, 2020 at 10:00 A.M. IST and ends on Sunday, 27<sup>th</sup> September, 2020 at 5:00 P.M. IST. The cut-off date for the purpose of e-voting is 21<sup>st</sup> September, 2020. Please read the instructions for e-voting given herein below before exercising your vote electronically.

## REMOTE E-VOTING THROUGH ELECTRONIC MEANS

1) The instructions for shareholders for remote e-voting are as under:-

- i. The remote e -voting period begins on Friday, 25<sup>th</sup> September, 2020 at 10.00 am IST and ends on Sunday, 27<sup>th</sup> September, 2020 at 5.00 pm. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the “cut-off date” i.e. 21<sup>st</sup> September 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the Meeting would not be entitled to vote at the Meeting.
- iii. Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on “Shareholders” module.
- v. Enter their User ID
  - a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in physical form should enter Folio Number registered with the Company.

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using yourlogin credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and click on “Login”
- vii. Shareholders holding shares in dematerialized form and having used [www.evotingindia.com](http://www.evotingindia.com) earlier and having voted on an earlier e-voting of any company, may use their existing password.
- viii. First time users may follow the steps given below: -

	<b>For Shareholders holding shares in Dematerialized Form or Physical Form</b>
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# NATIONAL CEREALS PRODUCTS LIMITED

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Shareholders holding shares in physical form will then reach directly the Company selection screen. However, shareholders 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 used also by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the 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.
- xi. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN **200829038** for **NATIONAL CEREALS PRODUCTS LIMITED** on which you chose to vote.
- xiii. On the voting page, shareholders will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Shareholders can select the option YES or NO as desired. The option YES implies that they assent to a Resolution and option NO implies that they dissent to the Resolution.

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- xiv. Shareholders should click on the “RESOLUTIONS FILE LINK” if they wish to view the entire Resolution details.
  - xv. After selecting the Resolution, they have decided to vote on, they should click on “SUBMIT”. A confirmation box will be displayed. If they wish to confirm their vote, click on “OK”, else to change their vote, click on “CANCEL” and they can accordingly modify their vote.
  - xvi. Once they “CONFIRM” their vote on a Resolution, they will not be allowed to modify their vote.
  - xvii. They can also print details of the votes cast by clicking on “Click here to print” option on the Voting Page
  - xviii. If a Demat account shareholder has forgotten the login password then enter the User ID and the image verification code and click on “Forgot Password” and enter the details as prompted by the system.
  - xix. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from the internet. Please follow the instructions as prompted by the mobile app while remote e-voting from your mobile.
- 2) Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice.
- For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to Company/RTA’s email ID at [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com) and [info@masserv.com](mailto:info@masserv.com) respectively.
  - For shareholders holding shares in dematerialized form - please provide DEMAT account details (CDSL16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of shareholder, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA’s email ID at [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com) or [info@masserv.com](mailto:info@masserv.com) respectively.

# NATIONAL CEREALS PRODUCTS LIMITED

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- The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid shareholders.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM**

- 1) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- 2) Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e- voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- 3) Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
- 4) Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
- 5) Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimize / mitigate any kind of aforesaid glitches.
- 6) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 3 days prior to meeting (i.e. before September 25, 2020) mentioning their name, demat account number/folio number, email id, mobile number at [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting (i.e. before September 25, 2020) mentioning their name, demat account number/folio number, email id, mobile number at [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com) These queries will be replied to by the company suitably by email.
- 7) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

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## INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE MEETING

- 1) Procedure for e-Voting on the day of the AGM is same as the Remote e-voting as mentioned above.
- 2) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are not otherwise barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 3) If any votes are cast by shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.
- 4) Shareholders who have voted through Remote e-Voting facility will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## INSTRUCTIONS FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- I. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- II. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. After receiving the login details a “Compliance User” should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- IV. The list of accounts linked in the login 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.
- V. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- VI. Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the email address viz

# NATIONAL CEREALS PRODUCTS LIMITED

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investorrelations.india@castrol.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## OTHER INSTRUCTIONS

- I. Shareholders can update their mobile numbers and e-mail IDs (which may be used for sending future communication(s)) by writing to [info@masserv.com](mailto:info@masserv.com) and [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com)
- II. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 21<sup>st</sup> .September 2020 may obtain the login ID and password by sending an email to [info@masserv.com](mailto:info@masserv.com) and [ncp@nationalcereals.com](mailto:ncp@nationalcereals.com) by mentioning their Folio No./DP ID and Client ID No.
- III. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the Meeting.
- IV. Mr. Ashutosh Kumar Pandey, Proprietor of AKP & Associates, Company Secretary (CP No. 7385) has been appointed as the Scrutinizer to scrutinize the remote e-voting and e-voting during the meeting in a fair and transparent manner.
- V. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- VI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://nationalcereals.com> and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the CSE Limited.

# NATIONAL CEREALS PRODUCTS LIMITED

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- VII. Members who need assistance before or during the AGM, or 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) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- VIII. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43

**Dated: - 10<sup>th</sup> August, 2020**  
**Registered office:-**  
**Solan Brewery,**  
**District Solan-173214**  
**Shimla Hills, Himachal Pradesh**

**By Order of the Board of Directors**  
**For National Cereals Products Limited**

**Minas Kumar**  
**Company Secretary**

# NATIONAL CEREALS PRODUCTS LIMITED

**Particulars of Directors seeking appointment/reappointment 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:**

Name	Mr Subhash Arya
Age	77 Years
Qualification	Higher Secondary
Experience	Leading Businessman
Other Directorship	Trade Links Private Limited
Shareholding in the Company	450 Shares

Name	Smt. Comilla Mohan
Age	91 Years
Qualification	Graduate
Experience	Having Long Experience as Director of the company
Other Directorship	<ol style="list-style-type: none"> <li>1. Trade Links Private Limited</li> <li>2. Redfeather Holdings Private Limited</li> <li>3. Conran Estates Private Limited</li> </ol>
Shareholding in the Company	58286 in the individual capacity

Name	Mr Rajan Datt
Age	62 Years
Qualification	Graduate
Experience	Having long Experience in the Management of various companies
Other Directorship	<ol style="list-style-type: none"> <li>1. Trade Links Private Limited</li> <li>2. Mohan Closures Limited</li> <li>3. Nupack Cartons and Closures Limited</li> <li>4. Mohan Zupack Limited</li> <li>5. Brijeshwari Housing and Construction Private Limited</li> </ol>
Shareholding in the Company	None

# NATIONAL CEREALS PRODUCTS LIMITED

## 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:-

#### **Re-appointment of Mrs. Comilla Mohan, Woman Managing Director (DIN00196231)**

Mrs. Comilla Mohan was appointed as the Managing Director of the Company for a period of 3 years i.e. which is going to expire on the ensuing Annual General Meeting. Now as her term going to expire, it is proposed to the Shareholders to consider and approve her re-appointment and terms and conditions including her remuneration as the “Managing Director” of the Company for a further period of Three years i.e. from 1st September 2020 to 31st August 2023.

The Nomination & Remuneration Committee of the Board of Directors of the Company, at their meetings held on 10<sup>th</sup> August, 2020, and subject to the approval of the members in the Annual General Meeting, have approved the re-appointment and broad terms and conditions (including remuneration) of Mrs. Comilla Mohan as Managing Director of National Cereals Products Limited for a period of three years from 2019-2020 to 2022-2023.

### **Information as per requirement of Schedule V of the Companies Act, 2013**

#### **General Information**

<b>PARTICULARS</b>	<b>DETAILED INFORMATION</b>
Nature of industry	Manufacturing of Barley Malt
Date or expected date of commencement of commercial production	Commenced business in 1948
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	Kindly refer the audited accounts for the year 2019-20
Foreign investments or collaborations, if any.	Not Applicable

# NATIONAL CEREALS PRODUCTS LIMITED

## II. Information about the appointee:

Background details	The Shareholders at the 69 <sup>th</sup> Annual General Meeting held on 29 <sup>th</sup> September, 2017 has approved the appointment of Mrs. Comilla Mohan as Managing Director for 3 years on monthly remuneration of Rs. 72,000/- + Perks
Past remuneration	Rs. 8,64,000/- + Perks
Recognition or awards	NIL
Job profile and his suitability	As Per Explanatory Statement
Remuneration proposed	As Per Explanatory Statement
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is much below than the remuneration paid to similar senior level in other company's
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mrs. Comilla Mohan is related to Mr. Satish Mohan Director as distant relative

## III. Other information:

Reasons of loss or inadequate profits	The Company suffered loss due to no production
Steps taken or proposed to be taken for improvement	The Company is trying & searching for viability in its operation
Expected increase in productivity and profits in measurable terms	Continuous efforts are being made in this regards

- (i) Period of Appointment  
Three years from 1<sup>st</sup> September 2020 to 31<sup>st</sup> August 2023
  
- (ii) Remuneration  
(A) Salary  
Rs. 45,000/- (Forty Five Thousand only) Per month

# NATIONAL CEREALS PRODUCTS LIMITED

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## **(B) Perquisites**

In addition to the salary hereinabove, Smt. Comilla Mohan shall be entitled to perquisites restricted to an amount which together with salary do not exceed the limits prescribed u/s 197 and schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

### **Category “A”**

- (i) Housing: Rent Free furnished accommodation at New Delhi, (the place of posting or House Rent Allowance, subject to the ceiling of 60% (Sixty percent) of the salary mentioned above will be provided to the Managing Director.
- (ii) Actual expenditure incurred on gas, electricity, water and furnishing.
- (iii) Medical/Mediclaim Insurance Policy expenses incurred for the Managing Director and her family shall be reimbursed.
- (iv) Medical/Med claim insurance policies premium for self and her family shall be reimbursed to her.
- (v) Leave Travel Concession for the Managing Director and her family, once in a year.
- (vi) Premium for personal Accident insurance.

### **Category “B”**

- (i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent, not taxable under Income –tax Act,1961
- (ii) Gratuity payable not to exceed half a month’s salary for each completed year of service and will not be included in the computation of the ceiling on perquisites
- (iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites. The Managing Director shall be entitled to earn privilege leave on full pay and allowance as per the rules of the Company, but not more than one month’s leave for every eleven month’s service.

### **Category “C”**

For the purpose of calculating of above ceiling, perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable, in the absence of any such rules, perquisites shall be evaluated at actual cost. Provision of car with driver for use on Company’s business as well as for personal purposes and telephone along with mobile at residence will not be considered as perquisites, the expenses of which shall be paid by the Company

# NATIONAL CEREALS PRODUCTS LIMITED

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## **MINIMUM REMUNERATION**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and other benefits as specified above as a minimum remuneration, which shall not exceed the limits prescribed under section 197 Schedule V to the Companies Act, 2013.

The head quarter of Managing Director shall be at New Delhi.

This appointment/arrangement may be terminated by either party by giving the other party six months' notice.

**“RESOLVED FURTHER THAT** the Board of Directors, be and is hereby instructed to carry out all necessary acts and deeds including filing of necessary forms to the concerned Registrar of Companies as may be deemed expedient to give effect to the above said Resolution.

### **Other Terms and Conditions of appointment:**

There has been no default in re-payment of any of its debts (including public deposits) or debentures or interest payables thereon for a continuous period of thirty days in any preceding financial year.

The other information as required under Paragraph (iv) of Section II, Part II of Schedule V of the Companies Act, 2013. This statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) and other relevant Regulations of the SEBI (Listing obligations & Disclosure Requirements) Regulation 2015; Mrs. Comilla Mohan is concerned or interested in the proposed Special Resolution.

None of the other Directors, Key managerial personnel or their respective relatives, financially or otherwise, is interested in the Resolution.

A written Memorandum containing terms and conditions of the appointment, including the variation in terms, shall be open for inspection at the registered office of the Company during normal business hours on all working days between 10 A. M. to 5 P.M. up to the date of Annual meeting as there is no Agreement/Contract entered into by the Company with the Managing Director.

In Compliance with the provisions of Sections 2(94), 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and other relevant Regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, the approval of the Members of the Company is sought for the appointment and terms of remuneration of Mrs. Comilla Mohan as Managing Director asset out above.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Regularization and Appointment of Mr. Rajan Datt (DIN: 00229664) as the Director of the Company:**

### **AGENDA ITEM NO 4:-**

Mr. Rajan Datt was appointed as Additional Director of the company with effect from 27<sup>th</sup> June, 2020, in accordance with the provisions of Section 161 of the Companies Act, 2013, read with the Articles of Association of the company. Mr. Rajan Datt holds office of the Director till the conclusion of next Annual General Meeting. Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the company is required for regularization of Mr. Rajan Datt as Director of the company.

The Board is of the view that the appointment of Mr. Rajan Datt as Director is desirable and would be beneficial to the company and hence it recommends the said resolution for approval by the members of the company. None of the directors/key managerial personnel of the company/their relatives, except Mr. Rajan Datt himself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

**Dated: - 10<sup>th</sup> August, 2020**  
**Registered office:-**  
**Solan Brewery,**  
**District Solan**  
**Shimla Hills, Himachal Pradesh**

**By Order of the Board of Directors**  
**For National Cereals Products Limited**

**Minas Kumar**  
**Company Secretary**

# NATIONAL CEREALS PRODUCTS LIMITED

## DIRECTOR'S REPORT

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

Your Directors have pleasure in presenting the 72<sup>nd</sup> Annual Report together with Audited Financial Statement of Accounts for the year ended 31st March 2020.

In the last month of FY 2020 the COVID-19 pandemic developed rapidly into a global crisis forcing governments to enforce lock-downs of all economic activity. For the Company the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to operations of the company. As of March 31 2020, work from home was enabled to close to 90 percent of the employees to work remotely and securely. This response has reinforced the confidence of the stakeholder in NCPL and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

### Financial summary and highlights

<b>Particulars</b>	<b>Current Year 31<sup>st</sup> March, 2020</b>	<b>Previous Year 31<sup>st</sup> March, 2019</b>
Revenue from Operations	-----	-----
Other Income	34,33,729	35,33,256
Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	(42,76,912)	(62,27,632)
Less:- Depreciation/Amortization/Impairment	-----	2,286
Loss before Finance Costs, Exceptional Items and Tax Expense	(42,76,912)	(62,29,918)
Less:- Finance Costs	-----	725
Profit/Loss before Exceptional items and Tax Expense	(42,76,912)	(62,30,643)
Add/(Less):- Exceptional items	-----	-----
Profit/Loss before Tax Expense	(42,76,912)	(62,30,643)
Less:- Tax Expense (Current & Deferred)	-----	-----
Profit/Loss for the year (1)	(42,76,912)	(62,30,643)
Total Comprehensive Income/Loss (2)	1,96,000	8,11,024
Total(1+2)	(40,80,912)	(54,19,619)
Transfer to Reserve	<b>(40,80,912)</b>	<b>(54,19,619)</b>

### FINANCIAL AND OPERATIONAL REVIEW

During the financial year 2019-2020, the revenue from operations was Nil due to no production, however interest income of the company on Fixed Deposit was Rs. 34,33,729/- in comparison to 35,33,256/- of last year.

# NATIONAL CEREALS PRODUCTS LIMITED

## WORKING RESULTS

The members are informed that your company was not engaged in any business during the financial year 2019-2020.

## TRANSFER TO RESERVE

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

## 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.

## MAJOR EVENTS OCCURRED DURING THE YEAR

### a) State of the Company's affairs

(i)	Segment-wise position of business and its operations	Single segment company
(ii)	Change in status of the company	No Change
(iii)	Key business development	No Development
(iv)	Change in the financial year	No Change
(v)	Capital Expenditure Programmes	No Capital Expenditure
(vi)	Details and status of acquisition, merger, expansion, modernization and diversification	No change
(vii)	Development, acquisition and assignment of material intellectual property rights	There is nothing to report under this head
(viii)	Any other material event having an impact on the affairs of the company	There is nothing to report under this head

### b) 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.

### c) Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the year and till the date of the report.

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

# NATIONAL CEREALS PRODUCTS LIMITED

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## **BOARD PERFORMANCE 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 evaluation was based on the criteria such as Director's knowledge and understanding of their role, Company's vision and mission, market potential, Director's commitment, qualification, skill and experience, openness in communication, etc.

The performance of the Board was evaluated on the basis of various criteria such as composition of the Board, information flow to the Board and its dynamism, strategic issues, roles and functions of the Board, relationship with the management, engagement with the Board and external stakeholders and other development areas.

The performance of the committee was evaluated after seeking the inputs of committee members on the criteria such as understanding the terms of reference, Committee composition, independence, contribution to Board decisions, etc.

## **INDEPENDENT DIRECTORS' MEETING:**

One Meeting of the Independent Directors was held on 16<sup>th</sup> March, 2020, without the presence of the Executive Directors or management personnel. At the Independent Directors Meeting held on 16<sup>th</sup> March, 2020, the Independent Directors carried out performance evaluation of Non-Independent Directors and the Board of Directors as a whole, performance of Chairman of the Company, the quality, content and timeliness of flow of information between the Management and the Board, based on the Performance Evaluation framework of the Company. All the Independent Directors were present at the aforesaid Meeting.

## **FAMILIRIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Company has in place a Familiarization Program for Independent Directors to provide insights into the Company's business to enable them contribute significantly to its success. The Executive Directors and Senior Management make presentations periodically to familiarize the Independent Directors with the strategy operations and functions of the Company.

## **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

# NATIONAL CEREALS PRODUCTS LIMITED

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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.

## **CHANGES IN KEY MANAGERIAL PERSONNEL**

There is no change in the Key Managerial Personnel during the year under Report.

## **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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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 2019-20. 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 2020-21. 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 focuses 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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 31-03-2020 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 2020 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 this value 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, 2020. 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, 2020 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 69th 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 69th Annual General Meeting till the conclusion of the 74th Annual General Meeting to be held in 2022. The requirement of ratification of appointment of the Statutory Auditors has been dispensed vide the Companies

# NATIONAL CEREALS PRODUCTS LIMITED

(Audit and Auditors) \*Second Amendment Rules, 2018 Dated 7th 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 herein the Board Report.

## DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT

There is nothing to report under this head.

## General Information

(i)	Overview of the industry and important changes in the industry during the last year	The company was engaged in the business of producing the Malt from barley.
(ii)	External Environment and economic outlook	The business of Malt is very competitive.
(iii)	Induction of strategic and financial partners during the year; and	There is nothing to report under this head.

## Capital and Debt Structure

### ANY CHANGE IN THE CAPITAL STRUCTURE OF THE COMPANY DURING THE YEAR, INCLUDING THE FOLLOWING:-

There is nothing to report under this head.

## CREDIT RATING OF SECURITIES

There is nothing to report under this head.

## 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

# NATIONAL CEREALS PRODUCTS LIMITED

transferred to the DEMAT account of IEPF Authority. The company, during the year, has made below transfer to the IEPF/DEMATS Account of IEPF Authority:-

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

## **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 MGT9 as a part of this Annual Report is attached.

## **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 there to 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 employees, nothing is to be mentioned about complaint of harassment during the year in question.

# NATIONAL CEREALS PRODUCTS LIMITED

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## 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 accepts 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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**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:**

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made 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;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) 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.

## **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 2020-2021.

## **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 2019-20 and the notice of the 72<sup>nd</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.

# NATIONAL CEREALS PRODUCTS LIMITED

## Management

### Directors and Key Managerial Personnel

Your Board is duly constituted as per the applicable provisions of the Companies Act, 2013, SEBI regulations rules and regulations made there-under.

<p>Names of the persons who have been appointed/ceased to be directors and/or key Managerial personnel of the company</p> <p><b>(i) During the year;</b></p> <p><b>(ii) After the end of the year and up to the date of the Report;</b></p>	<p>No change in composition of the Board has taken place during the year under consideration.</p> <p>Mrs. Comilla Mohan was appointed as the Managing Director of the Company for a period of 3 years i.e. from September 1<sup>st</sup>, 2017 to August, 31<sup>st</sup>, 2020 which is going to expire on the ensuing Annual General Meeting. Now as her term going to expire, it is proposed to the Shareholders to consider and approve her re-appointment and terms and conditions including her remuneration as the “Managing Director” of the Company for a further period of Three years i.e. from 1st September 2020 to 31st August 2023.</p> <p>Mr. Satish Mohan (DIN 00230292) Director of the Company has resigned from the position of Directorship on 27<sup>th</sup> June, 2020 and Mr. Rajan Datt (DIN 00229664) appointed as Additional Director of the company on 27<sup>th</sup> June, 2020.</p>
<p>Names of the Directors retiring by rotation at the ensuing annual general meeting and whether or not they offer themselves for re-appointment</p>	<p>Shri Subhash Arya (DIN 00308369) Director of the company will retire by rotation on the conclusion of 72<sup>nd</sup> Annual General Meeting and being eligible, offers himself for re-election.</p>

# NATIONAL CEREALS PRODUCTS LIMITED

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## **APPRECIATION**

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by 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 Subhash Arya  
(Director)**

**Shri L. N. Malik  
(Director)**

**Shri Sanjeev Bawa  
(Director)**

**Date:- 27.06.2020**

**Place: - New Delhi**

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Annexure to the Directors' Report MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE & DEVELOPMENT**

Barley is an important annual cereal plant which belongs to the genus *Hordeum* of the grass family *Poaceae* and is majorly used in cooking and making malts. Malt refers to the grain which is softened by water and then it is germinated and dried. It is primarily made from barley. Malt is generally used for brewing beer and distilling of whiskey.

Barley is one of the important cereal grains. Its nutty flavor is loved by many people. It looks like wheat berries. However, it is lighter in appearance than wheat berries. It is a very ancient cultivated grain.

Malt refers to a grain which is sprouted and then dried by a method known as malting. It is generally made from barley; however, some other grains may also be used to prepare malt. It is usually used for brewing and distilling. The word malt has been derived from the Old English word *melt* which means to melt.

Barley Malt is germinated cereal grains that have been dried in a process known as "malting". The grains are made to germinate by soaking in water, and are then halted from germinating further by drying with hot air.

### **BREWING**

Malt is an essential component for making beer. The production of beer by steeping malt in hot water and fermenting the resulting mixture using yeast is called brewing. The process of brewing using specialty malt can take place in a commercial brewery, a home brewery, or by a variety of traditional methods used by industrial brewers. Beer is usually fermented with a brewer's yeast and flavored with malt. Malt sources that are not often used include sorghum, millet, and cassava.

### **DISTILLING**

One of the major uses of malts is in distilleries whiskey, spirits, and other alcoholic preparations. The main reason behind the growth of the alcoholic beverages segment is the increasing use of malt in breweries and distilleries coupled with the rising demand for flavored whiskeys across the globe.

### **NON-ALCOHOLIC MALT BEVERAGES**

Non-alcoholic malt beverages are generally ready-to-drink beverages with added natural or artificial flavors to achieve the desired taste. Barley is the most commonly used grain in malt beverages; however, some of these beverages may also be based from corn or wheat. The fermentation process involved for malt based soft drinks is similar to that used in beer production. Fermentation also helps to add flavor and texture to the final product. Malt-based drinks have developed a reputation over the centuries for their nutritional value leading to increased demand from developed regions.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **BAKERY**

Specialty malts have been finding increasing applications in the baking industry being incorporated in several varieties of flavored bread, biscuits, cookies, and other preparations. The constantly changing tastes and preferences of customers for baked goods has forced manufacturers to experiment with different kinds of raw materials, including malt, in their preparations. Bread is a staple household food in most regions; several varieties of malt-infused breads are gaining popularity in developed regions.

## **MARKET OUTLOOK**

Malt Market size is anticipated to witness high growth owing to up surging beer industry. Globally, beer is considered as a casual drink and less harmful relative to other alcoholic beverages. Additionally, usage of organic malt in manufacturing breweries is expected to favor malt market growth.

Rising malt (brew) usage in beverage industry due to its nutritional properties will drive product market size.

The product is used in making energy drinks and milk which is used as a nutritional supplement for adults. Besides, increased sales of dairy products that are brew based and numbers of health-conscious customers are likely to propel malt market size.

Growing population worldwide has positively impacted the food demand, therefore driving brew ingredients market which is widely used in food additive industry.

In India, barley is largely grown in the states of Uttar Pradesh, Rajasthan and Madhya Pradesh, with a contribution of 34%, 30% and 12%, respectively.

Rajasthan ranks second in terms of acreage, it tops in terms of production, due to good yield level in the state.

Rajasthan accounts for 40% of total production followed by Uttar Pradesh (31%), Madhya Pradesh (9%) and Haryana (6%)

Barley is the fourth-largest cereal crop in the world, with a share of 7% of the global cereals production.

The global demand for barley based malt is higher when compared to that from other grains such as wheat, rye, oat & corn, owing to their ease of availability and crucial role in the manufacturing of malt for alcohol.

## **OPPORTUNITIES AND THREATS**

The major challenge today for Indian Malt Industry is unavailability of standard quality of raw material in sufficient quantity. 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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 AND PRODUCT WISE PERFORMANCE**

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

## **RISKS AND 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 improvements and technological up gradation, 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 AND 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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. 34, 33,729/- as compared to interest income of Rs. 35, 33,256/-for the previous year ended 31<sup>st</sup> March 2019. During the year under review, Loss before interest, depreciation and taxation was Rs. 42, 76,912/- as compared to Rs. 62, 27,632/- in the previous year ended 31<sup>st</sup> March 2019, as far as operational performance is concerned there is nothing to report.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYEES**

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. During the financial year ending 31.03.2020 the total number of employees was six out of which four employees on the roll of the company and two employees were on extension.

## **DETAILS OF ANY CHANGE IN RETURN OR NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF**

The net worth of the company in the current financial year is 50.29 as compared to 53.89 in the previous financial year. Decrease in the net worth due to continuous losses suffered by the company because of no production and sale.

## **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**

**Date: - 27.06.2020**  
**Place: - New Delhi**

**Comilla Mohan**  
**DIN: - 00196231**  
**Managing Director**

# NATIONAL CEREALS PRODUCTS LIMITED

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

We, Comilla Mohan, Managing Director and Minas Kumar, Company Secretary Cum CFO hereby certify that:

- (a) We have reviewed the financial statements for the year ended on 31.03.2020 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

Minas Kumar  
Company Secretary cum Chief Financial officer

Comilla Mohan  
Managing Director

Date:-27.06.2020  
Place: - New Delhi

# NATIONAL CEREALS PRODUCTS LIMITED

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## DECLARATION OF INDEPENDENCE

To  
The Board of Directors  
National Cereals Products Limited  
Solon Brewery, District Solon  
Himachal Pradesh-173214

**Date: - 27.06.2020**

### **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, Solon Brewery, Distt. Solon, 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 independent directors in the Company;

- We are/were not 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

# NATIONAL CEREALS PRODUCTS LIMITED

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- 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. 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 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, Mayur Vihar,**  
**Phase-1, Delhi-110091**

# NATIONAL CEREALS PRODUCTS LIMITED

## 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 transaction under third proviso thereto.**

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
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 materials contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Date of approval by the Board	N.A.
f)	Amount paid as advances, if any	N.A.

**Comilla Mohan**  
Managing Director

**Subhash Arya**  
Director

**L. N. Malik**  
Director

**Sanjeev Bawa**  
Director

Date:-27.06.2020  
Place: - New Delhi

# NATIONAL CEREALS PRODUCTS LIMITED

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## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020

[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 31st March, 2020, 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 31st March 2020, 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;

# NATIONAL CEREALS PRODUCTS LIMITED

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- 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

# NATIONAL CEREALS PRODUCTS LIMITED

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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.

# NATIONAL CEREALS PRODUCTS LIMITED

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- 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: 27.06.2020**

Note: - The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict lockdown of 21 days which was further extended by 19 days across the country to contain the spread of the virus. Furthermore, the state of HP has still restricted the free movement and hence due to COVID19 pandemic impact, the compliance documents were obtained through electronic mode and verified with requirements. My reporting is restricted to the extent of the documents provided through electronic mode.

# NATIONAL CEREALS PRODUCTS LIMITED

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## 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, 2020 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.
- h) The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict lockdown of 21 days which was further extended by 19 days across the country to contain the spread of the virus. Furthermore, the state of HP has still restricted the free movement and hence due to COVID19 pandemic impact, the compliance documents were obtained through electronic mode and verified with requirements.

For AKP & Associates  
Company Secretaries

**Ashutosh Kumar Pandey**  
**FCS-6847:CP-7385**  
**Proprietor**  
**Place: Noida**  
**Date: 27.06.2020**

# NATIONAL CEREALS PRODUCTS LIMITED

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

As on the financial year ended on 31-03-2020

[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, District 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 ACTIVITES OF THE COMPANY

S. 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

S. NO	NAME AND 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	-	213683	213683	16.25	-	213683	213683	16.25	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		581493	581493	44.23	-	581493	581493	44.23	-

# 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)	-	<b>581493</b>	<b>581493</b>	<b>44.23</b>	-	<b>581493</b>	<b>581493</b>	<b>44.23</b>	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	<b>9400</b>	<b>9400</b>	<b>0.72</b>	-	<b>9400</b>	<b>9400</b>	<b>0.72</b>	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others – N.R.	-	<b>98256</b>	<b>98256</b>	<b>7.47</b>	-	<b>98256</b>	<b>98256</b>	<b>7.47</b>	-
Sub-total (B) (1):-	-	<b>107656</b>	<b>107656</b>	<b>8.19</b>	-	<b>107656</b>	<b>107656</b>	<b>8.19</b>	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp									
Indian	-	<b>121660</b>	<b>121660</b>	<b>9.26</b>	-	<b>121660</b>	<b>121660</b>	<b>9.26</b>	-
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	<b>503719</b>	<b>503719</b>	<b>38.32</b>	-	<b>503719</b>	<b>503719</b>	<b>38.32</b>	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-

# NATIONAL CEREALS PRODUCTS LIMITED

c) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	<b>625379</b>	<b>625379</b>	<b>47.57</b>	-	<b>625379</b>	<b>625379</b>	<b>47.57</b>	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	<b>733035</b>	<b>733035</b>	<b>55.76</b>	-	<b>733035</b>	<b>733035</b>	<b>55.76</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	<b>1314528</b>	<b>1314528</b>	<b>100</b>	-	<b>1314528</b>	<b>1314528</b>	<b>100</b>	-

### (iii) *Shareholding of Promoters*

S. 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	100	0.007	-	100	0.007	-	-
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	213683	16.25	-	213683	16.25	-	-
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	-	24218	1.84	-	-
12	Sh. Vinay Mohan	24218	1.84	-	24218	1.84	-	-

# NATIONAL CEREALS PRODUCTS LIMITED

Total	581493	44.23	-	581493	44.23	-	-
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**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	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				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.		<b>No Change during the year</b>		
	At the End of the year				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S. 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	Major Johnie George Skiptonker	79992	6.09	79992	6.09
2	Divyanshu Aggarwal	51457	3.91	51457	3.91
3	Kamal Parekh	36792	2.80	36792	2.80
4	Deepti Kedia	42669	3.24	42669	3.24
5	Yogendar Kr Kapoor	25000	1.90	25000	1.90
6	Vipin Garg	24508	1.86	24508	1.86
7	Amrex Marketing Pvt. Ltd	20204	1.53	20204	1.53
8	Maina Chokhany	10500	0.79	10500	0.79
9	Hari Finance & Trade Pvt. Ltd	9600	0.73	9600	0.73
10	Rajendra Jhanwar	9000	0.68	9000	0.68
	<b>Total</b>	<b>309722</b>	<b>23.53</b>	<b>309722</b>	<b>23.53</b>

# NATIONAL CEREALS PRODUCTS LIMITED

	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	Major Johnie George Skiptonker	79992	6.09	79992	6.09
2	Divyanshu Aggarwal	51457	3.91	51457	3.91
3	Kamal Parekh	36792	2.80	36792	2.80
4	Deepti Kedia	42669	3.24	42669	3.24
5	Yogendar Kr Kapoor	25000	1.90	25000	1.90
6	Vipin Garg	24508	1.86	24508	1.86
7	Amrex Marketing Pvt. Ltd	20204	1.53	20204	1.53
8	Maina Chokhany	10500	0.79	10500	0.79
9	Hari Finance & Trade Pvt. Ltd	9600	0.73	9600	0.73
10	Rajendra Jhanwar	9000	0.68	9000	0.68
	<b>Total</b>	<b>309722</b>	<b>23.53</b>	<b>309722</b>	<b>23.53</b>

## (iv) Shareholding of Directors and Key Managerial Personnel

S. No.		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	Smt. Comilla Mohan	58286	4.43	58286	4.43
2	Shri Subhash Arya	450	0.03	450	0.03
3	Shri Satish Mohan	450	0.03	450	0.03
	<b>Total</b>	<b>59186</b>	<b>4.49</b>	<b>59186</b>	<b>4.49</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				
1	Smt. Comilla Mohan	58286	4.43	58286	4.43
2	Shri Subhash Arya	450	0.03	450	0.03
3	Shri Satish Mohan	450	0.03	450	0.03
	<b>Total</b>	<b>59186</b>	<b>4.49</b>	<b>59186</b>	<b>4.49</b>

# NATIONAL CEREALS PRODUCTS LIMITED

## (v) INDEBTEDNESS

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

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

# NATIONAL CEREALS PRODUCTS LIMITED

## 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. 3,94,889	Rs. 3,94,889
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	N.A.	N.A.
3	Sweet Equity	NIL	NIL
4	Commission as % of profit others, specify	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>TOTAL (A)</b>	<b>12,58,889</b>	<b>12,58,889</b>

### Remuneration to other directors:

S. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors Fee for attending board / committee Meetings	Shri L.N. Malik Shri Sanjeev Bawa	Rs. 20,000 Rs. 20,000
	Commission	-	-
	Others, please specify	-	-
	Total (1)	Rs. 40,000	Rs. 40,000
	2. Other Non-Executive Directors Fee for attending board / committee Meetings	Shri Satish Mohan Shri Subhash Arya	Rs.20,000 Rs.20,000
	Commission	-	-
	Others, please specify	-	-
	Total (2)	Rs. 40,000	Rs. 40,000
	Total (B) = 1+2	Rs. 80,000	Rs. 80,000
	Total Managerial Remuneration	Rs. 80,000	Rs. 80,000
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting per Director	

# NATIONAL CEREALS PRODUCTS LIMITED

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CEO	Company Secretary Cum CFO	
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	9,15,192	9,15,192
	(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	-	-	-
	<b>Total</b>		<b>9,15,192</b>	<b>9,15,192</b>

## IX. 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)

Subhash Arya  
(Director)

L.N. Malik  
(Director)

Sanjeev Bawa  
(Director)

Date:- 27.06.2020  
Place: - New Delhi

# NATIONAL CEREALS PRODUCTS LIMITED

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

S. No.	Particulars	
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	40.68
(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	5%
(iv)	the number of permanent employees on the rolls of company;	Four (4)
(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;	7.16%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	Yes

Comilla Mohan  
(Managing Director)

Subhash Arya  
(Director)

L.N. Malik  
(Director)

Sanjeev Bawa  
(Director)

Date:- 27.06.2020  
Place: - New Delhi

# NATIONAL CEREALS PRODUCTS LIMITED

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

A	Power and Fuel Consumption	Current Year	Previous Year
1	Electricity		
(a)	Purchased		
	Hydle Unit	-	-
	Total Amount	-	-
	Rate Per Unit	-	-
	Generated Unit	-	-
	Total Amount	-	-
	Rate Per Unit	-	-
(b)	Own Generated	-	-
(i)	Through Diesal Generator Unit	-	-
	Units Per Ltrs of Diesal oil cost/unit	-	-
	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	-	-
	Average Rate	-	-
(b)	Charcoal:-	-	-
	Quantity (Tonnes)	-	-
	Total Cost	-	-
	Average Rate	-	-
3	Furnace oil:-	-	-
	Quantity (K Ltrs)	-	-
	Total Amount	-	-
	Average Rate	-	-
4	Others/Internal Generation	-	-
(i)	Malt Per Tonne                      Standard (if any)	-	-
	Electricity	-	-
	Furnace oil	-	-
	Soft coke & Charcoal	-	-
	Others	-	-

Comilla Mohan  
(Managing Director)

Subhash Arya  
(Director)

L.N. Malik  
(Director)

Sanjeev Bawa  
(Director)

**Date:- 27.06.2020**

**Place: - New Delhi**

# NATIONAL CEREALS PRODUCTS LIMITED

## Annexure to the Directors' Report Report on Corporate Governance

### PHILOSOPHY

National Cereals Products Limited has a strong legacy of following fair, transparent and ethical governance practices. National Cereals Products Limited Corporate Governance policy is based on the belief that a good governance is an essential elements of business, which helps the company to fulfill its responsibility to all its stakeholders. The fundamental of the governance at National Cereals Products Limited includes transparency, accountability, integrity and independence.

### Board of Directors

#### Composition of the Board

As on March, 31<sup>st</sup> 2020, National Cereals Products Limited consists of 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 2020 are as follows

Name of Directors	Position held in the company	Number of other directorship in companies incorporated in India excluding Private Companies	Committee Membership in other Companies	Committee Chairmanship in other companies
Mrs. Comilla Mohan	Managing Director	NIL	NIL	NIL
Mr. Satish Mohan	Director	1	NIL	NIL
Mr. Subhash Arya	Director	NIL	NIL	NIL
Mr. Lachmi Narain Malik	Director	2	NIL	NIL
Mr. Sanjeev Bawa	Director	1	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.

# NATIONAL CEREALS PRODUCTS LIMITED

## 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 fee 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 31<sup>st</sup> March, 2020 is detailed below:

Name of the Director	Relationship with other Directors	Remuneration paid/payable for the year ended 31 <sup>st</sup> March, 2020			
		Sitting Fee	Remuneration	Commission	Total
Smt. Comilla Mohan	Not related to others except Mr. Satish Mohan	NIL	12,58,889/-	NIL	12,58,889/-
Shri Satish Mohan	Not related to others except Mrs. Comilla Mohan	20,000/-	NIL	NIL	20,000/-
Shri Subhash Arya	Not related to others	20,000/-	NIL	NIL	20,000/-
Shri Lachmi Narain Malik	Not related to others	20,000/-	NIL	NIL	20,000/-
Shri Sanjeev Bawa	Not related to others	20,000/-	NIL	NIL	20,000/-

## Board Procedure

- a) Number of Board meeting held and dates on which held

**Number of Board meeting Held: - Four**

**Date on which Board Meeting Held: - 22/05/2019, 10/08/2019, 11/11/2019, 10/02/2020**

- 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 Meeting Held	Number of Board Meetings Attended	Last AGM attendance (Yes/NO)
Smt. Comilla Mohan	Four	Four	NO
Shri Satish Mohan	Four	Four	Yes
Shri Subhash Arya	Four	Four	NO
Shri Lachmi Narain Malik	Four	Four	NO
Shri Sanjeev Bawa	Four	Four	NO

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

# NATIONAL CEREALS PRODUCTS LIMITED

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As required under applicable clause of the listing agreement read with SEBI (Listing Obligations and Disclosures 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.

# NATIONAL CEREALS PRODUCTS LIMITED

All employees including Senior Management and Board Members have confirmed the compliance with the Code for the financial year 2019-20. A declaration to this effect signed by the Chairman & Managing Director of the Company is provided elsewhere in this Report.

## 3. **Board of Committees**

The company has constituted various committees in order to comply with applicable laws, rules and regulations made there-under.

### 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.

#### **Number of Audit Committee meeting held and dates on which held**

**Number of Audit Committee meeting Held: - Four**

**Date on which Audit Committee Meeting Held: -22/05/2019, 10/08/2019, 11/11/2019, 10/02/2020**

#### **The composition of committee and attendance at its meetings is given below:**

Name of Director	Chairman/Member	Category	Number of Meeting Attended
Shri Satish Mohan	Chairman	Non-Executive	Four
Shri Lachmi Narian Malik	Member	Independent	Four
Shri Sanjeev Bawa	Member	Independent	Four

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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## 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 where there is suspected fraud or irregularity or a failure of internal control system 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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**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.

## **Nomination & Remuneration Committee**

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, 2020, the Nomination & Remuneration Committee consisted of 3 Directors.

# NATIONAL CEREALS PRODUCTS LIMITED

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

**Number of Nomination & Remuneration Committee meeting held and dates on which held**

**Number of Nomination & Remuneration Committee meeting Held: - One**

**Date on which Nomination & Remuneration Committee Meeting Held: -22/05/2019**

Members	Category	Meeting Held	Meeting Attended
Shri Subhash Arya	Non-Executive (Chairman)	One	One
Shri Lachmi Narain Malik	Independent (Member)	One	One
Shri Sanjeev Bawa	Independent (Member)	One	One

## **(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 Lachmi Narain Malik & Shri Sanjeev Bawa as member. The committee approves and monitors transfers, transmission, 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 Registrar are reported by the committee. During the year under review, no investor complaint was received directly from the shareholder and no complaints were pending as on 31<sup>st</sup> March, 2020. The company is taking all measures to improve investor relations through its Registrars and Share Transfer Agents.

**Number of Share Transfer & Grievance Committee meeting held and dates on which held**

**Number of Share Transfer & Grievance Committee meeting Held: - One**

**Date on which Share Transfer & Grievance Committee Meeting Held: -10/08/2019**

Members	Category	Meeting Held	Meeting Attended
Shri Subhash Arya	Non-Executive (Chairman)	One	One
Shri Lachmi Narain Malik	Independent (Member)	One	One
Shri Sanjeev Bawa	Independent (Member)	One	One

# NATIONAL CEREALS PRODUCTS LIMITED

## c) Risk Management Committee

The Board has constituted Risk Management Committee in due compliance of the applicable laws, rules and regulations made there-under.

**Number of Risk Management Committee meeting held and dates on which held**

**Number of Risk Management Committee meeting Held: - One**

**Date on which Share Transfer & Grievance Committee Meeting Held: -10/08/2019**

Members	Category	Meeting Held	Meeting Attended
Shri Subhash Arya	Non-Executive (Chairman)	One	One
Shri Lachmi Narain Malik	Independent (Member)	One	One
Shri Sanjeev Bawa	Independent (Member)	One	One

## 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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**

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 share transferred in physical form, share certificates, change address etc., shareholders should send in their communication to M/s Mas 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.

# NATIONAL CEREALS PRODUCTS LIMITED

## 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
2016-2017	Solan	29.09.2017	12:00 Noon	NO
2017-2018	Solan	26.09.2018	12:00 Noon	Yes
2018-2019	Solan	28.09.2019	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 2020 is annexed to the Directors' Report and the Management Discussion and Analysis Report.

## 8) 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

### 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.

# NATIONAL CEREALS PRODUCTS LIMITED

## 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 2020 at 12:00 Noon at Solan Brewery, Solan, HP

b) Financial Calendar 2020-2021 (tentative & subject to change)

Tentative Schedule	Tentative Date	Tentative Date
Financial Reporting for the quarter ending 30th June 2020	14/08/2020	13/08/2020
Financial Reporting for the quarter ending 30th September 2020	14/11/2020	13/11/2020
Financial Reporting for the quarter ending 31 <sup>st</sup> December 2020	14/02/2021	13/02/2021
Financial Reporting for the quarter ending 31 <sup>st</sup> March 2021	30/05/2021	29/05/2021
Annual General Meeting for the year ending 31st March, 2021	30/09/2021	29/09/2021

## c) Book Closure Date

The Share Transfer Books and Register of Members of the Company will remain closed from Saturday the 26<sup>th</sup> day of September 2020, to Monday, 28<sup>th</sup> day of September 2020, (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

Address:- 7, Lyons Range, Dalhousie Murgighata

B.B.D. Bagh Kolkatta

West Bengal-700001

Phone # 033-40253000

# NATIONAL CEREALS PRODUCTS LIMITED

**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

(Registrar & Share Transfer Agents)

T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area

Phase-II, New Delhi-110020

New Delhi-110020

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

**h) Category of Shareholders as on 31<sup>st</sup> March, 2020**

S. No.	Category	No of Shareholders	Shareholding
1.	Promoters	581493	44.23
2.	Private Bodies Corporate	121660	9.26
3.	Indian Public	503719	38.32
4.	NRI/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 Depositories 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 31<sup>st</sup> March, 2020 0% of the company shares were held in dematerialized form.

**j) Location of the Factory**

Mohan Nagar, Ghaziabad

# NATIONAL CEREALS PRODUCTS LIMITED

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## 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](mailto:info@masserv.com),  
website : [www.masserv.com](http://www.masserv.com) The  
Company Secretary  
National Cereals Products Limited, Mohan  
Nagar, Ghaziabad - 201007 (UP),  
[Email-ncp@nationalcereals.com](mailto: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 2019-20, 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.

## Declaration

The Board of the Company has laid down a Code of Conduct for the directors and employees of the company. A declaration dated 27<sup>th</sup> June, 2020, signed by the Managing Director to the effect is produced herein below.

# NATIONAL CEREALS PRODUCTS LIMITED

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**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:-27.06.2020  
Place:- New Delhi**

**Comilla Mohan  
Managing Director  
DIN00196231**

# NATIONAL CEREALS PRODUCTS LIMITED

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## CERTIFICATE

**To**  
**The Members**  
**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, 2020 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: - 27.06.2020**

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

# NATIONAL CEREALS PRODUCTS LIMITED

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***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](mailto: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 2020, 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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, (“IND AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss, and total comprehensive loss, 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 there under, 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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" The application of this revenue accounting standard involves certain key judgments 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 recognized over a period. Additionally, this 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 said 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

### **Emphasis of Matter**

We draw attention to Note 28 to the standalone financial statements which describe the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

### **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 Annexure 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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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

# NATIONAL CEREALS PRODUCTS LIMITED

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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 in 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

# NATIONAL CEREALS PRODUCTS LIMITED

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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.

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) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

# NATIONAL CEREALS PRODUCTS LIMITED

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- (f) On the basis of the written representation received from the directors as on 31st.March,2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act:
- (g) 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.
- (h) 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.

- (i) 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: 27<sup>th</sup> June, 2020**

# NATIONAL CEREALS PRODUCTS LIMITED

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

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

# NATIONAL CEREALS PRODUCTS LIMITED

- a) The Company is generally being 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 value added tax, outstanding on account of any dispute except as under:

Sr.no	Nature of Statute	Tax	Year	Forum where dispute is pending	Amount (Rs)	Forum where dispute is pending
1	U.P. Krishi Utpadan Maddi Adhinyam 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.
- viii) 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
- ix) 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

# NATIONAL CEREALS PRODUCTS LIMITED

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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 Number: 013624  
Place of Signature: New Delhi  
Date: 27<sup>th</sup> June, 2020**

# NATIONAL CEREALS PRODUCTS LIMITED

---

**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](mailto: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, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2020.

### **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

# NATIONAL CEREALS PRODUCTS LIMITED

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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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **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, 2020, 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 Number: 013624  
Place of Signature: New Delhi  
**Date: 27<sup>th</sup> June, 2020**

**NATIONAL CEREALS PRODUCTS LIMITED**

**CIN: L99999HP1948PLC001381**

**Balance Sheet as at 31st March,2020**

**(IN INR)**

	Note	31.03.2020	31.03.2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property,Plant and Equipment	4	65	65
(b) Capital Work-In Progress			
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible assets			
(f) Financial Assets			
(i)Investments	5(a)	1,937,751	2,399,671
(ii)Trade Receivables			
(iii) Loans			
iv) Others	5(d)	22,833,111	10,978,616
(g) Deferred tax assets(Net)	6	13,283,138	13,283,138
(h) Other Non-current assets	7	-	-
<b>Total non-current assets</b>		<b>38,054,065</b>	<b>26,661,490</b>
<b>Current assets</b>			
(a) Inventories			
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Cash and cash equivalents	5(b)	28,470,239	43,968,690
(iv) Loans	5(c)	77,540	63,965
(v) Others	5(d)	702,426	1,847,254
(c) Current Tax Assets (Net)	8	660,503	628,154
(d) Other Current assets	7	342,915	368,324
<b>Total current assets</b>		<b>30,253,623</b>	<b>46,876,387</b>
<b>Total assets</b>		<b>68,307,688</b>	<b>73,537,877</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9(a)	1,314,528	1,314,528
(b) Other Equity			
- Reserves and surplus	9(b)	64,787,115	69,531,431
<b>Total equity</b>		<b>66,101,643</b>	<b>70,845,959</b>
<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	126,609	313,872
(d) Deferred tax liabilities (net)			
(e) Other Non-current liabilities	11	882,692	856,732
<b>Total non-current liabilities</b>		<b>1,009,301</b>	<b>1,170,604</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)	158,470	70,870
(iii) Other financial liabilities			
(b) Other current liabilities	11	832,709	1,439,902
(c) Provisions	12	205,565	10,542
(d) Current tax liabilities(Net)			
<b>Total current liabilities</b>		<b>1,196,744</b>	<b>1,521,314</b>
<b>Total Equity and liabilities</b>		<b>68,307,688</b>	<b>73,537,877</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 Regn.No.000057N)

Comilla Mohan  
Managing Director  
DIN 00196231

Ramesh Malhotra

Partner

Membership No.013624

Place of Signature:New Delhi

Date: 27.06.2020

Subhash Arya  
Director  
DIN 00308369

Lachmi Narain Malik  
Director  
DIN 00481449

Sanjeev Bawa  
Director  
DIN 03633427

Minas Kumar  
Company Secretary & CFO

**NATIONAL CEREALS PRODUCTS LIMITED****CIN: L99999HP1948PLC001381****Statement of Profit and Loss for the year ended 31st March,2020**

<b>Income</b>	<b>Note</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Revenue from contract with customers	13	-	-
Other Income	14	3,433,729	3,533,256
<b>Total Income</b>		<b>3,433,729</b>	<b>3,533,256</b>
<b>Expenses</b>			
Employee Benefit expense	15	4,938,162	7,206,121
Finance Costs	16	-	725
Depreciation	17	-	2,286
Other Expenses	18	2,735,441	2,554,767
<b>Total Expenses</b>		<b>7,673,603</b>	<b>9,763,899</b>
<b>Loss before tax</b>		<b>(4,239,874)</b>	<b>(6,230,643)</b>
Tax Expense:	19		
(a) Current Tax		-	-
(b) Deferred Tax		-	-
<b>Loss for the year</b>		<b>(4,239,874)</b>	<b>(6,230,643)</b>
<b>Other Comprehensive Income/(loss)</b>			
Items that will not be reclassified to profit or loss	20	(504,442)	811,024
<b>Total comprehensive loss for the year</b>		<b>(4,744,316)</b>	<b>(5,419,619)</b>
Earning per equity share in Rs			
Basic & diluted	26	(3.23)	(4.74)

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 Regn.No.000057N)

Comilla Mohan  
Managing Director  
DIN 00196231

Ramesh Malhotra  
Partner  
Membership No.013624  
Place of Signature:New Delhi  
**Date:27.06.2020**

Subhash Arya  
Director  
DIN 00308369

Lachmi Narain Malik  
Director  
DIN 00481449

Sanjeev Bawa  
Director  
DIN 03633427

Minas Kumar  
Company Secretary & CFO

**NATIONAL CEREALS PRODUCTS LIMITED**

**CIN: L99999HP1948PLC001381**

**Cash Flow Statement for the year ended 31st March,2020**

	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Cash Flow from Operating activities</b>		
Profit/(Loss) before tax	(4,239,874)	(6,230,643)
Adjustments for :		
Depreciation	-	2,286
Dividend and interest income classified as investing cash flows	(3,420,187)	(3,255,505)
Finance costs	-	725
<b>Operating cash flow before changes in assets and liabilities</b>	<b>(7,660,061)</b>	<b>(9,483,137)</b>
Increase/(Decrease) in trade receivables	-	13,508,350
(Increase)/Decrease in other current loans	(13,575)	14,575
(Increase)/Decrease in other current financial assets	1,144,828	(1,365,820)
Increase/(Decrease) in other Non- current financial assets	(11,854,496)	10,223,396
Increase /(Decrease) in other current assets	25,409	281,090
Increase/(Decrease) in other Non-current assets	-	-
(Increase)/Decrease in current tax assets (Net)	(32,349)	(55,592)
(Increase) /Decrease in other current liabilities - provisions	195,022	(221,788)
(Increase)/Decrease in other current liabilities	(607,194)	(593,946)
Increase/(Decrease) in other non-current liabilities -provisions	(187,264)	(13,506)
(Increase)/Decrease in other non-current/liabilities	25,960	
Increase/(Decrease) in Trade Payable	87,600	(6,400)
<b>Cash generated from operations</b>	<b>(18,876,120)</b>	<b>12,287,222</b>
Income tax paid/(refund received)	(42,518)	(347,883)
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>(18,918,638)</b>	<b>11,939,339</b>
<b>Cash flow from investing activities</b>		
Dividend received	5,880	5,880
Interest received	3,414,307	3,249,625
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>3,420,187</b>	<b>3,255,505</b>
<b>Cash flows from financing activities</b>		
Finance costs	-	(725)
<b>Net cash flow/(outflow) from financing activities (C)</b>	<b>-</b>	<b>(725)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(15,498,451)</b>	<b>15,194,119</b>
Cash and cash equivalents at the beginning of the financial year	43,968,690	28,774,571
<b>Cash and cash equivalents at the end of the financial year</b>	<b>28,470,239</b>	<b>43,968,690</b>
<b>Components of cash and cash equivalents</b>		
Cash and stamps on hand	53,664	94,907
Balance with scheduled banks	1,020,318	3,575,128
Bank fixed deposits	27,396,257	40,298,655
<b>Cash and cash equivalents</b>	<b>28,470,239</b>	<b>43,968,690</b>

Notes:--1

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

<b>Particulars</b>	<b>Short-term borrowings</b>
Opening balance as on 1st.April,2019	-
Non-cash changed due to:	
-Interest expense	-
-Others	-
Cash flows during the year	-
Closing balance as o 31st.March,2020	-

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 Regn.No.000057N)

Comilla Mohan

Managing Director

DIN 00196231

Ramesh Malhotra

Partner

Membership No.013624

Place of Signature:New Delhi

**Date:- 27.06.2020**

Subhash Arya

Director

DIN 00308369

Lachmi Narain Malik

Director

DIN 00481449

Sanjeev Bawa

Director

DIN 03633427

Minas Kumar

Company Secretary & CFO

**NATIONAL CEREALS PRODUCTS LIMITED**

**Notes to financial statements for the year ended 31st March, 2020**

**Statement of changes in equity**

**A : Equity share capital**

(IN INR)

As at April 1,2018	1,314,528
Changes during the year	-
As at March 31,2019	1,314,528
Changes during the year	-
As at March 31,2020	1,314,528

**B: Other equity**

(IN INR)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	General reserve	Retained earnings	Equity Instruments Through Other Comprehensive Income	Remeasurement of Defined Benefit obligations	
<b>Balance as at April 1, 2018</b>	<b>74,580,532</b>	<b>(197,196)</b>	<b>674,519</b>	<b>(106,805)</b>	<b>74,951,050</b>
Add/(less): Transfer from retained earnings	(6,230,643)				(6,230,643)
Profit/(Loss)for the year		(6,230,643)			(6,230,643)
Less:transfer to General reserve		(6,230,643)			
Other comprehensive income			1,158,910	(347,886)	811,024
<b>Total comprehensive Income /(Loss)</b>	<b>68,349,889</b>	<b>(197,196)</b>	<b>1,833,429</b>	<b>(454,691)</b>	<b>69,531,431</b>
<b>As at March 31,2019</b>	<b>68,349,889</b>	<b>(197,196)</b>	<b>1,833,429</b>	<b>(454,691)</b>	<b>69,531,431</b>
<b>Balance as at April 1,2019</b>	<b>68,349,889</b>	<b>(197,196)</b>	<b>1,833,429</b>	<b>(454,691)</b>	<b>69,531,431</b>
Add/(Less) : Transfer from profit & loss	(4,239,874)				(4,239,874)
Profit/(Loss)for the year		(4,239,874)			(4,239,874)
Less: transferred to General reserve		(4,239,874)			(4,239,874)
Other comprehensive income			(461,920)	(42,522)	(504,442)
<b>Total comprehensive income/(loss)</b>					
<b>As at March 31,2020</b>	<b>64,110,015</b>	<b>(197,196)</b>	<b>1,371,509</b>	<b>(497,213)</b>	<b>64,787,115</b>

**As per our report of even date attached**

**For K.C.Malhotra & Co.**

Chartered Accountants  
(Firm Regn.No.000057N)

Comilla Mohan  
Managing Director  
DIN 00196231

Sanjeev Bawa  
Director  
DIN 03633427

Ramesh Malhotra  
Partner  
Membership No.013624  
Place of Signature:New Delhi  
**Date: 27.06.2020**

Subhash Arya  
Director  
DIN 00308369

Lachmi Narain Malik  
Director  
DIN 00481449

Minas Kumar  
Company Secretary & CFO

# NATIONAL CEREALS PRODUCTS LIMITED

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## National Cereals Products Limited

### Note 1:-

#### Corporate information

The company is a Public Limited Company incorporated and domiciled in India and has its registered office at Solan Brewery, Simla Hills, Himachal Pradesh, Pin Code-173214. 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 thereafter

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 authorized for issue by the Company's Board of Directors on 27<sup>th</sup> June, 2020.

##### b) Accounting Estimates, Assumptions and Judgments

The preparation of financial statements requires management to make judgments, 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 judgment is recognition of deferred tax assets for carried forward losses, impairment of trade receivables and estimation of tax expense

# NATIONAL CEREALS PRODUCTS LIMITED

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## Significant Accounting Policies contd.

### **(b) (i) Impact of uncertainties related to COVID-19 (Global pandemic)**

Refer note 28 to the Standalone financial statements

### **(c) 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 realized or intended to be sold or consumed in normal operating cycle,
- \* Held primarily for the purpose of the trading,
- \* Expected to be realized 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 twelvemonths 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

### **(d) 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 benefit associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

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 upto 31<sup>st</sup>.march,2019, and after that no depreciation is calculated as the carrying amount represents residual value.

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).

## **(e) Cash and cash equivalents**

Cash and cash an equivalent includes cash on hand and deposit with banks. Cash equivalents are short term, highly liquid investments that readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

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

## **(f) Provisions, Contingent Liabilities and Contingent assets**

Provisions are recognized 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

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

liability. When discounting is used, the increase in the provision due to the passage of time is recognized 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 where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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 recognized but are disclosed in notes.

### **(g) 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 in view of losses of the company.

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 recognized 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 utilize those temporary differences and the carry forward of unused credits and unused tax losses.

However, during the year ended 31st.March,2020 ( Previous year ended 31st.March,2019), the company has not recognized deferred tax asset for all temporary differences and

# NATIONAL CEREALS PRODUCTS LIMITED

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## Significant Accounting Policies contd.

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.

### **(h) Revenue recognition**

#### **Revenue from contracts with customers**

The core principle of ND AS 115, Revenue from Contract with Customers is that an entity should recognize revenue to depict the transfer 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.

Since the company has not been carrying on any commercial operations, therefore there are no disclosure is to be provided on account of this standard other than those provided in the financial statements

#### **Interest income**

Interest income is recognized using the bank interest rate which is considered to be effective rate of interest. The effective rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (For example prepayments, extension, call and similar options) but does not consider the expected credit losses

### **(i) Borrowing costs**

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

### **(j) Employee benefits**

#### **(i) Short-term obligations**

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

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 employee's 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 liability 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.

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

Remeasurement gains and losses arising from the expected interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans are recognized directly in other comprehensive income and subsequently not reclassified in the statement of profit and loss.

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.

## **(k) 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.

## **(l) 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

# NATIONAL CEREALS PRODUCTS LIMITED

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## Significant Accounting Policies contd.

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.

### 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:

**\*Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized 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 de recognized, 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 amortized 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

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

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 are recognized 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 amortized 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 derecognized 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

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

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.

### **(m) 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.

### **(n) 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 amortized cost, and the carrying amounts are reasonable approximation of fair value.

### **(o) Leases**

The application of new accounting standard Ind AS 116 effective from financial years beginning or after April 1st, 2019 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

# NATIONAL CEREALS PRODUCTS LIMITED

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## **Significant Accounting Policies contd.**

recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

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 new leases accounting standard is not applicable to the company as the Company is not having long-term leases and therefore no disclosures are to be provided on account of new accounting standard

## **(p) Recent Indian Accounting Standards (IndAS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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

(IN INR )

	Plant and Machinery	Furniture and fittings	Office equipments	Data Processing Machines	Total
<b>Year ended March 31,2019</b>					
<b>Gross carrying amount</b>					
As at April 1 ,2018	1,586,034	64,093	38,400	164,564	1,853,091
Additions					
Disposals					
<b>Closing gross carrying value</b>	<b>1,586,034</b>	<b>64,093</b>	<b>38,400</b>	<b>164,564</b>	<b>1,853,091</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1,586,031	64,035	38,398	164,562	1,853,026
Depreciation charged during the year					
Disposals					
<b>Closing accumulated depreciation</b>	<b>1,586,031</b>	<b>64,035</b>	<b>38,398</b>	<b>164,562</b>	<b>1,853,026</b>
<b>Net carrying amount</b>	<b>3</b>	<b>58</b>	<b>2</b>	<b>2</b>	<b>65</b>
<b>Year ended March 31,2020</b>					
Opening Gross carrying amount	1,586,034	64,093	38,400	164,564	1,853,091
Additions					
Disposals					
<b>Closing gross carrying value</b>	<b>1,586,034</b>	<b>64,093</b>	<b>38,400</b>	<b>164,564</b>	<b>1,853,091</b>
<b>Accumulated depreciation</b>					
Opening accumulated depreciation	1,586,031	64,035	38,398	164,562	1,853,026
Depreciation charged during the year					
Disposals					
<b>Closing accumulated depreciation</b>	<b>1,586,031</b>	<b>64,035</b>	<b>38,398</b>	<b>164,562</b>	<b>1,853,026</b>
<b>Net carrying 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

**Note 5:- Financial assets**

**5 (a) : Non-current Investments**

(IN INR)

	31.03.2020		31.03.2019
Investments in equity instruments (fully paid up)			
<b>Quoted</b>			
Trade			
4000 equity shares of Rs 5 each of Mohan Meakin limited	400,000		1,057,920
<b>Others</b>			
4900 equity shares of Rs10 each of John Oakey and Mohan Limited	784,000		588,000
<b>Unquoted</b>			
Trade:			
10000 equity shares of Rs 10 each of Mohan Goldwater Breweries Limited	100,250	100,250	
<b>Less:</b>			
Provision for diminution (at the time provision was made company's performance was not satisfactory)	100,249	1	100,249
9000 equity shares of Rs10 each of Mohan Rocky Springwater Breweries Limited	753,750		753,750
<b>Total Non-current investments</b>	<b>1,937,751</b>		<b>2,399,671</b>
Aggregate acquisition cost of quoted investments	102,293		102,293
Aggregate Market value of quoted investments	1,184,000		794,000
Aggregate book value of unquoted investments	90,001		90,001

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

(IN INR )

	31.03.2020		31.03.2019	
	Non- Current	Current	Non-current	Current
Balances with banks in				
Current accounts		1,020,318		3,575,128
Fixed deposit with original maturity of within twelve months		27,396,257		40,298,655
Cash on hand		53,563		94,806
Stamps in hand		101		101
<b>Total Cash and cash equivalents</b>		<b>28,470,239</b>		<b>43,968,690</b>

**5 (c) : Loans**

(IN INR )

	31.03.2020		31.03.2019	
	Non- Current	Current	Non-current	Current
*Advance to employees		77,540		63,965
<b>Total loans</b>		<b>77,540</b>		<b>63,965</b>

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

**5 (d) : Other financial assets****(IN INR )**

	31.03.2020		31.03.2019	
	Non- Current	Current	Non-current	Current
Security deposits	31,500		31,500	
Market fee deposited under protest with Mandi Samiti	2,492,898		2,492,898	
Fixed deposit with original maturity more than twelve months	18,015,470		7,500,000	
Interest accrued on deposits	2,293,243	702,426	954,218	1,847,254
<b>Total other financial assets</b>	<b>22,833,111</b>	<b>702,426</b>	<b>10,978,616</b>	<b>1,847,254</b>

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

The balance comprises temporary differences attributable to:

**(IN INR )**

	31.03.2020	31.03.2019
Deffered tax assets		
Property ,Plant and Equipment	7,160	7,160
Employee Benefit obllgation	28,753	28,753
Tax losses	13,076,695	13,076,695
Provision for Bonus	-	-
Allowance for doubtful debts	170,530	170,530
<b>Total deferred tax assets</b>	<b>13,283,138</b>	<b>13,283,138</b>
<b>Deferred tax liabilities</b>		
<b>Net deferred tax assets / (liabilities)</b>	<b>13,283,138</b>	<b>13,283,138</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 1,2018</b>	7,160	28,753	13,076,695	170,530	13,283,138
(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>13,076,695</b>	<b>170,530</b>	<b>13,283,138</b>
(charged)/ credited					
-to profit and loss					
-to other comprehensive income					
<b>As at March 31,2020</b>	<b>7,160</b>	<b>28,753</b>	<b>13,076,695</b>	<b>170,530</b>	<b>13,283,138</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 carry forward losses can be utilised.

Notes to financial statements for the year ended 31st March, 2020

**Note 7 : Other assets**

(IN INR)

	31.03.2020		31.03.2019	
	Non-current	Current	Non- Current	Current
Advance to suppliers				25000
Unsecured considered doubtful-	551,877		551,877	
Less: Allowance for doubtful advance	551,877		551,877	
<b>Others</b>	-	-	-	25000
Balance with Government authorities				
Group gratuity fund		150636		240,908
Prepaid expenses		38,669		102,416
NP Ltd Employees provident fund		153,610		
<b>Total other assets</b>		<b>342,915</b>	-	<b>368,324</b>

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

(IN INR )

	31.03.2020		31.03.2019	
	Non- Current	Current	Non-current	Current
Advance tax		660,503		628,154
Less: Provision for tax				
<b>Total current tax assets (net)</b>		<b>660,503</b>		<b>628,154</b>

**NATIONAL CEREALS PRODUCTS LIMITED**  
**Notes to financial statements for the year ended 31st March ,2020**

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

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

(IN INR)

Particulars	31.03.2020		31.03.2019	
	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	3,000,000	3,000,000	3,000,000	3,000,000
	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>3,000,000</b>
<b>Issued ,subscribed and fully paid up</b>				
Equity shares of Rs.1/-each fully paid up with voting rights	1,314,528	1,314,528	1,314,528	1,314,528
<b>Total Equity share capital</b>	<b>1,314,528</b>	<b>1,314,528</b>	<b>1,314,528</b>	<b>1,314,528</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 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.

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

Particulars	31.03.2020		31.03.2019	
	No.of shares	Amount	No.of shares	Amount
<b>Equity shares</b>				
<b>At the commencement of the year</b>	1,314,528	1,314,528	1,314,528	1,314,528
Add: issued during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,314,528</b>	<b>1,314,528</b>	<b>1,314,528</b>	<b>1,314,528</b>

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

Name of the shareholder	31.03.2020		31.03.2019	
	Number of shares	% of holding	Number of shares	% of holding
Mohan meakin Limited	213,683	16.26	213,683	16.26
Shri Hemant Mohan (Trustee Ram Rakhi Mohan Trust)	123,784	9.42	123,784	9.42
Smt.Usha Mohan	115,204	8.76	115,204	8.76
Major Johnnie George Skiptonker	79,992	6.09	79,992	6.09

**NATIONAL CEREALS PRODUCTS LIMITED****Notes to financial statements for the year ended 31st March ,2020****Note 9(b) : Other equity****(IN INR )**

	<b>31.03.2020</b>	31.03.2019
<b>General Reserve</b>		
Opening Balance	68,349,889	74,580,532
Add: Additions during the year	-	-
Less: Loss during the year	(4,239,874)	(6,230,643)
Closing Balance	<b>64,110,015</b>	<b>68,349,889</b>
<b>Retained earnings</b>		
Opening Balance	(197,196)	(197,196)
Profit/(Loss) for the year	(4,239,874)	(6,230,643)
Less: Transferred to general reserve	(4,239,874)	(6,230,643)
Closing Balance	<b>(197,196)</b>	<b>(197,196)</b>
<b>Items of other comprehensive income</b>		
Equity instruments through other comprehensive income	1,371,509	1,833,429
Re-measurement gains/(Loss) on defined benefit plan	(497,213)	(454,691)
	<b>874,296</b>	<b>1,378,738</b>
<b>Total other equity</b>	<b>64,787,115</b>	<b>69,531,431</b>

**General reserve**

This represents appropriation of profits after tax by the company

**Retained earnings**

This comprise company's loss after taxes

**NATIONAL CEREALS PRODUCTS LIMITED**

Notes to financial statements for the year ended 31st March,2020

**Note 10 (a):Trade Payables****(IN INR)**

	31.03.2020		31.03.2019	
	Non-current	Current	Non-current	Current
Dues to Micro,small and medium enterprises *				
Payable to other parties	-	158,470		70,870
<b>Total trade payables</b>	-	<b>158,470</b>		<b>70,870</b>

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

Particulars	31.03.2020		31.03.2019	
	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	-	-	-	-

**NATIONAL CEREALS PRODUCTS LIMITED**

Notes to financial statements for the year ended 31st March,2020

**Note 11: Other liabilities**

(IN INR)

	31.03.2020		31.03.2019	
	Non-current	Current	Non-current	Current
Statutory remittances (including PF,ESIC, TDS and Service tax)		115,210		93,372
Employee dues (Including Salary, Wages, Bonus etc.) *		504,156		877,097
Gratuity payable to the Managing director (refer note 24.1 c I (a))	882,692		856,732	
Other payables **		213,343		469,433
				-
<b>Total other liabilities</b>	<b>882,692</b>	<b>832,709</b>	<b>856,732</b>	<b>1,439,902</b>

\*Including due to the managing director 188,997 81,165

(refer note 24.1 c I (a))

\*\* include due to a related party(refer note 24.1.c i.(b))

4,470

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**Note 12: Provisions**

(IN INR)

	31.03.2020		31.03.2019	
	Non-current	Current	Non-current	Current
Provision for employee benefits -Leave encashment	126,609	205,565	313,872	10,542
	<b>126,609</b>	<b>205,565</b>	<b>313,872</b>	<b>10542</b>

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

**(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Sale of products	-	-
<b>Total revenue from contract with customers</b>	<b>-</b>	<b>-</b>

**Note 14:Other Income**

**(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Interest Income		
-On deposits	3,383,705	3,221,640
-On Income tax refund	30,602	27,985
Dividend income	5,880	5,880
Provision no longer required	13,542	277,751
<b>Total other income</b>	<b>3,433,729</b>	<b>3,533,256</b>

**Note 15:Employees benefit expense**

**(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Salaries, wages and bonus	4,503,925	6,469,804
Contribution to Provident and other Funds	346,394	470,481
Staff Welfare Expenses	87,843	265,836
<b>Total employees benefit expense</b>	<b>4,938,162</b>	<b>7,206,121</b>

**Note 16:Finance cost**

**(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Interest paid -		
On late payment pf TDS	-	725
<b>Total finance cost</b>	<b>-</b>	<b>725</b>

**Note 17:Depreciation**

**(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Depreciation on tangible assets	-	2,286
<b>Total depreciation</b>	<b>-</b>	<b>2,286</b>

**Note 18: Other Expenses****(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Advertisement	405,408	192,887
Power and Fuel	30,000	30,000
Rent	35,400	40,800
Donation	100,000	-
Other repairs	12,735	18,400
Insurance	3,005	9,273
Rates and Taxes	52,349	51,307
Miscellaneous Expenses	1,290,189	1,322,340
Directors sitting fee	80,000	75,000
Vehicle expenses	318,225	396,785
*Audit fee	41,300	41,300
Travelling expenses	361,346	376,675
Amount written off	5,484	
<b>Total other expenses</b>	<b>2,735,441</b>	<b>2,554,767</b>
*Include GST	6,300	6,300

**Note 19 :Income tax Expense****(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>(a) income tax expense</b>		
Current Tax	(1,067,091)	(1,619,967)
Adjustment of tax relating to earlier years (net)		
<b>Total current tax</b>	<b>(1,067,091)</b>	<b>(1,619,967)</b>
Deferred tax		
<b>Total deferred tax expense /(benefit)</b>	<b>-</b>	<b>-</b>
<b>Total income tax expense</b>	<b>(1,067,091)</b>	<b>(1,619,967)</b>

**(b) Reconciliation of tax expense and the accounting profit/(Loss) multiplied by tax rate:-****(IN INR )**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Profit/(Loss) before income tax expense	(4,239,874)	(6,230,643)
Tax rate @25.168 % (2017-18 26 %)	(1,067,091)	(1,619,967)
Deductible expenses	(155,760)	(167,986)
Effect of income on exempt income	(899)	(1,529)
Disallowable expenses	87,783	105,893
Income not considered for tax purpose	(859,313)	(844,902)
Adjustment relating to earlier years		76,951
Impact of deferred tax adjustment	928,189	831,573
<b>Income tax expense</b>	<b>(1,067,091)</b>	<b>(1,619,967)</b>

**Note 20: Other Comprehensive Income**

**(IN INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
A(i) Items that will not be reclassified to profit and loss		
-Remeasurement of defined benefit obligation	(42,522)	(347,886)
-Equity instruments through other comprehensive income Change in fair value of FVOCI equity instruments	(461,920)	1,158,910
(ii) Income tax relating to items that will not be reclassified to profit and loss	-	-
<b>Total other comprehensive income</b>	<b>(504,442)</b>	<b>811,024</b>

**Note 21: Contingent liabilities**

**(IN INR)**

Claims against the company not acknowledged as debts in respect of U.P.krishi Utpadan Mandi Adhinyam,1964	<b>7,075,772.00</b>	<b>7,075,772</b>
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.  |

**NATIONAL CEREALS PRODUCTS LIMITED**
**Notes to financial statements for the year ended 31st March,2020**
**(a) Defined Contribution plan:**

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

Particulars	(IN INR)	
	31.03.2020	31.03.2019
Provident fund	180,656	240,645
Pension scheme	18,750	160,167
Employees State Insurance	6,391	90,523
	<b>205,797</b>	<b>491,335</b>

**(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)	
	2019-2020	2018-2019	2019-2020	2018-2019
<b>(i) Change in Present Value of Obligation</b>				
Present value of obligation at the beginning of the year	1,398,707	3,579,040	324,414	559,708
Interest cost	102,385	269,144	23,747	42,090
Current service cost	65,385	77,199	29,972	44,153
Benefits paid	-	(2,829,900)	(35,801)	(292,465)
Actuarial (gain)/loss on obligation	43,191	303,224	(10,158)	(29,072)
<b>Present value of obligation at end of the year</b>	<b>1,609,668</b>	<b>1,398,707</b>	<b>332,174</b>	<b>324,414</b>
<b>(ii) Change in the Fair Value of Plan Assets</b>				
Fair value of plan assets at the beginning of the year	1,639,615	4,125,095	-	-
Return on plan assets	130,638	287,454	-	-
Contributions	-	78,876	-	-
Mortality charges	(9,949)	(21,910)	-	-
Benefits paid	-	(2,829,900)	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>1,760,304</b>	<b>1,639,615</b>	<b>-</b>	<b>-</b>
<b>(iii) Reconciliation of Fair value of assets and obligations</b>				
Fair value of plan assets as at the end of the year	1,760,304	1,639,615	-	-
Present value of obligation at the end of the year	1,609,668	1,398,707	332,174	324,414

<b>Amount recognised in the Balance sheet</b>	<b>150,636</b>	<b>240,908</b>	<b>332,174</b>	<b>324,414</b>
<b>(iv) Expenses recognised in the statement of profit &amp; loss</b>				
Current service cost	65,385	77,199	29,972	44,153
Net interest cost(income)	(17,635)	(41,063)	23,747	42,090
Net actuarial (gain)/loss recognised in the year			(10,158)	(29,072)
<b>Amount recognised in statement of profit and loss</b>	<b>47,750</b>	<b>93,327</b>	<b>43,561</b>	<b>57,171</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	(43,191)	(303,224)	-	-
Actuarial gain/(loss) for the year on asset	669	(44,662)		
Unrecognised actuarial gain/(loss) for the year	(42,522)	(347,886)	-	-
<b>(vi) Actual Assumptions</b>				
Discount Rate (Per annum)	6.55%	7.32%	6.55%	7.32%
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 (2012-14)	100% IALM (2006-08)	100% IALM (2012-14)	100% IALM (2006-08)

## Notes to financial statements for the year ended 31st March , 2020

(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)	
	2019-20	2018-19	2019-20	2018-19
Fund managed by insurer	100%	100%	-	-

(d) Maturity profile of defined benefit obligation

(IN INR )

Year	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2019-2020	2018-2019	2019-2020	2018-2019
0 to 1 year	1,478,164	26,219	205,565	10,542
1 to 2 year	2,889	24,671	10,907	180,498
2 to 3 year	2,848	551,977	2,562	68,145
<b>3 to 4 year</b>	<b>2,810</b>	<b>721,114</b>	2,528	1,458
4 to 5 year	1,547	1,582	1,391	1,441
5 to 6 year	1,560	1,562	1,404	802
6 year onwards	119,850	71,582	107,817	61,528

(e) Sensitivity analysis of the defined benefit obligation

(IN INR )

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2019-2020	2018-2019	2019-2020	2018-2019
<b>(a) Impact of the change in discount rate</b>				
Present value of obligation at the end of the year	1,609,668	1,398,707	332,174	324,414
(i) Impact due to change to increase of 0.50 %	(15,688)	(17,163)	(10,105)	(7,835)
(ii) Impact due to decrease of 0.50%	16,709	17,905	10,905	8,417
<b>b) Impact of the change in the salary</b>				
Present value of obligation at the end of the year	1,609,668	1,398,707	332,174	324,414
(i) Impact due to change to increase of 0.50 %	16,798	18,134	10,993	8,525
(ii) Impact due to decrease of 0.50 %	(15,911)	(17,536)	(10174)	(8001)

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 morality and withdrawals are insignificant and hence ignored.

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

# NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March ,2020

## 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	
		31.03.2020	31.03.2019
<b>i) Enterprise holding equity interest</b> Mohan Meakin Limited	India	16.26%	16.26%
<b>ii. Key Management Personnel</b>			
a) Managing director	Mrs. Comilla Mohan		
b) Non-executive directors	Mr Sanjiv Bawa Mr satish Mohan (resigned on 21st December, 2019) Mr Subhash Arya Mr. Lachmi Narain Malik		
c) Chief financial controller	Mr Manoj Madan (resigned on 30th. June, 2019)		
d) Company secretary & Chief Financial officer	Mr Minas Kumar		
<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			

**Note 24.1 :Disclosure of transactions between the Related parties and the status of outstanding balances as at March 31,2020**

**a) Transactions with related parties**

**(In INR)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>i. Enterprise referred to in note 24(i)</b>		
-Rent & Power	65,400	70,800
-Factory license fee	-	47,000
-staff welfare	15,648	8,334
-Employees contribution to Mohan Club	2,850	3,250
<b>ii.Key Management Personnel compensation</b>		
-Managing Director (refer note 24(ii)(a))	1,381,094	1,129,762
-Employee benefits (refer note 24(ii)(c & d) )	1,296,868	1,659,842
<b>iii. Key Management Personnel</b>		
-Non-executive directors (refer note 24(ii) (b))		
-Sitting fees	80,000	75,000

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

	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>i Amount payable</b>		
a))Key Management Personnel		
- Due to the Managing Director) (refer note 11)	188,997	81,165
- Gratuity payable to the Managing director (refer note 11)	882,692	856,732
b) Mohan meakin Limited (refer note 11)	4,470	-
<b>ii. Investments as at year end</b>		
-Mohan Meakin Limited (refer note 5(a))	400,000	1,057,920

**(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.

**Note 25 : Earnings per share (EPS)**

	<b>31.03.2020</b>	<b>31.03.2019</b>
Net Profit /(Loss) available to equity holders	(4,239,874)	(6,230,643)
Weighted average number of equity shares used as denominator for calculating of earning per share	1,314,528	1,314,528
Nominal value of equity shares	1	1.00
Basic and diluted earnings per share	(3.23)	(4.74)

**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.

**(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 )**

<b>As at March 31,2020</b>	<b>Note</b>	<b>Carrying On demand Amount</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Trade payables	10(a)	-			-
<b>Total</b>		-			-
<b>As at .March 31,2019</b>					
Trade payable	10(a)	70,870.00			70,870.00
<b>Total</b>		<b>70,870.00</b>			<b>70,870.00</b>

# NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March,2020

## Note 26 : Financial risk management

The company's financial liabilities comprises of trade payable for services. The main purpose of these financial liabilities is to manage finances for the company's operations and financial assets include loans, 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 of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits 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 a financial loss. The company is exposed from its financing activities including deposits with banks and other financial instruments. 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.

The board of directors reviews and agrees policies for managing each of these risks. The limits are set to minimise the concentration of risks, and therefore mitigate loss through counterparty's potential failure to make payments.

### (b) Liquidity risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or 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 liquidity position through rolling, forecast on the basis of expected cash flows.

### 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 31,2020	Note	Carrying Amount	On demand	Less than 12 months	More than 12 months	Total
Trade payable		158470		158470		158,470
<b>Total</b>		<b>158470</b>				<b>158,470</b>
<b>As at .March 31,2019</b>						
Trade payable	10(a)	70870		70870		70870
Total			0			<b>77270</b>
<b>Total</b>		<b>70870</b>				<b>148140</b>

Note	31.03.2020	31.03.2020	31.03.2020	31.03.2019	31.03.2019	31.03.2019
	Amortised Cost	*FVTPL	*FVTOCI	Amortised Cost	*FVTPL	*FVTOCI
<b>Financial assets</b>						
Investments 5(a)			1,937,751			2,399,671
Trade receivables	-			-		
Cash and cash equivalents 5(b)	28,470,239			43,968,690		
Advance to employees 5(c)	77,540			63,965		
Security deposits 5(d)	31,500			31,500		
Other financial assets 5(d)	23,504,037			12,794,370		
<b>Total financial assets</b>	<b>52,083,316</b>		<b>1,937,751</b>	<b>56,858,525</b>		<b>2,399,671</b>
<b>Financial liabilities</b>						
Trade payables 10(a)	158,470			70,870		
<b>Total financial liabilities</b>	<b>158,470</b>			<b>70,870</b>		

\* FVTPL -Fair Value Through Profit and Loss

\* FVTOCI -Fair Value Through Other Comprehensive Income

**(i) Fair value hierachy**

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 level follows underneath the table.

**Level 1:** 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.

**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)

Particulars	Note	Carrying value 31.03.2020	Fair value Measurement using		
			Level 1	Level 2	Level 3
<b>Financial assets at fair value through other comprehensive income</b>					
Investments in equity instruments	5(a)	1,937,751	1,184,000		753,751
<b>Total</b>		<b>1,937,751</b>	<b>1,184,000</b>		<b>753,751</b>
<b>Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2020</b>					
<b>Financial assets :</b>					
Loans-					
-Advance to employees	5(c)	77,540			77,540
Security deposits	5(d)	31,500			31,500
<b>Total financial assets</b>		<b>109,040</b>			<b>109,040</b>
<b>Financial liabilities</b>					
Trade payables	(10(a))	158,470			158,470
<b>Total financial liabilities</b>		<b>158,470</b>			<b>158,470</b>

(IN INR)

Particulars	Note	Carrying value 31.03.2019	Fair value Measurement using		
			Level 1	Level 2	Level 3
<b>Financial assets at fair value through other comprehensive income</b>					
Investments in equity instruments	5(a)	2,399,671	1,645,920		753,751
<b>Total</b>		<b>2,399,671</b>	<b>1,645,920</b>		<b>753,751</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>					
Advance to employees	5(c)	63,965			63,965
Security deposits	5(d)	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>77,270</b>			<b>77,270</b>

(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:** The Company has considered the possible effect that may result from the pandemic relating to COVID-19 on the carrying amounts of assets in developing to the assumptions relating to the possible future possible uncertainties in the global conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external sources of related information including continued cutting of interest rate on fixed deposit and on the expected future performance of the company, and considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The company expects that carrying amounts of these assets will be realised.

**Note 29:** 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 Regn.No.000057N)

Comilla Mohan  
Managing Director  
DIN 00196231

Ramesh Malhotra

Partner

Membership No.013624

Place of Signature:New Delhi

**Date: 27.06.2020**

Subhash Arya

Director

DIN 00308369

Lachmi Narain Malik

Director

DIN 00481449

Sanjeev Bawa

Director

DIN 03633427

Minas Kumar

Company Secretary & CFO