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BOARD OF DIRECTORS

Smt. Comilla Mohan

Managing Director

DIN : 00196231

Shri Satish Mohan

Non-Executive Director

DIN : 00230292

Shri Subhash Arya

Non-Executive Director

DIN : 00308369

Shri L.N. Malik

Independent Director

DIN : 00481449

Shri Sanjeev Bawa

Independent Director

DIN : 03633427

Shri Minas Kumar

Company Secretary

Shri Manoj Madan

Chief Financial Officer

Statutory Auditors

K.C. Malhotra & Company

Chartered Accountants

New Delhi-110048

Registrar & Transfer Agents :

Mas Services Pvt. Ltd.

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

New Delhi-110020

Secretarial Auditors

M/s. AKP & Associates

Practicing Company Secretary

Noida

ANNUAL GENERAL MEETING:

at 12.00 Noon, Wednesday, the 26th September, 2018

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

Registered Office : Solan Brewery. Pin Code - 173 214

Distt. : Solan (Himachal Pradesh)

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

NATIONAL CEREALS PRODUCTS LIMITED

NATIONAL CEREALS PRODUCTS LIMITED

CIN-L99999HP1948PLC001381

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

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

NOTICE OF MEETING

Notice is hereby given that the 70th 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 Wednesday, the 26th September, 2018 at 12.00 Noon to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2018 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-0308369) who retires by rotation and being eligible offers himself for re-election.

SPECIAL BUSINESS

3. Related party transaction

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

“**RESOLVED THAT** pursuant to section 188 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, and in compliance with Regulation 23 of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 consent of the Company be and is hereby accorded to ratification of the Agreement entered into by the Company with Mohan Meakin Limited, Solan Brewery (H.P.) for Sale of Malt and taking of Godown and Machinery on rent from Mohan Meakin Limited w.e.f. 1/4/2018 to 31/3/2019.

Dated :10th August 2018

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

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

Minas Kumar
Company Secretary

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXED HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
- 2) In terms of Listing Agreement, the additional information on Directors seeking re-appointment at this Annual General Meeting has been provided elsewhere in this Report.
- 3) Members who hold shares in electronic form are requested to notify any changes in their particulars like change in address, etc. to their respective Depository Participants immediately and Members who hold shares in physical form are requested to notify any change in their particulars like change in address, etc to the Registrar & Transfer Agents of the Company.
- 4) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 25th day of September 2018 to Wednesday, the 26th day of September 2018 (both days inclusive)
- 5) Copies of the Annual Report are being sent by electronic mode only to all the members whose email address are registered with the company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent by the permitted mode.
- 6) The Notice of the 70th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 7) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the RTA/Company.
- 8) The Register of Directors & Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 9) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- 10) Corporate Members intending to send their Authorized Representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the company, authorizing their representative to attend and vote on their behalf at the meeting.
- 11) The Members / Proxies are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall. The members who hold shares in dematerialized form are requested to bring their Client Master List / Depository Participant Statement / Delivery Instruction Slip, reflecting their Client ID and DP ID Nos for easier identification of attendance at the meeting.
- 12) Members are requested to intimate to the Company queries, if any, regarding Accounts/Notice at least 7 days before the Meeting at its Registered Office address to enable the Management to keep the information ready at the meeting.
- 13) Your company is offering e-voting facility to all shareholders of the company and accordingly it has entered into an agreement with CDSL for facilitating e-voting to enable the shareholders to cast their vote electronically.

NATIONAL CEREALS PRODUCTS LIMITED

- 14) The evoting will commence on Sunday, 23rd September 2018 at 10:00 am IST and ends on Tuesday, 25th September 2018 at 5:00 p.m. IST. The cut-off date for the purpose of evoting is 19th September 2018. Please read the instructions for e-voting given herein below before exercising your vote electronically.
- 15) The Company has appointed Mr. Ashutosh Kumar Pandey, Company Secretary in whole time practice, as the Scrutinizer to conduct e-voting and poll process in a fair and transparent manner.
- 16) Instruction for e-voting is being given hereunder :
 - In case of members receiving e-mail:
 - i. Log on to the e-voting website www.evotingindia.com
 - ii. Click on "Shareholders" tab.
 - iii. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv. Next enter the Image Verification as displayed and Click on Login.
 - v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form PAN* Enter your 10 digit alphanumeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).

Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field.

Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.

DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 19/09/2018 in the Dividend Bank details field.
 - vii. After entering these details appropriately, click on "SUBMIT" tab.
 - viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - x. Click on the EVSN No. 180830058 for the relevant National cereals Products Limited on which you choose to vote.
 - xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobiles.**

xviii. Note for Non – Individual Shareholders and Custodians

- ♦ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- ♦ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- ♦ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- ♦ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ♦ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A. Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- B. The voting period begins on Sunday, 23rd September 2018 at 10:00 am IST and ends on Tuesday, 25th September 2018 at 5:00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Members may also note that the Notice of the 70th Annual General Meeting and the Annual Report for 2018 will also be available at the Company’s Registered Office in Himachal Pradesh for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company Secretary, at email id: ncp@nationalcereals.com

Dated : 10th August 2018

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

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

Minas Kumar
Company Secretary

NATIONAL CEREALS PRODUCTS LIMITED

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

1. Name	:	Mr. Subhash Arya
Age	:	75 Years
Qualification	:	Higher Secondary
Experience	:	Leading Businessman
Other Directorship	:	Name of the Company Trade Link Private Limited
Shareholding in the Company	:	450 Shares

ANNEXURE TO THE NOTICE

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

AGENDA ITEM NO 3

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

The Company has entered into Agreement with Mohan Meakin Limited (MML) effective from 1/4/2018 to 31/3/2019. National Cereals Products Limited (NCPL) manufacture Malt for MML's Breweries & Distilleries as per their specifications and its quality is perfect match as ingredient required for preparation of MML's product. NCPL manufacturing facility is also situated within MML's premises at Mohan Nagar, therefore it makes instant supply even in eleventh hour crises. NCPL maintains stock for MML so it provided Malt even in market crises. Moreover it produces malt exclusively for MML's units as per their quantity and quality standards. The Mohan Meakin Limited has allowed NCPL to use its facility within the MML Compound to ensure that the Company can get the quality of Malt duly checked at the time of production itself. Technical Team could visit and supervise the quality of Malt even during its production process from time to time. The arrangements are in the beneficial interest of the National Cereals Products Limited and are in the ordinary course of business and at arm's length. The Agreement with Mohan Meakin Limited., referred to above shall be available for inspection at the Regd. Office of the Company on all working days except Sunday, including the date of Annual General Meeting.

The Board of your company has already accorded its consent towards this agreement vide a resolution passed at its meeting held on 29th September, 2017 subject to approval of the General Meeting by way of an Ordinary Resolution and hence the resolution in question is being put before the shareholders for their consideration and necessary approval.

The members are requested to consider it and pass it, if think fit to pass, with or without modification as an ordinary resolution.

NATIONAL CEREALS PRODUCTS LIMITED

DIRECTORS REPORT

TO,
THE MEMBERS
National Cereals Products Limited

Your Directors have pleasure in presenting the 70th Annual Report together with Audited Financial Statement of Accounts for the year ended 31st March 2018.

OPERATIONS

During the financial year 2017-2018, the other income of the company is increased by 17.76 % to Rs. 3752217 as compared to last year's other income of Rs. 3186391 and Loss before interest, depreciation and taxation is decreased by 1.41 % to Rs. 6559989 in the current year as compared to Rs. 6653945 in the previous year ended 31st March 2017.

Financial Results:

Particulars	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Revenue from Operations		
Other Income	3752217	3186391
Total income	3752217	3186391
Expenses:-		
Employee benefits Expense	7927766	7674591
Finance Cost	108	215
Depreciation and Amortisation Expense	4920	15723
Other Expenses	2379412	2149807
Total expenses	10312206	9840336
Profit/(loss) before tax	(6559989)	(6653945)
Tax expense		
Current tax	44152	94431
Deferred tax	-	2140105
Tax Adjustment (Excess)/Short provision of earlier years	-	-
Total Tax Expense	44152	2234536
Profit/(loss) for the year	(6515837)	(4419409)
Other Comprehensive Income		
A. Items that will not be reclassified to profit or loss	(106805)	(197896)
Income tax relating to items that will not be reclassified to profit or loss	-	-
B. Items that will be reclassified to profit or loss	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-
Other Comprehensive Income for the year, net of tax	-	-
Total Comprehensive Income for the year (VII+VIII)	(6622642)	(4616605)
Earning per Equity Share	-	-
Equity and diluted earnings per Equity Shares of face value Re. 1 each	(5.04)	(3.51)

WORKING RESULT

The members be informed that your company has got a good facility having all potential to be operated at a large scale, however, in spite of all good efforts your company has not achieved the desired and planned results during the year but we expect an uplift in sales, in profit and in overall income during the current year.

TRANSFER TO RESERVE

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

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

SHARE CAPITAL

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

DIVIDEND

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

PUBLIC DEPOSITS

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

BOARD EVALUATION

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

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

The company is having its policy on appointment of Directors, their Remuneration and other related things which are in conformity of the Laws, Rules and Regulations. The nomination and remuneration committee of the Board has to play a wider role in the matter. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration which forms an integral part of this Report. As part of the policy, the Company strives to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

PARTICULARS OF EMPLOYEES

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

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

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

Further the details are also available on the Company's website: www.nationalcereals.com

DECLARATION BY INDEPENDENT DIRECTORS

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 aspect except being Independent Director. The relevant declaration has been obtained.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

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

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

INTERNAL CONTROL SYSTEM

This is being provided elsewhere in this report.

DISCLOSURE ABOUT COST AUDIT AND COST RECORDS

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

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Act, Rules and Regulations made there under, the company had appointed M/s. AKP & Associates, Company Secretaries (Practicing Company Secretary) as Secretarial Auditor of the company for the year 2017-18. 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 2018-19. The report of the Secretarial Auditors has been obtained and is being annexed to this report. The report is self-explanatory and do not call for any further comments.

VIGIL MECHANISM

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

RISK MANAGEMENT POLICY

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

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

HEALTH, SAFETY & WELFARE (HSW)

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

DETAILS OF THE BOARD MEETING

The Details of the Board meeting held during the year ended on 31-03-2018 is being given somewhere else in the Annual Report.

NATIONAL CEREALS PRODUCTS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March 2018 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 endeavour of the company to implement these values to attain Excellency in all the fields directly or indirectly related to the company. The company has implemented the conditions of Corporate Governance as stipulated in the Listing Agreement with Stock Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended 31st March 2018. 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 31st March 2018 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 with vide The Companies (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.

EXTRACT OF ANNUAL RETURN

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

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

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

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

There is nothing to report under this head.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There is nothing to report under this head.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

NATIONAL CEREALS PRODUCTS LIMITED

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

1	Conservation of Energy	Detailed Information
	a) the steps taken or impact on conservation of energy	-
	b) the steps taken by the company for utilizing alternate sources of energy	-
	c) the capital investment on energy conservation equipment's	-
2	Technology absorption	Detailed Information
	a) the efforts made towards technology absorption	-
	b) the benefits derived like product improvement, cost reduction, product development or import substitution	-
	c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	-
	♦ the details of technology imported;	-
	♦ the year of import;	-
	♦ whether the technology been fully absorbed;	-
	♦ if not fully absorbed, areas where absorption has not taken place,	-
	♦ and the reasons thereof;	-
	d) the expenditure incurred on Research and Development	-.

FOREIGN EXCHANGE EARNING AND OUTGO

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

CORPORATE SOCIAL RESPONSIBILITY

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

HUMAN RESOURCE

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

LISTING

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

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

The financial statements are prepared in accordance with the Indian Accounting Standards (IND AS) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting standard) Rules 2006, the provisions of the Companies Act, 2013, and the guidelines issued by the SEBI. The Board accept responsibility for integrity and objectivity of these financial statements. The

NATIONAL CEREALS PRODUCTS LIMITED

Accounting policy used in preparation of the financial statements has been constantly applied except otherwise mentioned in the Notes. The Board has taken sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

- 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 laws and that such systems were adequate and operating effectively.

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

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

Transfer of Amounts to Investor Education and Protection Fund

There is nothing to report under this head.

Listing with stock exchange:

The Shares of the Company listed with The Calcutta Stock Exchange Ltd. and it has paid the Annual Listing Fees for the year 2018-2019.

APPRECIATION

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

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

Smt. Comilla Mohan
(Managing Director)

Shri Subhash Arya
(Director)

Shri Satish Mohan
(Director)

Shri L.N. Malik
(Director)

Date:-28th May, 2018

Place:-New Delhi

Annexure to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

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

Malt Market: Drivers & Restraints

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

Malt Market: Segmentation

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

Market Insights

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

KEY OPPORTUNITIES

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

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

THREATS & CHALLENGES

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

OUTLOOK

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

NATIONAL CEREALS PRODUCTS LIMITED

National Cereals Products Limited is committed to deliver quality products through the use of cutting edge technology to the utmost satisfaction and well-being of the users.

SEGMENT-WISE PERFORMANCE

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

RISKS & CONCERNS

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

QUALITY ASSURANCE

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

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

FINANCIAL OPERATIONS VERSUS OPERATIONAL PERFORMANCE

During the year under report, the company has recorded turnover (other income) of Rs. 3752217/- as compared to turnover of Rs. 3186391/- for the previous year ended 31st March 2017. During the year under review, Profit (Loss) before interest, depreciation and taxation was Rs. 6559989/- as compared to Rs. 6653945/- in the previous year ended 31st March 2017.

HUMAN RESOURCE

In keeping with the tradition of pioneering Human Resource practices across geographies, the Human Resources Management (HRM) function has driven myriad changes in the way Human Resources are managed and developed, striking a balance between business needs and individual aspirations. HRM has now become a business partner and is taking key decisions not just with respect to Human Resource but businesses as a whole. It focusses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. Human Resource Management is an important and focused area for the company. The success of the organization depends on the satisfaction of human needs, aspirations consistent with company's objectives. The company also lays emphasis on identifying and developing talent in the organization with a view to retain them and imparting further training to those capable of handling additional responsibilities recruits and train talented manpower enabling it to achieve its goals in effective and efficient manner.

CAUTIONARY NOTE

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

For and on behalf of the Board

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

Date: 28th May, 2018

Place: New Delhi

NATIONAL CEREALS PRODUCTS LIMITED

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

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

- (a) We have reviewed the financial statements for the year ended on 31.03.2018 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For NATIONAL CEREALS PRODUCTS LIMITED

(Manoj Madan)
Chief Financial Officer

(Comilla Mohan)
Managing Director

Date: 28th May, 2018
Place: New Delhi

DECLARATION OF INDEPENDENCE

28th May, 2018

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

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

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

We certify that:

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

- ♦ We are/were not a promoters of the company or its holding, subsidiary or associate company;
 - ♦ We are not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
 - ♦ Apart from receiving directors sitting fees / remuneration, We have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - ♦ none of our relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither we nor any of our relatives;
- a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any non profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- ♦ We are not a material supplier, service provider or customer or a lessor or lessee of the company;
 - ♦ We are not less than 21 years of age.

Declaration

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

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

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

Thanking you,
Yours faithfully,

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

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

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 transactions under third proviso thereto

S.No.	Particulars			Detailed Information
1	Details of contracts or arrangements or transactions not at arm's length basis	S.No.	Particulars	
		a	Name(s) of the related party and nature of relationship	Mohan Meakin Limited
		b	Nature of contracts/ arrangements / transactions	Purchase/Sale agreement
		c	Duration of the contracts / arrangements/transactions	One year commencing from April 1, 2018
		d	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of Malt to MML As per order Arms-Length Price in additions, provision for infrastructure by the MML
		e	Justification for entering into such contracts or arrangements or transactions	The company is engaged in manufacturing of Malt which is consumed by the MML and which otherwise has an average market value, on the other hand MML is getting good quality of Malt at Arms-Length Price. Hence, beneficial to both the parties.
		f	date(s) of approval by the Board	28 th May, 2018
		g	Amount paid as advances, if any	NIL
2	Details of material contracts or arrangement or transactions at arm's length basis	S.No.	Particulars	Amount
		a	Gross Sales	-----
		b	Dharmada collected	-----
		c	Electricity	30,000
		d	Rent	30,000
		e	Repair to Building	-----
		f	Others	25,262/-

Smt. Comilla Mohan
(Managing Director)

Shri Subhash Arya
(Director)

Shri Satish Mohan
(Director)

Shri L.N.Malik
(Director)

Date:- 28th May, 2018

Place:- New Delhi

NATIONAL CEREALS PRODUCTS LIMITED

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[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, 2018, 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 2018, according to the provisions of:

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

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

- a) The Environment (Protection) Act, 1986.
- b) The Minimum Wages Act, 1948.

- c) The Payment of Wages Act, 1936.
- d) The Negotiable Instrument Act, 1881.

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

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

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

I further report that:-

- a) I have relied upon the explanation of the company, its officers and agents, to the effect that the company does not have any foreign direct investment nor it has any overseas direct investment except and to the extent of few equity shares held by foreign national. In this regard, it is represented by the management that these shares are coming in the book before implementation of FERA/FEMA and all these shareholders are non-traceable. The board of the company is advised to identify those shares and take effective steps to transfer the same to IEPF.
- b) 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.
- c) 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.
- 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 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.
- e) 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 Adhiniyam, 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.
- f) The Board of Directors of the Company is constituted with balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director.
- g) 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.
- h) 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.
- i) 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 is 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: 03.08.2018

Annexure A

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

Our Secretarial Audit Report for the financial year 31st March, 2018 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For AKP & Associates
Company Secretaries

Ashutosh Kumar Pandey
FCS-6847:CP-7385
Proprietor
Place: Noida
Date: 03.08.2018

NATIONAL CEREALS PRODUCTS LIMITED

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2018
[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 th August, 1948
Name of the Company	NATIONAL CEREALS PRODUCTS LIMITED
Category / Sub-Category of the Company	Public Limited Company
Address of the Registered office and contact details	Regd Office: Solan Brewery, PO Shimla Hills, Distt. Solan (H.P.) – 173214, Tel. No. 01792-230222
Whether listed company	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Pvt. Ltd. T-34, IInd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

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

NATIONAL CEREALS PRODUCTS LIMITED

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

NATIONAL CEREALS PRODUCTS LIMITED

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Pledged encumbered to total shares	
1	Brig. (Dr.) Kapil Mohan	48536	3.69	-	48536	3.69	-	-
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 st 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	Brig. (Dr.) Kapil Mohan & Sh. Hemant Mohan Karta	123784	9.42	-	-	-	-	-
8	Mohan Meakin Limited	341352	25.97	-	341352	25.97	-	-
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 (Trustee of Ram Rakhi Mohan Trust)	-	-	-	123784	9.42	-	-
	Total	709162	53.95	-	709162	53.95	-	-

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				
	Sh. Hemant Mohan (Transmitted)	0	0	1,23,784	9.42
	Total	0	0	1,23,784	9.42

Note : No. of shares 123784 is held by trust, Ram Rakhi Mohan Trust. Previously these shares stood in the joint name of Brig. (Dr.) Kapil Mohan & Shri Hemant Mohan & Now after the demise of Brig. (Dr.) Kapil Mohan, these stand transmitted to the single name of Shri Hemant Mohan, hence the beneficiary is the trust.

NATIONAL CEREALS PRODUCTS LIMITED

iv) Shareholding Pattern of top ten Shareholders:

Sl No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Mohan Meakin Limited	341352	25.97	341352	25.97
2.	Brig. Dr. Kapil Mohan & Shri Hemant Mohan Karta	123784	9.42	-	-
3.	Smt. Usha Mohan	115204	8.76	115204	8.76
4.	Major Johnie George Skiptonker	79992	6.09	79992	6.09
5.	Smt. Comilla Mohan	58286	4.43	58286	4.43
6.	Mr. Divyanshu Aggarwal	51357	3.90	51357	3.90
7.	Brig. Kapil Mohan	48536	3.69	48536	3.69
8.	Mr. Kamal Parekh	36792	2.80	36792	2.80
9.	Mohan Meakin Limited	25056	1.91	25056	1.91
10.	Mr. Vipin Garg	24508	1.86	24508	1.86
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)				
1.	Mohan Meakin Limited	341352	25.97	341352	25.97
2.	Sh. Hemant Mohan (Trustee of Ram Rakhi Mohan Trust)	123784	9.42	123784	9.42
3.	Smt. Usha Mohan	115204	8.76	115204	8.76
4.	Major Johnie George Skiptonker	79992	6.09	79992	6.09
5.	Smt. Comilla Mohan	58286	4.43	58286	4.43
6.	Mr. Divyanshu Aggarwal	51357	3.90	51357	3.90
7.	Brig. Kapil Mohan	48536	3.69	48536	3.69
8.	Mr. Kamal Parekh	36792	2.80	36792	2.80
9.	Mohan Meakin Limited	25056	1.91	25056	1.91
10.	Mr. Vipin Garg	24508	1.86	24508	1.86
	Total	904867	68.83	904867	68.83

Note : No. of shares 123784 is held by trust, Ram Rakhi Mohan Trust. Previously these shares stood in the joint name of Brig. (Dr.) Kapil Mohan & Shri Hemant Mohan & Now after the demise of Brig. (Dr.) Kapil Mohan, these stand transmitted to the single name of Shri Hemant Mohan, hence the beneficiary is the trust.

NATIONAL CEREALS PRODUCTS LIMITED

v) Shareholding of Directors and Key Managerial Personnel

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

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured excluding deposits	Deposits Loans	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i)Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
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.8,54,400	Rs.8,54,400
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	Rs.4,21,024	Rs.4,21,024
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Option	NA	NA
3	Sweat Equity	NIL	NIL
4	Commission as % of profit others, specify	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	12,75,424	12,75,424
	Ceiling as per the Act Rs. 18,00,000 per annum (as per schedule V Part II of the Companies Act, 2013)		

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors	Total Amount
	1. Independent Directors Fee for attending board / committee Meetings	Shri L.N. Malik - Rs.20,000 Shri Sanjeev Bawa - Rs.15,000	Rs.35,000
	Commission	-	
	Others, please specify	-	
	Total (1)	Rs.35,000	Rs.35,000
	2. Other Non-Executive Directors Fee for attending board / committee Meetings	Shri Satish Mohan - Rs.15,000 Shri Subhash Arya - Rs.20,000	Rs.35,000
	Commission	-	
	Others, please specify	-	
	Total (2)	Rs.35,000	Rs.35,000
	Total (B)=(1+2)	Rs.70,000	Rs.70,000
	Total Managerial Remuneration	Rs.70,000	Rs.70,000
	Overall Ceiling as per the Act	Rs. 1,00,000 per meeting per Director	

NATIONAL CEREALS PRODUCTS LIMITED

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

Sl No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6,70,123	7,85,164	14,55,287
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify (Telephone Reimbursement)	-	8,412	10,979	19,391
	Total	-	6,78,535	7,96,143	14,74,678

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Smt. Comilla Mohan
(Managing Director)

Shri Satish Mohan
(Director)

Shri Subhash Arya
(Director)

Shri L.N.Malik
(Director)

Date:- 28th May, 2018

Place:- New Delhi

NATIONAL CEREALS PRODUCTS LIMITED

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

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<u>Name of the Director</u> Smt. Comilla Mohan, Managing Director	<u>Ratio</u> 5 : 1
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	
The percentage increase in the median remuneration of employees in the financial year	5.2 %	
The number of permanent employees on the rolls of company	14 Nos.	
The explanation on the relationship between average increase in remuneration and company performance	The Company performance is same as the last year and the increase in remuneration is as per policy of the company.	
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	-	
variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	-	
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;	There is no change in managerial remuneration but salaries of employees increased by 5%.	
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	-	
The key parameters for any variable component of remuneration availed by the directors	-	
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not Applicable	
Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

Smt. Comilla Mohan
(Managing Director)

Shri Satish Mohan
(Director)

Shri Subhash Arya
(Director)

Shri L.N.Malik
(Director)

Date:- 28th May, 2018

Place:- New Delhi

NATIONAL CEREALS PRODUCTS LIMITED

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

		Current year		Previous year
(A)	Power and fuel consumption:			
	1. Electricity:			
	(a) Purchased:			
	(i) Hydle unit	-		-
	Total amount	Rs. -	Rs.	-
	Rate per unit	Rs. -	Rs.	-
	(ii) Generated unit	-		-
	Total amount	Rs. -	Rs.	-
	Rate per unit	Rs. -	Rs.	-
	(b) Own generated			
	(i) Through diesel generator:			
	Unit	-		-
	Units per ltr. of diesel oil	-		-
	Cost/unit	-		-
	(ii) Through steam turbine/generator:			
	Units	-		-
	Units per ltr. of fuel oil/gas	-		-
	Cost/units	-		-
	2. Coal (used in klin):			
	(a) Soft coke:			
	Quantity (tonnes)	-		-
	Total cost	Rs. -	Rs.	-
	Average rate	Rs. -	Rs.	-
	(b) Charcoal:			
	Quantity (tonnes)	-		-
	Total cost	Rs. -	Rs.	-
	Average rate	Rs. -	Rs.	-
	3. Furnace oil:			
	Quantity (k.ltrs.)	-		-
	Total amount	-		-
	Average rate	-		-
	4. Others/Internal generation:			
(B)	Consumption per unit of production:			
	(i) Malt per tonne			
	Standard (if any)			
	Electricity	-	Rs.	-
	Furnace oil	-	Rs.	-
	Softcoke & charcoal	-	Rs.	-
	Others	-	Rs.	-

Smt. Comilla Mohan
(Managing Director)

Shri Subhash Arya
(Director)

Shri L.N.Malik
(Director)

Shri Satish Mohan
(Director)

Date:- 28th May, 2018

Place:- New Delhi

NATIONAL CEREALS PRODUCTS LIMITED

Annexure to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

1 PHILOSOPHY

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

2 BOARD OF DIRECTORS

A Composition of the Board

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

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

The size and composition of the Board is in accordance of the requirements of the Corporate Governance code under the Listing Agreement with the Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details relating to the directors as on 31st March 2018 are as follows

Name of the Director	Position held in the company	Number of other directorships in companies Incorporated in India excluding Private Companies	Committee memberships in other companies*	Committee chairmanship in other companies*
Smt. Comilla Mohan	Managing Director	NIL	NIL	NIL
Sh. Satish Mohan	Director	3	NIL	NIL
Sh. Subhash Arya	Director	NIL	NIL	NIL
Sh. LachmiNarain Malik	Director	2	Nil	Nil
Sh. Sanjeev Bawa	Director	Nil	Nil	Nil

*Represent membership / chairmanship of Audit Committee

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

B Remuneration Policy for Directors

The remuneration paid to Executive Director is recommended by Remuneration Committee and approved by Board of Directors subject to the approval of shareholders in General Meeting. Non-Executive Directors are paid sitting fees for the meetings of the Board and committees, if any, attended by them. The details of the Remuneration paid to the Directors for the year ended 31st March 2018 is detailed below:

Name of the Director	Relationship with other directors	Remuneration paid/ payable for the year ended 31st March 2018			
		Sitting Fee	Remuneration	Commission	Total
Smt. Comilla Mohan	Not related to others except Mr. SatishMohan	NIL	1383350	NIL	1383350
Sh. Satish Mohan	Not related to others except Mrs. Comilla Mohan	15000	NIL	NIL	15000
Sh. Subhash Arya	Not related to others	20000	NIL	NIL	20000
Sh. LachmiNarain Malik	Not related to others	20000	NIL	NIL	20000
Sh. Sanjeev Bawa	Not related to others	15000	NIL	NIL	15000

C Board Procedures

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

Number of Board Meetings Held : **Four**
 Dates on Which Held : **10/05/2017, 12/08/2017, 14/11/2017, 12/02/2018**

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

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

c) Availability of information to the members of the Board

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

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

d) Statutory Compliances

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

e) Code of Conduct

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

All employees including Senior Management and Board Members have confirmed the compliance with the Code for the financial year 2017-18. A declaration to this effect signed by the Chairman & Managing Director of the Company is provided elsewhere in this Report.

3 BOARD COMMITTEES

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

a) Audit Committee

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

During the year under review, 4 meetings of the committee were held 10th May 2017, 12th August 2017, 14th November 2017, and 12th February 2018. The composition of committee and attendance at its meetings is given below:

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

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

Powers of the Audit Committee

The powers of the Audit Committee include the following:

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

Functions of the Audit Committee

The role of the Audit Committee includes the following:

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

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

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

b) Nomination & Remuneration Committee

The Scope of the Nomination & Remuneration Committee includes the following

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

The Board of Directors of the company have constituted a Nomination & Remuneration Committee of Directors mainly for the purposes of recommending the Company's policy on Remuneration Package for the Managing/ Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of key management personnel. As on 31st March, 2018, the Nomination & Remuneration Committee consisted of 3 Directors.

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

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

c) Share Transfer and Shareholder Grievance Committee

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

The committee oversees the performance of M/s. Mas Services Limited, the Registrars and Share Transfer Agents of the company and recommends measures to improve the level of investor related services. Though the powers to approve share transfer/transmission are delegated to the Registrar and Share Transfer Agents, all the share transfer/transmission cases approved by the Registrars are reported to the Committee. During the year under review, no investor complaint was received directly from the shareholder and no complaints were pending as on 31st March 2018. The company is taking all measures to improve investor relations through its Registrars and Share Transfer Agents.

d) CSR Committee

Hence, the provisions of CSR is not applicable on your company. The Company has constituted a committee comprises of two Independent and one Non-executive director namely Shri L.N.Malik, Shri Sanjeev Bawa and Shri Subhash Arya

e) Risk Management Committee:

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

4 Subsidiaries

The company has no subsidiary company

5 Disclosures

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

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

A Related Party Transactions

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

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

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

B Accounting Treatment

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

C Management Discussion and Analysis Report

The Management Discussion and Analysis Report is appended to this report

D Shareholders

1) Disclosures regarding appointment or re-appointment of Directors

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

2) Communication to shareholders

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

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

3) Share Transfer and Share Grievances

As mentioned earlier, the Company has a Board-level Share Transfer and Share Grievances Committee to

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

4) Details of Non-Compliances

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

5) General Body Meetings

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

Financial Year	Location	Date	Time	Special Resolution
2014-2015	solan	24.09.2015	12.00 Noon	No
2015-2016	solan	15.09.2016	12.00 Noon	No
2016-2017	solan	29.09.2017	12.00 Non	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 2018 is annexed to the Directors' Report and the Management Discussion and Analysis Report.

9) Compliance with Corporate Governance Norms

a) Mandatory Requirements

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

b) Non-Mandatory Requirements

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

The Board:-

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

Remuneration Committee:-

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

Audit Qualifications:-

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

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

6 Compliance Certificate of the Auditors

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

7 Means of Communication

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

NATIONAL CEREALS PRODUCTS LIMITED

8 General Shareholders' Information

Annual General Meeting:-

- a) Date, Time and Venue of AGM
26th day, September 2018 at 12:00 Noon at Solan Brewery, Solan, HP
- b) Financial Calendar 2018-2019 (tentative & subject to change)

Tentative Schedule	Tentative Date	Tentative Date
Financial Reporting for the quarter ending 30th June 2018	14/08/2018	13/08/2018
Financial Reporting for the quarter ending 30th September, 2018	14/11/2018	13/11/2018
Financial Reporting for the quarter ending 31st December, 2018	14/02/2019	13/02/2019
Financial Reporting for the quarter ending 31st March 2019	30/05/2019	29/05/2019
Annual General Meeting for the year ending 31st March, 2019	30/09/2019	29/09/2019

c) **Book Closure Date**

The Share Transfer Books and Register of Members of the Company will remain closed from 25th day of September 2018, Tuesday to 26th day of September 2018, Wednesday (both days inclusive).

d) **Dividend Payment date**

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

e) **Listing on Stock Exchanges**

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

f) **Listing Fee**

Paid within Time

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

g) **Registrar and Transfer Agents**

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

h) **Category of Shareholders as on 31st March 2018**

S.No.	CATEGORY	NO. OF SHARES HELD	SHAREHOLDING
1	Promoters	709162	53.95
2	Private Bodies Corporate	61660	4.69
3	Indian Public	436050	33.17
4	NRIs/OCBS	98256	7.47
5	Others	9400	0.72

i) **Dematerialization of Shares**

The company's shares are in the process of dematerialization both for promoters and public and are capable of being traded in both the Form i.e physical and Demat. The shares are proposed to be dematerialized, both, through National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Shareholders can open account with any of the depository-participants registered with any of these depositories. As on 31st March, 2018, 0 % of the Company's shares were held in dematerialized form.

j) Location of the Factory

Mohan Nagar, Ghaziabad.

k) Address for Investors' Correspondence

Mas Services Limited
(Registrars & Share Transfer Agents)
T-34, 2nd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Ph:- 26387281/82/83, Fax:- 26387384
email:- info@masserv.com, website : www.masserv.com
Or
The Company Secretary
National Cereals Products Limited
Mohan Nagar, Ghaziabad - 201007 (UP)
Email-ncp@nationalcereals.com
Phone:- 91-9910730748

l) Go Green Initiative

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

Accordingly, the Annual Report for the year 2017-18, Notice for the Annual General Meeting, etc., each being sent in electronic mode to the members of the company who have registered their email id to do their respective depository participant(s). The members, who do not opt to receive the communication / documents in electronic form, will continue to receive the same in physical form.

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

9 Declaration

The Board of the Company has laid down a Code of Conduct for the directors and employees of the company. A declaration dated 30th May, 2018, signed by the Managing Director to the effect is produced herein below:

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

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

For National Cereals Products Limited

Date: May 28, 2018
Place: New Delhi

Comilla Mohan
Managing Director

CERTIFICATE

To

The Members of National Cereals Products Limited

I have examined the compliance of conditions of corporate governance by M/s. **National Cereals Products Limited** for the year ended on 31st March, 2018 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.

For AKP & Associates
Company Secretary

Place: NOIDA
Date: 03.08.2018

Signature: Ashutosh Kumar Pandey
Name of Company Secretary: Ashutosh Kumar Pandey
Proprietor
FCS-6847:CP-7385

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL CEREALS PRODUCTS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of National Cereals Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2018, the Statement of cash flows and the Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.

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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and

fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the financial position of the company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date

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 Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, the statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued thereunder.
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the 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" and
 - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - 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
(Regn.No.000057N)

(Ramesh Malhotra)
Membership No.013624
Place: New Delhi
Date: 28.5.2018

K.C. MALHOTRA & CO.
CHARTERED ACCOUNTANTS

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

Annexure B to the Auditor's Report

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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2018.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

NATIONAL CEREALS PRODUCTS LIMITED

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Ramesh Malhotra)
Partner
Membership No: 013624
Place :New Delhi
Date: 28.5.2018

Annexure 'A' to the Auditors' Report

The annexure referred to in Independent Auditor's Report of even date to the members of National cereals Products Limited on the standalone financial Statements as of and for the year ended 31st March, 2018

- 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, 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)
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, employee's state insurance, income-tax, service tax, and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, service tax, income-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.

NATIONAL CEREALS PRODUCTS LIMITED

- c) According to the information and explanations given to us, and the records of the company examined by us, there are no dues of income tax, sales tax, service tax, duty of custom, duty of excise duty, value added tax outstanding on account of any dispute

The particulars of dues of trade tax have not been deposited on account of any dispute are as under:

Name of the Statute	Nature of dues	Year to which the amount relates	Amount (Rs.)	Amount paid under Protest (Rs.)	Forum where dispute is pending
U.P.Krishi Utpadan Mandi 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.
- ix Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer) and term loans hence, reporting under clause (ix) of the order is not applicable to the Company and hence not commented upon.
- x Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the Company by the officers and employees of the company has been noticed or reported during the year.
- xi According to the information and explanation given to us and based on our examination of the records of the company, 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. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act,2013 where applicable and details of such transactions have been disclosed in the financial statements, as required by the applicable accounting standards.
- xiv According to the information and explanations given to us and on an overall examination of the balance sheet, 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 provisions of clause 3(xiv) are not applicable and not commented upon.
- xv Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

(Ramesh Malhotra)
Partner
Membership No:013624
Place:New Delhi
Date: 28.5.2018

NATIONAL CEREALS PRODUCTS LIMITED

CIN: L99999HP1948PLC001381

BALANCE SHEET AS AT MARCH 31, 2018

(IN INR)

	Note	31st March 2018	31st March 2017	1st April 2016
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	2,351	7,272	11,972
(b) Capital Work-In Progress				
(c) Investment Property				
(d) Goodwill				
(e) Other Intangible assets				
(f) Financial Assets				
(i) Investments	5(a)	12,40,761	5,66,242	5,36,242
(ii) Trade Receivables				
(iii) Loans				
(iv) Others	5(e)	2,12,02,012	4,24,58,879	2,66,14,430
(g) Deferred tax assets (Net)	6	1,32,83,138	1,32,83,138	1,11,43,034
(h) Other Non-current assets	7	-	1,00,000	-
Total non-current assets		3,57,28,262	5,64,15,531	3,83,05,678
Current assets				
(a) Inventories	8	-	-	13,030
(b) Financial Assets				
(i) Investments				
(ii) Trade receivables	5(b)	1,35,08,351	2,65,61,193	4,34,29,205
(iii) Cash and cash equivalents	5(c)	2,87,74,571	11,64,277	42,38,637
(iv) Loans	5(d)	78,540	1,09,494	52,486
(v) Others	5(e)	4,81,435	-	24,92,898
(c) Current Tax Assets (Net)	9	5,72,563	3,15,713	2,40,402
(d) Other Current assets	7	6,49,414	9,46,123	11,39,645
Total current assets		4,40,64,874	2,90,96,800	5,16,06,303
Total assets		7,97,93,136	8,55,12,331	8,99,11,981
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	10(a)	13,14,528	13,14,528	13,14,528
(b) Other Equity				
-Reserves and surplus	10(b)	7,49,51,050	8,15,73,692	8,61,90,297
Total equity		7,62,65,578	8,28,88,220	8,75,04,825
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings				
(ii) Trade payables				
(iii) Other financial liabilities				
(b) Deferred Revenue/income				
(c) Provisions	13	11,58,148	11,24,597	10,33,612
(d) Deferred tax liabilities (net)				
(e) Other Non-current liabilities				
Total non-current liabilities		11,58,148	11,24,597	10,33,612

NATIONAL CEREALS PRODUCTS LIMITED

BALANCE SHEET AS AT MARCH 31, 2018 Contd..

Current liabilities

(a) Financial liabilities

(i) Borrowings				
(ii) Trade payables	11(a)	77,270	1,09,450	1,11,600
(iii) Other financial liabilities				
(b) Other current liabilities	12	20,59,810	12,44,777	11,18,724
(c) Provisions	13	2,32,330	1,45,287	1,43,220
(d) Current Tax liabilities (Net)				

Total current liabilities		23,69,410	14,99,514	13,73,544
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Total Equity and liabilities		7,97,93,136	8,55,12,331	8,99,11,981
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The accompanying notes form an integral part to the financial statements

As per our report of even date attached

For K.C. MALHOTRA & CO.

Chartered Accountants

(Firm Registration No. 000057N)

Ramesh Malhotra

Partner

Membership No. 013624

New Delhi, May 28, 2018

COMILLA MOHAN *Managing Director*

DIN 00196231

SUBHASH ARYA *Director*

DIN 00308369

L.N. MALIK *Director*

DIN 00481449

SATISH MOHAN *Director*

DIN 00230292

MANOJ MADAN *Chief Financial Officer*

MINAS KUMAR *Company Secretary*

NATIONAL CEREALS PRODUCTS LIMITED

CIN: L99999HP1948PLC001381

Statement of Profit and Loss for the year ended 31st March, 2018

		(IN INR)	
Income	Note	31st March, 2018	31st March, 2017
Revenue from Operations	14	-	-
Other Income	15	37,52,217	31,86,391
Total Income		37,52,217	31,86,391
Expenses			
Employee Benefit expense	16	79,27,766	76,74,591
Finance Costs	17	108	215
Depreciation	18	4,920	15,723
Other Expenses	19	23,79,412	21,49,807
Total Expenses		1,03,12,206	98,40,336
Loss before tax		(65,59,989)	(66,53,945)
Tax Expense:			
(a) Current Tax	20	44,152	94,431
(b) Deffered Tax	6		21,40,105
Loss for the year		(65,15,837)	(44,19,409)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(Loss) on defined benefit plan		(1,06,805)	(1,97,196)
Total comprehensive loss for the year		(66,22,642)	(46,16,605)
Earnings per equity share in Rs.			
Basic & diluted	25	(5.04)	(3.51)

The accompanying notes form an integral part to the financial statements

As per our report of even date attached

For K.C. MALHOTRA & CO.

Chartered Accountants

(Firm Registration No. 000057N)

Ramesh Malhotra

Partner

Membership No. 013624

New Delhi, May 28, 2018

COMILLA MOHAN

SUBHASH ARYA

L.N. MALIK

SATISH MOHAN

MANOJ MADAN

MINAS KUMAR

Managing Director

Director

Director

Director

Chief Financial Officer

Company Secretary

DIN 00196231

DIN 00308369

DIN 00481449

DIN 00230292

NATIONAL CEREALS PRODUCTS LIMITED

CIN: L99999HP1948PLC001381

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(IN INR)

	31st March, 2018	31st March, 2017
Cash Flow from Operating activities		
Profit/(Loss) before tax	(65,59,989)	66,53,945)
Adjustments for :		
Depreciation	4,920	15,723
Dividend and interest income classified as investing cash flows	(30,66,198)	(26,92,716)
Finance costs	108	215
Operating cash flow before changes in assets and liabilities	(96,21,159)	(93,30,723)
Increase/(Decrease) in trade receivables	1,30,52,842	1,68,68,012
(Increase)/Decrease in inventories		13,030
(Increase)/Decrease in other current loans	30,954	(57,008)
(Increase)/Decrease in other current financial assets	(4,81,435)	24,92,898
Increase/(Decrease) in other Non- current financial assets	2,12,56,867	(1,58,44,449)
Increase /(Decrease) in other current assets	2,96,709	1,93,522
Increase/(Decrease) in other Non-current assets	1,00,000	(1,00,000)
(Increase)/Decrease in current assets (Net)	(2,56,850)	(75,311)
(Increase) /Decrease in other current liabilities provisions	87,043	2,067
Increase/(Decrease) in other non-current liabilities provisions	33,551	90,985
(Increase)/Decrease in other current liabilities	8,15,033	1,26,053
Increase/(Decrease) in Trade Payable	(32,180)	(2,150)
Cash generated from operations	2,52,81,375	(56,23,074)
Income tax paid/(refund received)	(62,652)	(1,02,762)
Net cash inflow / (outflow) from operating activities	2,52,18,723	(57,25,836)
Cash flow from investing activities		
Increase in investment	(6,74,519)	(30,000)
Dividend received	5,880	5,880
Interest received	30,60,318	26,86,836
Purchase of property plant and equipment		(11,025)
Net cash inflow / (outflow) from investing activities	23,91,679	26,51,691
Cash flows from financing activities		
Finance costs	(108)	(215)
Net cash flow / (outflow) from financing activities	(108)	(215)
Net increase/(decrease) in cash and cash equivalents	2,76,10,294	(30,74,360)
Cash and cash equivalents at the beginning of the financial year	11,64,277	42,38,637
Cash and cash equivalents at the end of the financial year	2,87,74,571	11,64,277

As per our report of even date attached

For K.C. MALHOTRA & CO.

Chartered Accountants

(Firm Registration No. 000057N)

Ramesh Malhotra

Partner

Membership No. 013624

New Delhi, May 28, 2018

COMILLA MOHAN

SUBHASH ARYA

L.N. MALIK

SATISH MOHAN

MANOJ MADAN

MINAS KUMAR

Managing Director

Director

Director

Director

Chief Financial Officer

Company Secretary

DIN 00196231

DIN 00308369

DIN 00481449

DIN 00230292

NATIONAL CEREALS PRODUCTS LIMITED

Notes on Financial Statements for the year ended March 31, 2018

A : Equity share capital (IN INR)

As at 1st April, 2016	13,14,528
Changes in equity share capital	-
As at 31st March, 2017	13,14,528
Changes in equity share capital	-
As at 31st March, 2018	13,14,528

B : Other equity (IN INR)

Particulars	Reserves and surplus		
	General reserve	Retained earnings	Total
Balance as at 1st April, 2016	8,61,90,297		8,61,90,297
Add: Transfer from profit & loss	(44,19,409)		(44,19,409)
Profit/(Loss)for the year		(44,19,409)	
Less:transfer to General reserve		(44,19,409)	
Other comprehensive income			
Re-measurement gains/(losses) on defined benefit plans		(1,97,196)	(1,97,196)
Total comprehensive Income /(Loss)	8,17,70,888	(1,97,196)	8,15,73,692
As at 31st March, 2017	8,17,70,888	(1,97,196)	8,15,73,692
Balance as at 1st April, 2017	8,15,73,692	(1,97,196)	8,15,73,692
Add: Transfer from profit & loss	(65,15,837)		(65,15,837)
Profit/(Loss)for the year		(65,15,837)	
Less: transferred to General reserve		(63,18,641)	
Items of other comprehensive income directly recognised in retained earnings			
Re-measurement gains/(losses) on defined benefit plans		(1,06,805)	(1,06,805)
As at 31st March, 2018	7,50,57,855	(3,04,001)	7,49,51,050

The accompanying notes form an integral part to the financial statements

As per our report of even date attached

For K.C. MALHOTRA & CO.

Chartered Accountants

(Firm Registration No. 000057N)

Ramesh Malhotra

Partner

Membership No. 013624

New Delhi, May 28, 2018

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

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 4 :- Property, Plant and Equipment

	(IN INR)				
	Plant & machinery	Furniture & fittings	Office equipments	Data Processing Machines	Total
Year ended 31.3.2017					
Gross carrying amount					
Deemed cost as at 1st.April, 2016	15,86,034	64,093	38,400	1,53,541	18,42,068
Additions				11,025	11,025
Disposals				(2)	(2)
Closing gross carrying value	15,86,034	64,093	38,400	1,64,564	18,53,091
Accumulated depreciation					
Depreciation charge during the year				15,723	15,723
Disposals					
Closing accumulated depreciation	15,86,031	64,035	37,598	1,58,155	18,45,819
Net carrying amount	3	58	802	6,409	7,272
Year ended 31.3.2018					
Opening Gross carrying amount	15,86,034	64,093	38,400	1,64,564	18,53,091
Additions					
Disposals					
Closing gross carrying value	15,86,034	64,093	38,400	1,64,564	18,53,091
Accumulated depreciation					
Opening accumulated depreciation	15,86,031	64,035	37,598	1,58,155	18,45,819
Depreciation charge during the year				4,920	4,920
Disposals					
Closing accumulated depreciation	15,86,031	64,035	37,598	1,63,075	18,50,739
Net carrynig amount	3	58	802	1,489	2,352

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

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 5:- Financial assets

5 (a) : Non-current Investments

(IN INR)

	31 st March 2018		31 st March 2017		1 st April 2016	
Investments in equity instruments (fully paid up)						
Quoted						
Trade						
4000 equity shares of Rs 5 each of Mohan Meakin limited	3,04,000		1,57,241		1,27,241	
Others						
4900 equity shares of Rs10 each of John Oakey and Mohan Limited	4,90,000		49,000		49,000	
Unquoted						
Trade:						
10000 equity shares of Rs 10 each of Mohan Goldwater Breweries Limited	1,00,250		1,00,250		1,00,250	
Less: Provision for diminution (at the time provision was made company's performance was not satisfactory)	1,00,249	1	1,00,249	1	1,00,249	1
9000 equity shares of Rs10 each of Mohan Rocky Springwater Breweries Limited	4,46,760		3,60,000		3,60,000	
Total Non-current investments	12,40,761		5,66,242		5,36,242	
Aggregate acquisition cost of quoted investments	1,02,293		1,02,293		1,02,293	
Aggregate Market value of quoted investments	7,94,000		2,06,241		1,76,241	
Aggregate book value of unquoted investments						

5 (b): Trade receivables

(unsecured considered good)

(IN INR)

	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Trade receivables						
- Related party	1,35,08,351		2,65,61,193		4,34,29,205	
Total trade receivables	1,35,08,351		2,65,61,193		4,34,29,205	
Current portion	1,35,08,351		2,65,61,193		4,34,29,205	
Non-current portion						
Total trade receivables	1,35,08,351		2,65,61,193		4,34,29,205	

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

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

Trade receivable are non- interest bearing and are unsecured

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

5 (c) : Cash and cash equivalents (IN INR)

	31 st March 2018		31 st March 2017		1 st April 2016
Balances with banks in					
- Current accounts	5,55,111		11,17,778		41,89,760
Fixed deposit with original maturity of with in twelve months	2,82,11,838		-		-
Cash on hand	7,330		45,246		48,447
Stamps in hand	292		1,253		430
Total Cash and cash equivalents	2,87,74,571		11,64,277		42,38,637

5 (d) : Loans (IN INR)

	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
*Advance to employees		78,540		1,09,494		52,486
Total loans		78,540		1,09,494		52,486

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

5 (e) : Other financial assets (IN INR)

	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Security deposits	36,614		36,375		36,186	
Market fee deposited under protest with Mandi Samiti	24,92,898		24,92,898		-	24,92,898
Bank deposit with original maturity more than twelve months	1,75,00,000		3,85,00,000		2,65,00,000	
Interest accrued on deposits	11,72,500	4,81,435	14,29,606		78,244	
Total other financial assets	2,12,02,012	4,81,435	4,24,58,879		2,66,14,430	24,92,898

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

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

The balance comprises temporary differences attributable to:

	(IN INR)		
	31 st March 2018	31 st March 2017	1 st April 2016
Deffered tax assets			
Property, Plant and Equipment	-	7,160	5,748
Employee Benefit obligation	-	28,753	
Tax losses	-	1,30,76,695	1,07,82,902
Provision for Bonus	-	-	1,52,953
Allowance for doubtful debts	-	170,530	2,01,431
Total deferred tax assets	-	1,32,83,138	1,11,43,034
Deferred tax liabilities	-	-	-
Net deferred tax assets / (liabilities)		1,32,83,138	1,11,43,034

Movements in deferred tax assets / (Liabilities)

	Property Plant and equipment	Defined Benefit obligation	Tax losses	Other items	Total
Deferred Tax Assets					
As at 1st. April, 2016	5,748	1,52,953	1,07,82,902	2,01,430	1,11,43,033
(charged)/ credited					
-to profit and loss	1,412	(1,24,200)	22,93,793	(30,900)	21,40,105
-to other comprehensive income					
As at 31st. March, 2017	7,160	28,753	1,30,76,695	170,530	1,32,83,138
(charged)/ credited					
-to profit and loss					
-to other comprehensive income					
As at 31st. March, 2018	7,160	28,753	1,30,76,695	1,70,530	1,32,83,138

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

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 7 : Other assets

	(IN INR)					
	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Advance to suppliers						
Unsecured considered doubtful-	5,51,877		6,51,877		6,51,877	
Less: Allowance for doubtful advance	5,51,877		(5,51,877)		(6,51,877)	
			1,00,000			
Others						
Balance with Government authorities				17,422		
Group gratuity fund		5,46,055		7,59,045		10,31,156
Prepaid expenses		1,03,359		1,69,656		1,08,489
Total other assets		6,49,414	1,00,000	9,46,123		11,39,645

Note 8 : Inventories

	(IN INR)					
	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Stores and spares						
(At lower of cost and net realisable value)						13,030
Total inventories						13,030

Note 9 : current tax assets (net)

	(IN INR)					
	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Advance tax		5,72,563		5,55,713		5,92,450
Less: Provision for tax				(2,40,000)		(3,52,048)
Total current tax assets (net)		5,72,563		3,15,713		2,40,402

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 10 : Equity share capital and other equity

Note 10 (a) : Equity share capital

(In INR)

	Number of shares	Total Number of shares
Authorised equity share capital		
As at 1st. April, 2016	30,00,000	30,00,000
Increase during the year		
As at 31st. March, 2017	30,00,000	30,00,000
Increase during the year		
As at 31st. March, 2018	30,00,000	30,00,000
Issued equity capital		
Equity shares of Re 1 each issued, subscribed and fully paid		
As at 1st. April, 2016	13,14,528	13,14,528
Changes during the year		
As at 31st. March, 2017	13,14,528	13,14,528
Changes during the year		
As at 31st. March, 2018	13,14,528	13,14,528

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 1 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholdings.

Detail of share holders holding more than 5% shares in the company

Name of the shareholder	31 st March 2018		31 st March 2017		1 st April 2016	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Mohan meakin Limited	341352	25.97	341352	25.97	341352	25.97
Brg.(Dr.)Kapil Mohan and Shri Hemant Mohan	123784	9.42	123784	9.42	123784	9.42
Smt.Usha Mohan	115204	8.76	115204	8.76	115204	8.76
Major Johnnie George Skiptonker	79992	6.09	79992	6.09	79992	6.09

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 10 : Equity share capital and other equity contd.

10 (b) : Reserves and surplus

	31 st March 2018	31 st March 2017	(IN INR) 1 st April 2016
General reserve	7,52,55,051	8,17,70,888	8,61,90,297
Retained Earnings	(3,04,001)	(1,97,196)	
Total reserves and surplus	7,49,51,050	8,15,73,692	8,61,90,297

(i) General reserve

	31 st March 2018	31 st March 2017
Opening balance	8,17,70,888	8,61,90,297
Additions during the year		
Less: Loss during the year	(65,15,837)	(44,19,409)
Closing balance	7,52,55,051	8,17,70,888

(ii) Retained earnings

	31 st March 2018	31 st March 2017
Opening balance	1,97,196	
Profit/(Loss) for the year	(65,15,837)	(44,19,409)
Less: Transferred to general reserve	(65,15,837)	(44,19,409)
Items of other comprehensive income directly recognised in retained earnings		
-Re-measurement gains/(Loss) on defined benefit plan	(1,06,805)	(1,97,196)
Closing balance	(3,04,001)	(1,97,196)

General reserve

This represents appropriation of profits 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 2018

11 (a):- Trade Payables

	(IN INR)					
	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Dues to Micro,small and medium enterprises (refer note 5.1)						
Payable to other parties		77,270		1,09,450		1,11,600
Total trade payables		77,270		1,09,450		1,11,600

Note 5.1 : Disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
	Amount remaining unpaid to any supplier as at year end	-	-	-	-	-
-Principal amount remaining unpaid						
Interest due thereon	-	-	-	-	-	-
Principal amount paid to suppliers beyond the appointed date during the year						
Interest paid other than Section 16 of MSMED Act to suppliers beyond the appointed date during the year	-	-	-	-	-	-
Interest paid under Section 16 of MSMED Act to suppliers beyond the appointed date during the year	-	-	-	-	-	-
Interest due and payable towards suppliers for payments already made	-	-	-	-	-	-
Further interest remaining due and payable for earlier years						

Note 12: Other liabilities

	(IN INR)					
	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Statutory remittances (including PF,ESIC, TDS and Service tax)		2,06,813		47,122		1,41,143
Employee dues		8,93,208		9,44,360		7,63,283
Other payables*		9,59,789		2,53,295		2,14,298
Total other liabilities		20,59,810		12,44,777		11,18,724
*Including due to Managing Director		27,315		27,315		27,315

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 13: Provisions

	(IN INR)					
	31 st March 2018		31 st March 2017		1 st April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits						
-Leave encashment	3,27,378	2,32,330	3,37,673	1,45,287	2,72,073	1,43,220
-Gratuity	8,30,770		7,86,924		7,61,539	
	11,58,148	2,32,330	11,24,597	1,45,287	10,33,612	1,43,220

Note 14 : Revenue from operations

	(IN INR)	
	31 st March 2018	31 st March 2017
Sale of products	-	-
Sale of services	-	-
Other operating revenues	-	-
Total revenue from operations	-	-

Note 15 : Other Income

	(IN INR)	
	31 st March 2018	31 st March 2017
Interest Income		
-On deposits	30,60,318	26,65,731
-On Income tax refund		21,105
Dividend income	5,880	5,880
Miscellaneous income	-	19,727
Provision no longer required	11,500	1,00,000
Gain/(Loss) on fair value of investment	6,74,519	3,73,948
Total other income	37,52,217	31,86,391

Note 16 : Employees benefit expense

	(IN INR)	
	31 st March 2018	31 st March 2017
Salaries, wages and bonus	67,28,404	65,53,049
Contribution to Provident and other Funds	5,44,073	7,68,637
Staff Welfare Expenses	6,55,289	3,52,905
Total employees benefit expense	79,27,766	76,74,591

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 17: Finance costs

	(IN INR)	
	31 st March 2018	31 st March 2017
Interest paid -		
On others	108	215
	108	215

Note 18 : Depreciation

	(IN INR)	
	31 st March 2018	31 st March 2017
Depreciation on tangible assets	4,920	15,723
Total depreciation	4,920	15,723

Note 19 : Other Expenses

	(IN INR)	
	31 st March 2018	31 st March 2017
Power and Fuel	30,000	30,000
Rent	35,400	30,000
Repairs to:		
-Machinery	-	5,475
-Other repair	17,200	1,33,998
Insurance	42,489	36,653
Rates and Taxes	59,400	65,150
Miscellaneous Expenses	12,14,671	9,75,856
Directors sitting fee	75,000	57,000
Vehicle expenses	3,78,652	2,42,829
Payment to Statutory Auditors		
-Statutory audit fee	41,300	69,000
-Taxation matters	5,900	
-Vat audit fee	-	1,650
Travelling expenses	4,79,400	5,02,196
Total other expenses	23,79,412	21,49,807

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

Note 20:- Income tax Expense

(IN INR)

	31 st March 2018	31 st March 2017
(a) income tax expense		
Current Tax	-	-
Adjustment for tax relating to earlier years (Net)	44,152	94,431
Total current tax	44,152	94,431
Deferred tax		
Decrease) / (increase) in deferred tax assets (decrease) / increase in deferred tax liabilities	-	21,40,105
Total deferred tax expense /(benefit)	-	21,40,105
Total income tax expense	44,152	22,34,536

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

	31 st March 2018	31 st March 2017
Profit/(Loss) before income tax expense	(65,59,989)	(68,51,141)
Tax rate @25.75% (2016-17 30.90%)	(16,89,197)	(21,17,003)
Tax effect amounts which are not deductible (Taxable) in calculating taxable income/(Loss)		
Effect of income on exempt income	(1,514)	(1,817)
Disallowable expenses	1,87,356	28,790
Income not considered for tax purpose	(7,88,032)	(8,23,711)
Allowance for tax purpose		187,301
Adjustment for tax relating to earlier years (Net)	44,152	94,431
Impact of deferred tax on loss not recognised	22,29,612	8,35,040
Impact of deferred tax adjustment	61,775	40,31,505
Income tax expense	44,152	22,34,536

Note 21: Contingent liabilities and assets

(to the extent not provided for)

Claims against the company not acknowledged as debts		
-In respectof U.P. Krishi Utpadan Mandi Adhiniyam, 1964	70,75,772	70,75,772
-In respect of U.P.trade tax Act, 1948 (including interest and penalty)	-	1,18,532

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

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Notes to financial statements for the year ended 31st March 2018

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

(a) Defined Contribution plan:

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

Particulars	(IN INR)		
	31st March 2018	31st March 2017	1st April 2016
Provident fund	2,50,056	2,35,843	1,73,266
Pension scheme	1,60,169	1,57,283	1,53,495
Employees State Insurance	1,08,165	89,690	79,440
	5,18,390	4,82,816	4,06,201

(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	(IN INR)					
	2017-2018		2016-2017		2015-2016	
	Gratuity (Funded)		Leave Encashment (unfunded)			
	2017-2018	2016-2017	2015-2016	2017-2018	2016-2017	2015-2016
i. Change in Present Value of Obligation						
Present value of obligation at the beginning of the year	30,71,215	26,41,448	27,02,072	4,82,960	4,15,293	2,98,551
Interest cost	2,26,041	2,11,316	2,16,166	35,546	33,223	23,884
Current service cost	1,49,193	1,36,428	1,08,805	45,726	42,702	27,286
Benefits paid		(1,21,812)	(5,21,909)	(82,558)	(67,168)	(1,25,666)
Actuarial (gain)/loss on obligation	1,32,591	2,03,836	1,36,314	78,034	58,910	1,91,238
Present value of obligation at end of the year	35,79,040	30,71,216	26,41,448	5,59,708	4,82,960	4,15,293
ii. Change in the Fair Value of Plan Assets						
Fair value of plan assets at the beginning of the year	38,30,261	36,72,604	34,07,896	-	-	-
Return on plan assets	3,07,693	3,00,448	2,90,012	-	-	-
Contributions	20,000	10,000	5,17,562	-	-	-
LIC Administrative & morality charges (32,859)	(32,859)	(30,979)	(26,842)	-	-	-
Benefits paid	-	(1,21,812)	(5,21,909)	-	-	-
Actuarial gain/(loss) on plan assets	-	-	5,885	-	-	-
Fair value of plan assets at the end of the year	41,25,095	38,30,261	36,72,604	-	-	-

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

(IN INR)

Particulars			Gratuity (Funded)	Leave Encashment (unfunded)		
	2017-2018	2016-2017	2015-2016	2017-2018	2016-2017	2015-2016
iii. Reconciliation of Fair value of assets and obligations						
Fair value of plan assets as at the end of the year	41,25,095	38,30,261	36,72,604	-	-	-
Present value of obligation at the end of the year	35,79,040	30,71,216	26,41,448	5,59,708	4,82,960	4,15,293
Amount recognised in the Balance sheet	5,46,055	7,59,045	1,031,156	5,59,708	4,82,960	4,15,293
iv. Expenses recognised in the statement of profit & loss.						
Current service cost	1,49,193	1,36,427	1,08,805	45,726	42,702	27,286
Net interest cost(income)	(55,866)	(82,492)	(73,846)	35,546	33,223	23,884
Net actuarial (gain)/loss recognised in the year				78,034	58,910	-
Amount recognised in statement of profit and loss	93,327	53,935	34,959	1,59,306	1,34,835	51,170
v. Recognised in other comprehensive income:						
Actuarial changes arising from changes in demographic	-	-	-	-	-	-
Actuarial changes arising from changes in financial assumptions	(1,32,591)	(2,03,836)	-	-	-	-
Return on plan assets(excluding amounts included in net interest expense)	25,786	6,640				
Expense adjustments	-	-	-	-	-	-
Amount recognised in other comprehensive income	(1,06,805)	(1,97,196)				
vi. Actual Assumptions						
Discount Rate (Per annum)	7.52%	7.36%	8.00%	7.52%	7.36%	8.00
Future salary increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Withdrawal rate						
Upto 30 years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Mortality rate	IALM	IALM	IALM	IALM	IALM	IALM
	(2006-08)	(2006-08)	(2006-08)	(2006-08)	(2006-08)	(2006-08)

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March 2018

(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)		
	2017-2018	2016-2017	2015-2016	2017-2018	2016-2017	2015-2016
Fund managed by insurer	100%	100%	100%	-	-	-

(d) Maturity profile of defined benefit obligation

Particulars	Gratuity (Funded)			Leave Encashment (unfunded)		
	2017-2018	2016-2017	2015-2016	2017-2018	2016-2017	2015-2016
0 to 1 year	7,15,756			2,32,330		
1 to 2 year	49,227			8,349		
2 to 3 year	5,18,457			1,59,169		
3 to 4 year	6,67,947			42,446		
4 to 5 year	26,783			2,107		
5 to 6 year	27,248			2,121		
6 year onwards	15,73,622			1,13,186		

(e) Sensitivity analysis of the defined benefit obligation

Particulars	Gratuity (Funded)			Leave Encashment (unfunded)		
	2017-2018	2016-2017	2015-2016	2017-2018	2016-2017	2015-2016

a) Impact of the change in discount rate

Present value of obligation at the end of the year	35,79,040			5,59,708		
i. Impact due to change to increase of 0.50 %	(1,06,807)			(10,730)		
ii. Impact due to decrease of 0.50% %	1,06,799			11,441		

b) Impact of the change in the salary

Present value of obligation at the end of the year	35,79,040			5,59,708		
i. Impact due to change to increase of 0.50 %	108,377			11,613		
ii. Impact due to decrease of 0.50 %	(1,03,156)			(10,979)		

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions shown above occurring 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 2018

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 (CODM). 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 transactions

(A) Related party

Name of related party	Country of Incorporation	Percentage of Equity Interest		
Mohan meakin Limited	India	25.97%	25.97%	25.97%
ii. Key Management Personnel				
- Mrs. Comilla Mohan		Designation		
- Mr Minas Kumar		Managing Director		
- Mr Manoj Madan		Company Secretary		
		Chief Financial Officer		
iii. Relatives of Key Management Personnel				
late Brig (Dr. Kapil Mohan, and Shri Hemant Mohan Smt. Usha Mohan)		Relationship		
		Husband's brother and Husband brother's son		
		Husband's brother's wife		
iv. Trust for post employment benefit				
		Principal place of operation/ Country of incorporation	Principal activities	
National Cereals Products Limited Employees Group-Gratuity cum Life Assurance scheme	India	Company's Employees Gratuity Trust		
National Cereals Products Limited Employees Provident Fund trust	India	Company's Employees Provident Fund trust		

(B) Transactions with related parties

The following transactions occurred with related parties

	(In INR)	
	31 st March 2018	31 st March 2017
i. Mohan Meakin Limited		
-Rent & electricity charges	65,400	35,400
-Factory license fee	9,400	-
-Charges for use of land, building & machinery	-	670
-Contribution to MST 1%	-	20,992
-Food safety licence	-	30,000
-Service tax	-	1,18,233
-facilities and staff services	7,712	37,530
-Employees contribution to Mohan Club	2,750	1,740
-TCS/TDS recoverable	-	9,400
-Freight recoverable	-	7,052
ii. Key Management Personnel Compensation		
-Managerial remuneration	13,83,350	10,01,385
-Employee benefits	12,79,248	13,90,175

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Notes to financial statements for the year ended 31st March 2018

(c) Contribution to trust for post employment benefit

	31 st March 2018	31 st March 2017
National Cereals Products Limited Employees Group-Gratuity cum Life Assurance scheme		
National Cereals Products Limited Employees Provident Fund trust		1,91,858

(D) The outstanding balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Parties.

	31 st March 2018	31 st March 2017	1 st April 2016
i. Amount receivable as at year end			
Trade receivables			
-Mohan Meakin Limited	1,35,08,351	2,65,61,193	4,34,29,205
Total	1,35,08,351	2,65,61,193	4,34,29,205
ii. Amount payable			
-Key Management Personnel			
Mrs Commilla Mohan (Managing Director)	27,315	27,315	27,315
Total	27,315	27,315	27,315
iii. Investments as at year end			
-Mohan Meakin Limited	3,04,000	1,57,241	1,27,241
Total	3,04,000	1,57,241	1,27,241

(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)

In accordance with IND AS 33 on "Earning per share", the following table reconciles the numerator and denominator used to calculate

Basic and Diluted per share.

	(IN INR)	
	31 st March 2018	31 st March 2017
Profit/(Loss) attributable to the equity holders of the company	(66,22,642)	(46,16,605)
Weighted average number of equity shares used as denominator for calculating of earning per share	13,14,528	13,14,528
Nominal value of equity shares	1	1
Basic and diluted earnings per share	(5.04)	(3.51)

Notes to financial statements for the year ended 31st March 2018

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 minimal 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 liquidity position through rolling forecast on the basis of expected cash flows.

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

i. Maturities of financial liabilities

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

As at 31st. March, 2018		Carrying Amount	On demand	Less than 12 months	More than 12 months	Total
Trade payables		77,270	77,270			77,270
Total		77,270	77,270			77,270
As at 31st. March, 2017						
Trade payables	11(a)	1,09,450	1,09,450			1,09,450
Total		1,09,450	1,09,450			1,09,450
As at 1st. April, 2016						
Trade payables	11(a)	1,11,600	1,11,600			1,11,600
Total		1,11,600	1,11,600			1,11,600

Note 27 : Fair Value Measurement

Financial instruments by category

(In INR)

		31 st March, 2018			31 st March, 2017			1 st April, 2016		
	Notes	Amortised Cost	*FVTPL	*FVTOCI	Amortised Cost	*FVTPL	*FVTOCI	Amortised Cost	*FVTPL	*FVTOCI
Financial assets										
Investments			12,40,761			5,66,242			5,36,242	
Trade receivables	5(b)	1,35,08,351		2,65,61,193				4,34,29,205		
Cash & cash equivalents	5(c)	2,87,74,571		11,64,277				42,38,637		
Advance to employees	5(d)	78,540		1,09,494				52,486		
Security deposits	5(e)	36,614		36,375				36,186		
Other financial assets	5(e)	2,16,46,833		4,24,22,504				2,90,71,142		
Total financial assets		6,40,44,909	12,40,761	7,02,93,843	5,66,242			7,68,27,656	5,36,242	
Financial liabilities										
Other financial liabilities	11(a)	77,270		1,09,450				1,11,600		
Total financial liabilities		77,270		1,09,450				1,11,600		

*FVTPL -Fair Value Through Profit and Loss

*FVTOCI -Fair Value Through Other Comprehensive Income

(i) Fair value hierarchy

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

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

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

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	Notes	Carrying value 31 st March, 2018	Fair value Measurement using		
			Level 1	Level 2	Level 3
A. Financial assets at fair value through profit and loss:					
-Investments in equity instruments	5 (a)	12,40,761	7,94,000	4,46,761	
Total		12,40,761	7,94,000	4,46,761	
B. Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st March, 2018					
Financial assets :					
Loans					
-Advance to employees	5 (d)	78,540			78,540
Security deposits	5 (e)	36,614			36,614
Total financial assets		1,15,154			1,15,154
Financial liabilities					
Trade payables	11 (a)	77,270			77,270
Total financial liabilities		77,270			77,270

(IN INR)

Particulars	Notes	Carrying value 31 st March, 2017	Fair value Measurement using		
			Level 1	Level 2	Level 3
A. Financial assets at fair value through profit and loss:					
-Investments in equity instruments	5 (a)	5,66,242	2,06,241	3,60,001	
Total		5,66,242	2,06,241	3,60,001	
B. Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 31st.March,2017					
Financial assets :					
Advance to employees					
Advance to employees	5 (d)	1,09,494			1,09,494
Security deposits	5 (e)	36,375			36,375
Total financial assets		1,45,869			1,45,869
Financial liabilities					
Trade payables	11 (a)	1,09,450			1,09,450
Total financial liabilities		1,09,450			1,09,450

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

(IN INR)

Particulars	Notes	Fair value Measurement using			
		Carrying value 31 st March, 2016	Level 1	Level 2	Level 3
A. Financial assets at fair value through profit and loss:					
-Investments in equity instruments	5 (a)	5,36,242	1,76,241	3,60,001	
Total		5,36,242	1,76,241	3,60,001	
B. Financial assets and liabilities measured at amortised cost for which fair values are disclosed at 1st April, 2016					
Financial assets :					
Advance to employees	5 (d)	52,486			52,486
Security deposits	5 (e)	36,186			36,186
Total financial assets		88,672			88,672
Financial liabilities					
Trade Payables	11 (a)	1,11,600			1,11,600
Total financial liabilities		1,11,600			1,11,600

(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, deposits are considered to be their fair value, due to their short term nature. Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

Notes to financial statements for the year ended 31st March, 2018

Note 28 : First-time adoption of IND AS**Transition to IND AS**

These financial statements for the year ended 31st March, 2018, are the first, the company has prepared in accordance with IND AS. For the periods upto and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

Accordingly, the company has prepared financial statements which comply IND AS for year the ending on 31st March, 2018, together with the comparative period data as at and for the year ended 31st March, 2017, as described in the summary of significant policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1st April, 2016, the company's date of transition to IND AS. An explanation of how the transition from previous GAAP to IND AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable IND AS 101 optional exemption and mandatory exceptions applied in the transition from previous GAAP to IND AS.

A. 1 IND AS optional exemption**A.1.1 Deemed cost**

IND AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to IND AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

A.2.1 An entity's estimates in accordance with IND AS at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1.4.2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

A. 2.2 De-recognition of financial assets and liabilities

A first-time adopter shall apply the derecognition requirements in IND AS 109, Financial instruments prospectively for transactions occurring on or after the date of transition to IND AS. Therefore, if a first-time adopter derecognised non-derivative financial assets or non-derivative liabilities in accordance with its previous GAAP as a result of a transaction that occurred before the date of transition to IND AS, it shall not recognise those assets and liabilities in accordance with IND AS (Unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in IND AS 109 retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply IND AS 109 to financial assets and financial liabilities derecognised as a result of past transactions, the information needed to apply IND AS 109 to financial assets and financial liabilities derecognised as a result of past was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of IND AS prospectively from the date of transition to IND AS.

A. 2.3 Classification and measurement of financial assets

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to IND AS.

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 28 : First-time adoption of IND AS

Transition to IND AS contd.

B Reconciliations between previous GAAP and IND AS

IND AS 101 requires an entity to reconcile, equity, total comprehensive income statement of profit and loss and cash flows for prior periods.

In preparing its opening IND AS Balance Sheet (date of transition 1st April, 2016) adjustments have been made by the company in restating its Indian GAAP.

Reconciliation of equity as at date of transition (1st. April, 2016)

	Notes to first-time adoption	* Previous GAAP	Adjustments	(In INR) IND AS
Assets				
Non-current assets				
Property, plant and equipment	4	11,972		11,972
Investments	5 (a)	1,92,294	3,43,948	5,36,242
Financial assets				
(i) Trade receivables				
(ii) Loans				
Other financial assets	5 (e)	2,66,14,430		2,66,14,430
Deferred tax assets (net)	6	2,65,459	1,08,77,575	1,11,43,034
Other non-current assets				
Total non-current assets		2,70,84,155	1,12,21,523	3,83,05,678
Current assets				
Inventories	8	13,030		13,030
Financial assets				
Trade receivables	5 (b)	4,34,29,205		4,34,29,205
(i) Cash and cash equivalents	5 (c)	42,38,637		42,38,637
(ii) Loans	5 (d)	52,486		52,486
(iii) Other financial assets	5 (e)	24,92,898		24,92,898
Current tax assets (net)	9	2,40,402		2,40,402
Other Current assets	7	12,39,645	(1,00,000)	11,39,645
Total current assets		5,17,06,303	(1,00,000)	5,16,06,303
Total assets		7,87,90,458	1,11,21,523	8,99,11,981
Liabilities				
Equity and liabilities				
Equity share capital	10 (a)	1,314,528		13,14,528
Other equity	10 (b)	7,50,68,774	1,11,21,523	8,61,90,297
Total equity and liabilities		7,63,83,302	1,11,21,523	8,75,04,825
Non-current liabilities				
Financial liabilities				
Provisions	14	10,33,612		10,33,612
Other non-current liabilities				
Total non-current liabilities		10,33,612		10,33,612
Current liabilities				
Trade payables	11 (a)	1,11,600		1,11,600
Financial liabilities				
Other current liabilities	13	11,18,724		11,18,724
Provisions	14	1,43,220		1,43,220
Total current liabilities		13,73,544		13,73,544
Total equity and liabilities		7,87,90,458	1,11,21,523	8,99,11,981

* The previous GAAP figures have been classified to conform to IND AS presentation for the purposes of this note.

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 28:- First-time adoption of IND AS

Transition to IND AS Contd.

Reconciliation of equity as at 31st March, 2017

				(In INR)
	Notes to first-time adoption	* Previous GAAP	Adjustments	IND AS
Assets				
Non-current assets				
Property, plant and equipment	4	7,272		7,272
Investments	5 (a)	1,92,294	3,73,948	5,66,242
Financial assets				
(i) Trade receivables				
(ii) Loans				
(iii) Other financial assets	5 (e)	4,24,58,879		4,24,58,879
Deferred tax assets (net)	6	2,95,673	1,29,87,465	1,32,83,138
Other Non-current assets			100,000	100,000
Total non-current assets		4,29,54,118	1,34,61,413	5,64,15,531
Current assets				
Inventories		-		
Financial assets				
Trade receivables	5 (b)	2,65,61,193		2,65,61,193
(i) Cash and cash equivalents	5 (c)	11,64,277		11,64,277
(ii) Loans	5 (d)	1,09,494		1,09,494
(iii) Other financial assets	5 (e)	-		-
Current tax assets (net)	9	3,15,713		3,15,713
Other current assets	7	10,56,124	(1,10,000)	9,46,124
Total current assets		2,92,06,801	(1,10,000)	2,90,96,801
Total assets		7,21,60,918	1,33,51,413	8,55,12,331
Liabilities				
Equity and liabilities				
Equity share capital	10 (a)	13,14,528		13,14,528
Other equity	10 (b)	6,82,22,279	1,33,51,413	8,15,73,692
Total equity and liabilities		6,95,36,807	1,33,51,413	8,28,88,220
Non-current liabilities				
Financial liabilities				
Provisions	13	11,24,597		11,24,597
Other non-current liabilities				
Total non-current liabilities		11,24,597		11,24,597
Current liabilities				
Financial liabilities				
Trade payables	11 (a)	1,09,450		1,09,450
Other current liabilities	12	12,44,777	0.00	12,44,777
Provisions	13	1,45,287		1,45,287
Current tax liabilities (net)				
Provisions				
Total current liabilities		14,99,514		14,99,514
Total equity and liabilities		7,21,60,918	1,33,51,413	8,55,12,331

* The previous GAAP figures have been classified to conform to IND AS presentation for the purposes of this note

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 28 : First-time adoption of IND AS

Transition to IND AS Contd.

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

		(In INR)	
	Notes to first-time adoption	31st March, 2017	1st April, 2016
Total equity *shareholders funds)			
as per previous GAAP		6,82,22,279	7,50,68,774
Adjustments :			
Deferred tax	2	1,29,87,465	1,08,77,575
Others		(10,000)	(1,00,000)
Gain on fair value of investments	1	3,73,948	3,43,947
Total adjustments		1,33,51,413	1,11,21,522
Total equity as per IND AS		8,15,73,692	8,61,90,296

(f) Total Comprehensive Reconciliation

		(IN INR)	
Particulars	Notes to first time adoption	31st March, 2017	
Net Income/(Deficit) under previous GAAP			
Adjustments		(68,46,496)	
Change in deferred tax	2	21,09,891	
Others		(56,752)	
Gain on fair value of investments	1	3,73,948	
Profit /loss)for the period under Ind AS		(44,19,409)	
Other comprehensive income		(1,97,196)	
Total comprehensive income under Ind AS		(46,16,605)	

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 29: First-time adoption of IND AS

transition to IND AS contd.

Reconciliation to statement of profit and loss for the year ended 31st. March, 2017

				(In INR)
	Notes to first-time adoption	* Previous GAAP	Adjustments	IND AS
Income				
Revenue from Operations (a)		-	-	-
Other Income	1	29,06,874	2,79,517	31,86,391
Total Income (I+II)		29,06,874	2,79,517	31,86,391
Expenses				
Employee Benefits Expenses		76,17,839	56,752	76,74,591
Finance Costs		215		215
Depreciation		15,723		15,723
Other Expenses		21,49,807		21,49,807
Total Expenses (IV)		97,83,584	56,752	98,40,336
Profit before exceptional items and tax (1-IV)		(68,76,710)	2,22,765	(66,53,945)
Exceptional items				
Profit before tax (V -VI)		(68,76,710)	2,22,765	(66,53,945)
Tax Expense:				
(a) Current Tax			94,431	94,431
(b) Deferred Tax	2	30,214	21,09,891	21,40,105
		(68,46,496)	24,27,087	(44,19,409)
Profit for the period				
Other Comprehensive Income				
Items that will not be reclassified to profit or loss:				
Re-measurement gains/(Loss) on defined benefit plan			(1,97,196)	(1,97,196)
Total comprehensive income for the period (IX + X)		(68,46,496)	22,29,891	(46,16,605)

Cash flow statement

There were no significant reconciliation items between cash flows prepared under GAAP and those prepared under IND AS.

NATIONAL CEREALS PRODUCTS LIMITED

Notes to financial statements for the year ended 31st March, 2018

Note 30: First-time adoption of IND AS

transition to IND AS contd.

1) Fair value of investments

Under IND AS investments are designated as fair value through other comprehensive income (FVOCI), Fair value through profit and loss (FVTPL) carried at amortised cost. For investment designated at FVOCI, difference between the fair value and carrying value is recognised in OCI. For investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit and loss. For investment designated as amortised cost, accrual of interest is recognised in profit and loss with which value of investment will be equal to maturity date contractual cash flows which includes solely payments of interest and principal.

Accordingly, the net profit of Rs.373948/-for fair valuation of investments designated as FVTPL booked in IND AS.

2) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

3) Statement of cash flows

The transition from indian GAAP to IND-AS has not had a material impact on the statement of cash flows.

4) Other comprehensive income

Under IND AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as other comprehensive income includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

5) Retained earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above IND AS transition adjustments.

Note 30: Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For K.C. MALHOTRA & CO.

Chartered Accountants

(Firm Registration No. 000057N)

Ramesh Malhotra

Partner

Membership No. 013624

New Delhi, May 28, 2018

COMILLA MOHAN *Managing Director*

DIN 00196231

SUBHASH ARYA *Director*

DIN 00308369

L.N. MALIK *Director*

DIN 00481449

SATISH MOHAN *Director*

DIN 00230292

MANOJ MADAN *Chief Financial Officer*

MINAS KUMAR *Company Secretary*

Note 1: Corporate information

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

Note 2: Significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently adopted to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with IND AS

These financial statements are prepared in accordance with the Indian Accounting standards (IND AS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value, the provisions of the Companies Act, 2013 (the Act) (to the extent notified). The IND AS are prescribed under section 133 of the Act read with Rule 3 of the [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The company has adopted the IND AS Standards and the adoption was carried out in accordance with IND AS.

First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (GAAP), which was the previous GAAP. An explanation of how the transition from previous GAAP to IND AS affected the company's financial position, performance and cash flows is disclosed in Note 32.

b) Current versus Non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is :

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

A liability is classified as current when:

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

The company classifies all other liabilities as non-current

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

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Transition to IND AS

On transition to IND AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Significant accounting policies contd.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the written down value method to allocate their cost, net of residual values, over their estimated useful lives of the assets as prescribed under schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable values.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within gains / (losses).

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents 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

(f) Provisions

General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits has become probable.

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

(g) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income. Management evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. However, no provision for tax has been made as there is no assessable income

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses in the previous years. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

However, during the year ended 31st March, 2018 the company has not recognised Deferred tax asset for all temporary differences and unabsorbed depreciation and unused tax losses as there is no probability that taxable profits will be available against which those temporary differences and losses can be utilised

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Significant accounting policies contd.

Interest income

Interest income is recognised using the bank interest rates 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**

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

(ii) Other long term employee benefit obligations

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

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

(iii) Post-employment obligations

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

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

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

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

Defined contributions plan

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

Bonus plans

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

(k) Earnings per share

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

Significant accounting policies contd.

(I) Financial instruments

(i) Measurement

An initial recognition, the company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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

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

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

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

Equity instruments:

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

(ii) Impairment of financial assets

In accordance with IND-AS 109, the company applies expected credit loss (ECL) mode for measurement and recognition of impairment loss on financial assets and credit risk exposures.

Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, deposits, trade receivables and bank balance. Financial assets that are debt instruments and are measured as at FVTOCI

The company follows simplified approach for recognition of impairment loss allowance on trade receivables. Concentration of credit risk with respect to trade receivables is limited being amount due only from a related party. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its recognition.

Significant accounting policies contd.

(iii) Derecognition of financial assets

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

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

(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 amortised cost, and the carrying amounts are reasonable approximation of fair value.

(q) Standards issued but not yet effective upto the date of issuance of the company's financial

The new standards, interpretations and amendments to standards that are issued, but not yet effective, upto the date of issuance of the company's financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

IND As 115 Revenue from contracts with customers

In February, 2015 IND AS 115-Revenue from contracts with customers was issued. The standard establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IND AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is applicable to all entities and will supersede all current recognition requirements under IND AS. The effective date is from accounting period beginning on or after 1st April, 2018. The company is currently evaluating the requirements of IND AS 115, and has not yet determined the impact on the financial statements.

Note 3 : Accounting estimates, assumptions and judgements

The preparation of financial statements requires the use of accounting estimates, which by definition, will seldom equal the actual results. also needs to exercise judgement in applying the company's accounting policies, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, if any. Uncertainty about these assumptions and estimates could result in outcomes of assets and liabilities affected in future periods. The area involving critical estimate or judgment is Recognition of deferred tax assets for carried forward losses, Impairment of trade receivables, Estimation of tax expense and Measurement of defined benefit obligation.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

There are no sources of estimation uncertainty that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in future periods, and also there are no significant judgements that may require disclosures.

NATIONAL CEREALS PRODUCTS LIMITED

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

PROXY FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :
 Registered address :
 E-mail Id :Folio No./ DP ID and Client ID :

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company to be held on Wednesday, September 26th, 2018 at 12.00 Noon at Solan Brewery -173214, Distt. Solan (H.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Sl. No	Resolution	Optional*	
		For	Against
Ordinary Business			
1	Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Subhash Arya as Director of the Company, liable to retire by rotation.		
Special Business			
3	Agreement entered into by the Company with Mohan Meakin Ltd, Solan Brewery (H.P.) for sale of Malt.		

Signed this _____ day of _____ 2018

Signature of the Shareholder _____

Signature of the Proxy holder _____

Notes:-

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of 70th Annual General Meeting.
3. *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission

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

NATIONAL CEREALS PRODUCTS LIMITED

NATIONAL CEREALS PRODUCTS LIMITED

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

ATTENDANCE SLIP
(To be presented at the entrance)

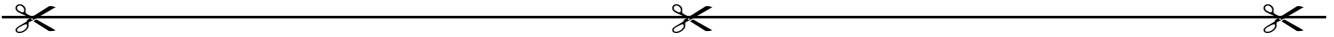
**70th Annual General Meeting on Wednesday, 26TH September 2018, AT 12.00 Noon
at Regd. Office : Solan Brewery -173214, Distt. Solan (H.P.)**

Folio No. _____ Client ID No. _____

Name of the Member _____ Signature _____

Name of the Proxyholder _____ Signature _____

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



FORM NO.MGT-12
Polling Paper

NATIONAL CEREALS PRODUCTS LIMITED

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

70th Annual General Meeting on Wednesday, 26TH September 2018, AT 12.00 Noon

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

Sl. No	Resolution	Optional*	
		For	Against
Ordinary Business			
1	Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Subhash Arya as Director of the Company, liable to retire by rotation.		
Special Business			
3	Agreement entered into by the Company with Mohan Meakin Ltd, Solan Brewery (H.P.) for sale of Malt.		

Signature : _____ (Shareholder/Proxy-Pls Tick)

Name of the Shareholders:-

Name of the Proxy (Please mention NA if not applicable):-

Folio No/DP Id/Client ID:-

No of Shares Held:-

NATIONAL CEREALS PRODUCTS LIMITED

To,

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

Sub:- Updation of Shareholders Information

Dear Sir,

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

General Information

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

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

Bank Details:

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

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

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

Place:

Date:

Signature of Sole / First holder

