

## ASSOCIATED CEREALS LIMITED

### DIRECTORS REPORT TO THE SHARE HOLDERS

Your Directors have pleasure in presenting their report together with the audited Balance sheet as at 31<sup>st</sup> March 2014 and Statement of Profit & Loss for the year ended on that date.

#### **Financial Results**

##### **Particulars**

	CURRENT YEAR	PREVIOUS YEAR
Revenue from Operations:-	Rs. 18,27,627.79	Rs. 13,62,489.00
Profit Before Taxes	Rs. 11,97,402.29	Rs. 7,77,033.99
Provision for Taxes for Current Year	Rs. (3,00,000.00)	Rs. (3,11,235.00)
Income Tax for Earlier Years	Rs. . (29,641.00)	Rs. (1,06,951.00)
Profit Transfer to Reserve	Rs. (1,74,000.00)	Rs. (71,770.00)
Profit transfer to Balance Sheet	Rs. 6,93,761.29	Rs. 2,87,077.99

#### **Dividend**

In the absence of adequate Profit, the Directors do not recommend any dividend for the year 2013-2014.

#### **Auditors**

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

#### **Director**

The articles of Association of the company provide that at least two-thirds of our Directors shall be subject to retirement by rotation and one third of these retiring directors must retire from office at each Annual General Meeting of the shareholders. A retiring director is eligible for re-election. Mr Anant Bhagat, Director of the company, shall retire at ensuing Annual General Meeting, and have offered himself for re-appointment. Mr. Suresh Kumar Jain is resigned as director with effect from 05/03/2014. Mr. Rajesh Kumar Sethia and Mr. Radhey Shyam Mishra is appointed as director with effect from 02/04/2014.

#### **Subsidiary**

The Company is a Subsidiary of Ultraplus Housing Estate Pvt Ltd. Ultraplus Housing Estate Pvt Ltd holds 54.12% in Associated Cereals Limited.

#### **Preferential Issue**

During the year the Company decided to Come out with a issue of 35,00,000 @ Rs. 10/- at a premium of Rs. 20/- aggregating to Rs. 10,50,00,000/- for Cash. The issue was not subscribed.

#### **Auditors Report :**

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

#### **Corporate Governance**

Corporate Governance as required under Clause 49 of Listing Agreement is annexed separately forming part of this report.

#### **CEO/ CFO Certification**

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

#### **Auditors' Certificate of Corporate Governance**

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

#### **Acceptance of Public Deposits**

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

#### **Conservation of Energy**

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

#### **Foreign Exchange**

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

#### **Absorption of Technology**

In accordance with the Provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars the report of Board of Directors) Rules, 1988, regarding technology, it is to state that there has been no transaction relating to technology during the Year.

#### **Particulars of Employees**

Provision of Section 217(2A) of the Companies Act, 1956 is not applicable as no employees were in receipt of remuneration to the extent laid down therein.

#### **Directors' Responsibility Statement**

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

The directors state that in preparation of the Annual Accounts, your Company has followed the applicable accounting standards with proper explanations relating to material departures. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year ended 31<sup>st</sup> March, 2014 and of the profit or loss for the year. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities. The annual accounts of your Company have been prepared on a going concern basis.

#### **Acknowledgement**

Directors deeply acknowledge the trust and confidence you have placed in the company. Director would also like to thank all its Banker, Customer, Vendors and Shareholders for their Continued support to the Company. In specific, the Board would also record its sincere appreciation of the Commitment and Contribution made by all employees of the Company.

Kolkata

BY ORDER OF THE BOARD



## INDEPENDENT AUDITOR'S REPORT

To The Members  
M/S. ASSOCIATED CEREALS LIMITED

### Report on Financial Statements

We have audited the accompanying financial statement of ASSOCIATED CEREALS LIMITED, which comprises the Balance sheet as at 31<sup>st</sup> March, 2014 and the statement of Profit and Loss and Cash Flow statement for the year then ended and a summary of Significant accounting policies and other explanatory information.

### Management Responsibility for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of 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 financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in case of the Balance sheet, of the state of affairs of the company as at March 31, 2014;
- (b) In the case of profit and loss Account, of the **PROFIT** for the Year ended on that date; and
- © in the case of the Cash flow statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003,' as amended by 'the companies (Auditor's Report) (Amendment) order, 2004', issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Act, we give in the annexures a statement on the matters specified in the paragraphs 4 and 5 of the order.



2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the book ;
- c) The Balance Sheet, Statement of Profit and loss, and Cash flow Statement dealt with by this report are in agreement with books of account ;
- d) In our opinion, the Balance Sheet and statement of Profit and Loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e) On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) Since the central government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

161 1, Mahatma Gandhi Road,  
3<sup>rd</sup> Floor. Room No. 70B,  
Kolkata – 700 007



Dated: The 31st Day of May 2014

For, Ashok Kumar Natwarlal & Co.  
Chartered Accountants

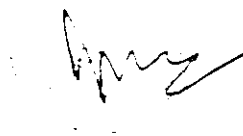
*A.K. Agarwal*

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

**ANNEXURE** Referred to in point No. 1 of our report of even date on the accounts for the year ended **31<sup>st</sup> March 2014**

In terms of the information and explanations given to us and the books and records examined by us in normal course of audit and to the best of our knowledge and belief we state that:

- 1 The Company does not own any fixed Assets and as such clauses 1(a) to 1(c) of the companies (Auditor's Report) (Amedment) order, 2004 are not applicable.
- 2 The Company does not own any inventory and as such clause 2(a) to 2(c) of the (Auditor's Report) (Amedment) order, 2004 are not applicable.
- 3 In respect of loans, secured or unsecured, granted or taken by the company to from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956:
  - a) The company has granted unsecured loan or advances to companies, firms or other parties listed in the register maintained U/s 301 of the companies Act, 1956. The Maximum amount outstanding during the year was Rs. 29,82,49,423/- and the year end balance of loan and advances granted to such party was Rs. 28,54,12,756.00.
  - b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loan and advances were not prima-facie prejudicial to the interest of the company except in case of interest free advances.
  - c) There was no stipulation for repayment of above loans and advances.
  - d) The company has not taken any unsecured loans or advances from companies, firms or other parties listed in the register maintained U/s 301 of the companies Act, 1956. Consequently the provisions of Clauses 3(e) to 3(g) of the order are not applicable.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with its size and the nature of business with regard to purchase and sale of shares & securities, goods or services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5
  - a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
  - b) In our opinion and according to the information and explanations given to us, there are no transactions of purchase of shares & securities, goods, materials and services made in pursuance of contracts or arrangements with any party entered in the register maintained under Section 301 of the Companies Act, 1956 for value aggregating to Rs.5,00,000/- or more during the year under review.
- 6 The Company has not accepted deposits from the public, compliance of the provision of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975, with regard to the deposits accepted from public does not apply.
- 7 In our Opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 According to the information and explanations given to us, the Central Government has not prescribed the maintenance of costs records under section 209(1)(d) of the Companies Act, 1956, for any products of the Company.
- 9
  - a)As explained to us, the provident Fund Scheme and Employees State Insurance Scheme are not applicable to the Company.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, custom duty and excise duty were outstanding as at 31<sup>ST</sup> March 2014 for a period of more than six months from the sate they become payable.
- 10 The Company does not have any accumulated losses at the end of the financial year. Further it has not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.



11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi/mutual benefit fund and therefore the requirements pertaining to such classes of companies is not applicable. Therefore the provisions of clause 4(xiii) of the order are not applicable to the Company.
14. According to the information and explanations given to us, the Company has maintained proper records of transactions and Contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name, except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the Company has not taken any long term loans during the year.
17. According to the information and explanations given to us, the and on overall examination of the Balance Sheet of the Company we report that no funds raised on short term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Registrar maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
20. The Company has not raised any money through public issue.
21. According to the information and explanations given no fraud on or by the Company has been noticed or reported during the year.

161/1, Mahatma Gandhi Road,  
3<sup>rd</sup> Floor, Room No. 70B,  
Kolkata - 700 007

Dated: The 31st Day of May 2014



For, Ashok Kumar Natwarlal & Co.  
Chartered Accountants

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

## ASSOCIATED CEREALS LIMITED

### REPORT ON CORPORATE GOVERNANCE

#### A) Company's Philosophy

Your Company believes that for its sustained success, it must maintain global Standards of corporate conduct towards its Shareholders, customers, employees, all other stakeholders and society in general. The company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and long term value creation for its shareholders.

The Company believes that corporate governance is not just limited to creating checks and balances. It is more about creating organization excellence leading to increasing employees and customer satisfaction and shareholder's Value. The primary objective of corporate governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, to develop capabilities and identify opportunities that best serve the goal of value creation. The Company believes, it must leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

Above all, corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability and transparency are key drivers to improve decision-making and the rationale behind such decision, which in turn creates stakeholder confidence.

#### B) Board of Directors

The Board of Director consist of Five Director. Mr Anant Bhagat Director of the company is retiring by rotation and is eligible for re-appointment.

#### Mr. Radhe Shyam Mishra

Mr. Radhe Shyam Mishra, Chairman of the Company is a graduate with more than two decades of experience in administration. He brings major strength in planning future financial growth of the Company.

#### Mr. Binod Chand Kankaria

Mr. Binod Chand Kankaria, Managing Director of the Company, has rich and diverse experience in areas of construction. He continues to lead as new generation entrepreneur with dedication and concerted focus on efficiency and growth.

Name of other Public limited companies in which Mr. Binod Chand Kankaria is a Director

Sl No.	Name of the Company
1.	Jain Space Infra Venture Ltd
2.	Orient Movietone Corpn Ltd

#### Mr. Anant Bhagat

Mr. Anant Bhagat aged 28 Years hold degree of Bachelor of Business Management. He started his career in Real Estates and obtained degree of Master of Science in Real Estates. He has rich and diverse experience in areas of construction, financing. He does not hold any equity shares in the Company.

Name of other Public Limited Companies in which Mr. Anant Bhagat is a Director

Sl No.	Name of the Company
1.	Navin Space Housing Limited
2.	Bengal Sanjeevani Housing Development Ltd

#### Mr. Shrish Tapuriah

Mr. Shrish Tapuriah is a well qualified Chartered Accountant and has rich and diverse experience in areas of administration, Taxation and financing.

Name of other Public Limited Companies in which Mr. Shrish Tapuriah is a Director

Sl No.	Name of the Company
1.	Hanuman Bags & Containers Ltd
2.	Kanchan Udyog Limited

**Mr. Rajesh Kumar Sethia**

Mr. Rajesh Kumar Sethia is reputed businessman in the field of finance and marketing having a clear business vision and practicing hands-off approach.

**C) Meetings and Attendance**

The Meeting of the Board are generally held at the Corporate office of the Company at "Arihant Enclave" 493B/57A G.T. Road South) Shibpur Howrah-711102. During the year under review, Seventeen Board meeting were held on 04/04/2013, 15/04/2013, 17/04/2013, 15/05/2013, 31/05/2013, 28/06/2013, 16/07/2013, 29/08/2013, 17/10/2013, 29/11/2013, 31/12/2013, 13/01/2014, 24/01/2014, 03/02/2014, 28/02/2014, 05/03/2014,31/03/2014.

**D) Board Agenda**

The Board meeting are scheduled well in time and Board members are given a notice of more than a month before the meeting date except in case of emergent meeting. The Board members are provided with well structured and comprehensive agenda papers.

**E) Shareholding of Directors**

Names	No. of Shares held
Binod Chand Kankaria	NIL
Anant Bhagat	NIL
Suresh Tapuriah	NIL
Rudra Shyam Mishra	NIL
Rajesh Kumar Sethia	NIL

**F) General Body Meetings**

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Location
2011-2012	01/09/2011	27 Bentinck Street, Kolkata-70001
2012-2013	29/09/2012	Arihant Enclave 493B/57A G T Road Ground Floor, Howrah-711102
2013-2014	28/06/2013	Arihant Enclave 493B/57A G T Road Ground Floor, Howrah-711102

During the years, the company had taken shareholders approval by way of special resolution as per details below

Financial Year	Date	Purpose
2013-14	28/02/2014	Issue of 35,00,000 Equity share on preferential Basis
2013-14	05/03/2014	Appointment of Managing Director
2013-14	31/03/2014	Change of Object Clause

**G) Disclosures**

There are no materially significant transactions with the related parties viz. promoters, directors, relatives, the management, subsidiaries etc that may have a potential conflict with the interest of the company at large.

No penalties have been imposed on the company by the Stock Exchange or SEBI or any other authority in any matter related to capital markets, for non compliance by the company.



#### H) Means of Communication

The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half yearly basis and yearly basis. The results are not sent individually to Shareholders.

The company has developed its website. All information relating to shareholder and public at large can be viewed by logging into the Website.

#### I) Code of Conduct

The Company has laid down the code of conduct for its directors.. The object of the code is to conduct the company's business ethically and with responsibility, integrity, fairness, transparency and honesty.

#### J) Registrar and Transfer Agents and Share Transfer System

M/s Niche Technologies Pvt Ltd is your Company's Share Transfer Agent. Share transfer in physical form and other communications regarding shares, Change of Address etc may be addressed to

M/s Niche Technologies Pvt Ltd  
D-511, Bagree Market  
71, B R B Basu Road  
Kolkata-700001

Trading in Equity shares of the Company is permitted as demat as well as physical form. Shares sent for transfer in physical form are registered and returned with in a period of 30 Days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers Mrs. Anny Jain Company Secretary, be and is hereby appointed Compliance officer in Place of Mr. Binod Chand Kankaria, severally authorized to approve transfer of equity shares and the same shall be ratified in the next meeting of shareholders/ Investors Grievance Committee. The shareholders/ Investors Grievance Committee meets as and when required to consider the other transfer, transmission of shares etc and to attend shareholder Grievance.

#### K) Distribution of Shareholding

The Distribution of shareholding as on March 31, 2014 was as follows:

Sl No.	No. of Equity Shares held	No. of Share Holders	% of total Shareholders	No. of Shares held	% of total Shares
1	1-500	408	80.0000	113900	.8974
2	501-1000	41	8.0392	31100	.2450
3	1001-5000	16	3.1375	27620	.2176
4	5001-10000	0	0	0	0
5	10001-50000	18	3.5294	641000	5.0502
6	50001-100000	8	1.5686	558300	4.3986
7	100001- And above	19	3.7255	11320700	89.1913
	<b>Totals</b>	<b>510</b>	<b>100.00</b>	<b>12692690</b>	<b>100.00</b>

#### L) Details of Shareholding as on March 31, 2014 was as under:-

Sl No.	Category	No. of Shares Held	Shareholding
1	Promoters	6869620	54.123
2	Non Institution- Bodies Corporate	4299950	33.877
3	Non Institution-Individual	1523120	12.000
		<hr/>	<hr/>
		12692690	100.00

### M) General Shareholder Information

Annual General Meeting:

Date	18 <sup>th</sup> September 2014
Time	12.30 PM
Venue	Arihant Enclave, 493B/57A G T Road (South) Shibpur Howrah-711102
Financial Year	2013-2014
Book Closure Date	24 <sup>th</sup> June 2014 to 27 <sup>th</sup> June 2014
Listing on Stock Exchange	The Uttar Pradesh Stock Exchange Limited A-256
ISIN No.	INE840101014

### N) Shareholder'/Investors' Grievance Committee

The shareholder' Investors' Grievance Committee of the Board has been constituted to look into complaints like transfer of shares, Non-receipt of Dividend etc. The committee is headed by Mr. Anant Bhagat, as Chairman and Mr. Suresh Kumar Jain and Mr. Shrish Tapuriah as Non executive Director. No compliant had been received during the year.

### O) Audit Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of accounting, auditing and reporting practice of the company and its compliance with legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the company, the audit of the Company's Financial Statements, the appointments of Auditor, Independent Performance and remuneration of the Statutory Auditors.

During the year under review, four meetings of the committee were held during the year ended 10.05.2013, 09.08.2013, 15.11.2013 and 07.02.2014. The composition of the committee and attendance at its meeting is given below:

Name of Director	Category	No. of Meetings Held	No. of Meetings Attended
Mr. Anant Bhagat	Non Executive Director	4	4
Mr. Shrish Tapuriah	Non Executive Director	4	4
Mr. Suresh Kumar Jain	Non Executive Independent Director	4	4

The terms of reference as stipulated by the Board to the Audit Committee include:

1. Oversight of the Companies Financial reporting Process and disclosure of its financial information to ensure that the financial statement is correct, Sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory Auditor and fixation of Audit Fees.
3. Reviewing with the Management, the annual Financial Statement before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors Responsibility Statement in the Directors Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in Accounting Policies and Practices and reason for the same.
  - Major Accounting entries involving estimates based on the exercise out of audit findings.
  - Qualification in the draft Audit report, if any.
4. Reviewing with the management, the quarterly financial Statements before submission to the Board for approval.
5. Reviewing with the Management, Performance of the Auditors, and adequacy of Internal control systems.
6. Discussion with the Auditors before the audit commences, about the nature and scope of the audit as well as post audit discussion to ascertain any area of concern.
7. To review the functioning of Whistle Blower Mechanism.
8. Carrying out any other function as is mentioned in the terms of reference of audit Committee.

The Audit Committee is empowered, Pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

We have instituted internal processes and systems to ensure that the audit committee has access to all material information and reviews on a regular basis as follows:

- Management discussion and analysis of Financial Condition and results of operation.
- Statement of Significant party related transactions (as defined by Audit Committee), Submitted by Management.
- Management Certificates on internal controls and Compliances with laws and regulations, including any exception to these.
- Management letters/letters of internal control weakness issued by the auditors.

*[Handwritten signatures and notes]*

# ASSOCIATED CEREALS LIMITED

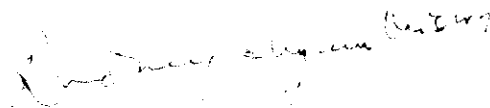
Aribant Enclave, Ground Floor, 493B/57A, G.T.Road (South), Shibpur, Howrah-711102

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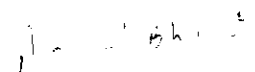
## CHAIRMAN & CFO CERTIFICATION

We Radhe Shyam Mishra , Chairman and Anant Bhagat, Chief Financial Officer of Associated Cereals Limited, to the best of our knowledge and belief, certify that :

- a. We have reviewed the Financial Statements and Cash Flow Statements for the year ended 31<sup>st</sup> March 2014 and 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 which might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations
- b. There are, to the best of our Knowledge and belief, no transaction 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 control for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee :
  - i. Significant Changes in Internal Control during the Year;
  - ii. Significant Changes in accounting policies 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.



Chairman



Chief Financial Officer

**Auditors' Certificate on Corporate Governance**

**To the Members of**

**Associated Cereals Limited**

We have examined the compliance of conditions of corporate governance by **Associated Cereals Limited** ('the Company') for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month as on 31<sup>st</sup> March, 2014 against the Company as per the records maintained by the Investors Grievance Committee.

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

161/1, Mahatma Gandhi Road,  
3<sup>rd</sup> Floor, Room No. 70B,  
Kolkata - 700 007

Dated: The 31<sup>st</sup> Day of May 2014



For, Ashok Kumar Natwarlal & Co.  
Chartered Accountants

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

# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

**BALANCE SHEET AS AT 31ST MARCH, 2014**

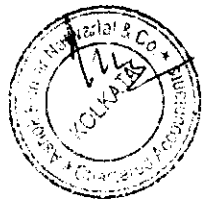
Particulars	Note No.	AS AT MARCH 31, 2014	AS AT MARCH 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
a. Share Capital	1	12,69,26,900.00	12,69,26,900.00
b. Reserves and Surplus	2	17,47,81,712.85	17,39,13,951.56
<b>(2) Current Liabilities</b>			
a. Short-Term Borrowings	3	-	81,410.00
b. Other Liabilities	4	14,470.00	11,600.00
c. Short-Term Provisions	5	8,21,307.00	10,91,775.00
<b>Total Equity &amp; Liabilities</b>		<b>30,25,44,389.85</b>	<b>30,20,25,636.56</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
a. Long-term loans and advances	6	9,93,82,644.00	38,00,000.00
b. Non-Current investments	7	97,50,841.43	23,33,113.53
c. Miscellaneous Expenditure	8	-	1,60,000.00
<b>(2) Current Assets</b>			
a. Cash and cash equivalents	9	5,80,072.42	11,96,350.03
b. Short-term loans and advances	10	19,28,30,832.00	29,45,36,173.00
<b>Total Assets</b>		<b>30,25,44,389.85</b>	<b>30,20,25,636.56</b>

The accompanying notes 1 to 19 are integral part of Financial Statements

**FOR ASHOK KUMAR NATWARLAL & CO**  
CHARTERED ACCOUNTANTS

**FOR ASSOCIATED CEREALS LIMITED**

*Agarwal*  
Ashok Kumar Agarwal  
Proprietor  
Membership No. : 56189  
Firm Reg. No.: 322307E  
PLACE: KOLKATA  
DATED : 31ST DAY OF MAY 2014



*Radhe Shyam Mishra*  
Radhe Shyam Mishra  
Chairman

*Binod Chand Kankaria*  
Binod Chand Kankaria  
Managing Director

*Anant Bhagat*  
Anant Bhagat  
Director

*Anny Jain*  
Anny Jain  
Company Secretary

# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102  
**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014**

Sr. No.	Particulars	Note No.	For the year ended March 31,2014	For the year ended March 31,2013
	Revenue from Operations	11	18,27,627.79	13,62,489.00
	<b>II. Total Revenue</b>		<b>18,27,627.79</b>	<b>13,62,489.00</b>
	<b>Expenses:</b>			
	Employee Benefit Expense	12	1,88,000.00	1,20,000.00
	Financial Costs	13	68,602.00	6,480.00
	Depreciation and Amortization Expense	14	3,10,000.00	40,000.00
	Other Administrative Expenses	15	3,17,853.50	1,88,775.01
	Provisions and Contingencies	16	-2,54,230.00	2,30,200.00
	<b>Total Expenses (IV)</b>		<b>6,30,225.50</b>	<b>5,85,455.01</b>
	Profit before exceptional and extraordinary items and tax	(II-III)	11,97,402.29	777033.99
	Profit before extraordinary items and tax		11,97,402.29	777033.99
	Profit before tax		11,97,402.29	7,77,033.99
	<b>Tax expense:</b>			
	1. Current tax		3,00,000.00	3,11,235.00
	2. Tax of Previous Year		29,641.00	1,06,951.00
	Profit/Loss for the period from continuing operations	(VIII-IX)	8,67,761.29	3,58,847.99
	Profit/Loss for the period		8,67,761.29	3,58,847.99
	Earnings per equity share:			
	1. Basic	17	0.07	0.04
	2. Diluted		0.07	0.04

The accompanying notes 1 to 19 are integral part of Financial Statements

**DR ASHOK KUMAR NATWARLAL & CO**  
**CHARTERED ACCOUNTANTS**

**FOR ASSOCIATED CEREALS LIMITED**

*A.K. Agarwal*

*Radhe Shyam Mishra*

**Radhe Shyam Mishra**  
 Chairman

*Binod Chand Kankaria*

**Binod Chand Kankaria**  
 Managing Director

*Anant Bhagat*

**Anant Bhagat**  
 Director

**Dr. Ashok Kumar Agarwal**  
 Director

Membership No.: 56189

Reg. No.: 322307E

OFFICE: KOLKATA

DATED: 31ST DAY OF MAY 2014

*Anny Jain*

**Anny Jain**  
 Company Secretary

# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

Notes Forming Part of Statement of Profit & Loss for the year ended 31st March, 2014

## Note : 11 Revenue from Operations

Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
	Interest Received	16,08,219.00	13,34,081.00
	Interest on TDS	-	28,408.00
	Profit on sale of shares	2,19,722.39	-
	Speculation Profit	(313.60)	-
	<b>Total</b>	<b>18,27,627.79</b>	<b>13,62,489.00</b>

## Note : 12 Employment Benefit Expenses

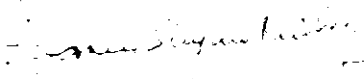
Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
1	Salaries Bonus PF & ESIC	1,88,000.00	1,20,000.00
	<b>Total</b>	<b>1,88,000.00</b>	<b>1,20,000.00</b>

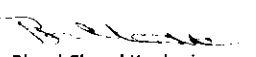
## Note :13 Financial Cost

Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
1	Interest paid on Loan	68,602.00	6,480.00
	<b>Total</b>	<b>68,602.00</b>	<b>6,480.00</b>

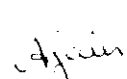
## Note : 14 Depreciation & Amortised Cost

Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
1	Preliminary Expenses W/O	3,10,000.00	40,000.00
	<b>Total</b>	<b>3,10,000.00</b>	<b>40,000.00</b>

  
Sachin Shivam Mishra  
Chairman

  
Binod Chand Kankaria  
Managing Director

  
Anant Bhagat  
Director

  
Anny Jain  
Company Secretary





# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

**Notes Forming Part of Statement of Profit & Loss for the year ended 31st March, 2014**

**Note : 15 Other Expenses**

Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
<b>a</b>	<b>Administrative Expenses:</b>		
1	Advertisement & Publicity	19,680.00	5,280.00
2	Bank Charges	2,256.91	4,496.01
3	CDSL fees	29,214.00	23,464.00
4	Compliance Fees	1,100.00	1,100.00
5	Demat Charges	868.20	-
6	Filing Fees	13,500.00	3,500.00
7	General Expenses	9,399.00	7,940.00
8	Listing Fees	59,750.00	60,000.00
9	NSDL fees	25,844.00	33,708.00
10	Postage & Telegram	3,413.00	2,890.00
11	Printing & Stationery	6,835.00	5,720.00
12	Professional Fees	56,180.00	1,000.00
13	Professional Tax	5,400.00	-
14	Trade Licences	1,850.00	1,850.00
15	Travelling & Conveyance	8,063.00	6,720.00
16	Registrar Expense	25,301.25	20,107.00
17	Payment for Internal Audit Fees	1,000.00	1,000.00
18	Service Tax	1,887.98	-
19	Service Tax on Tot	139.88	-
20	Stamp Charges	2,980.33	-
21	Securities Transaction Tax	29,333.00	-
22	Turnover Tax	1,131.95	-
23	Maintenance Charges	2,316.00	-
24	Service Charges	310.00	-
25	Electric Charges	100.00	-
<b>b</b>	<b>Payment to Statutory Auditors:</b>		
27	Audit Fees	10,000.00	10,000.00
	<b>Total</b>	<b>3,17,853.50</b>	<b>1,88,775.01</b>

**Note : 16 Provisions & Contingencies**

Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
1	Provision against Standard Assets	(2,54,230.00)	2,30,200.00
		<b>(2,54,230.00)</b>	<b>2,30,200.00</b>

Figure in negative indicates provision written Back.

**Note: 17 Earning Per Share**

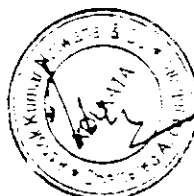
Sr. No	Particulars	For the year ended March 31,2014	For the year ended March 31,2013
	Profit after Tax	8,67,761.29	3,58,847.99
	Weighted Average No. of Shares	1,26,92,690.00	95,85,840.00
	$9192690 \times \frac{324}{365} + 12692690 \times \frac{41}{365}$		
	35,00,000 Shares are allotted on 19/02/2013		
	<b>Earning Per Share</b>	<b>0.07</b>	<b>0.04</b>

Radhey Shyam Mishra  
Chairman

Binod Chand Kankaria  
Managing Director

Anant Bhagat  
Director

Anny Jain  
Company Secretary



## ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014

**Note : 1 Share Capital**

Sr. No.	Particulars	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
		Nos.	Amount	Nos.	Amount
1	<b>AUTHORIZED CAPITAL</b> Equty Shares of Rs. 10/- each.	1,32,00,000	13,20,00,000.00	1,32,00,000	13,20,00,000.00
		1,32,00,000	13,20,00,000.00	1,32,00,000	13,20,00,000.00
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> Equty Shares of Rs. 10/- each. Fully Paid up Share Capital & Dividend	1,26,92,690	12,69,26,900.00	1,26,92,690	12,69,26,900.00
	<b>Total issued, Subscribed &amp; Paid Up Capital</b>	1,26,92,690	12,69,26,900.00	1,26,92,690	12,69,26,900.00

**a) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

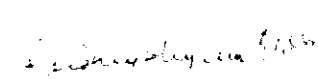
Sr. No.	Name of the Shareholder	No. of Shares	% Held	No. of Shares	% Held
1	Utraplus Housing Estate Pvt Ltd	68,69,620	54.12	68,69,620	74.73


**b) Reconciliation of the Number of Shares and Amount Outstanding as at the Beginning and at the End of the Year**

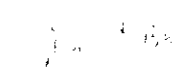
Sr. No.	Equity shares	Number	Amount	Number	Amount
1	Outstanding at the Beginning of the Year	1,26,92,690	12,69,26,900.00	1,26,92,690	12,69,26,900.00
2	Issued During the Year	-	-	-	-
3	Outstanding at the End of the Year	1,26,92,690	12,69,26,900.00	1,26,92,690	12,69,26,900.00

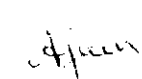
**c) Terms/Rights Attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu.

  
Rishy Shyam Mishra  
Chairman

  
Binod Chand Kankaria  
Managing Director

  
Anant Bhagat  
Director

  
Anny Jain  
Company Secretary



# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014

**Note 2 Reserve & Surplus**

Sr No	Particulars	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
1	<b>Securities Premium</b>				
	Opening Balance	7,00,00,000.00		7,00,00,000.00	
	Add - Addition During the Year	-		-	
	Closing Balance		7,00,00,000.00		7,00,00,000.00
2	<b>General Reserve</b>				
	Opening Balance	5,82,15,100.00		5,82,15,100.00	
	Add - Addition during the Year	-		-	
	Closing Balance		5,82,15,100.00		5,82,15,100.00
3	<b>Surplus (Profit &amp; Loss Account)</b>				
	Opening Balance	3,60,02,131.56		3,57,15,053.57	
	Add - Surplus in the Statement of Profit & Loss	8,67,761.29		3,58,847.99	
			3,68,69,892.85		3,60,73,901.56
	Transfer to RBI Reserve Fund		1,74,000.00		71,770.00
	Closing Balance		3,66,95,892.85		3,60,02,131.56
4	<b>Reserve Fund (RBI):</b>				
	Opening Balance	96,96,720.00		96,24,950.00	
	Add - Addition during the Year	1,74,000.00		71,770.00	
	Closing Balance		98,70,720.00		96,96,720.00
	<b>Total</b>		<b>17,47,81,712.85</b>		<b>17,39,13,951.56</b>

**Note 3 Short Term Borrowings**

Sr No	Particulars	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
1	Others		-		81,410.00
	<b>Total</b>		-		<b>81,410.00</b>

**Note 4 Other Liabilities**

Sr No	Particulars	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
1	Audit Fees Payable		10,000.00		10,000.00
2	P.D Pandar & Co.		2,500.00		500.00
3	Professional Tax Payable		1,352.00		1,100.00
4	TDS Payable		618.00		-
	<b>Total</b>		<b>14,470.00</b>		<b>11,600.00</b>

**Note 5 Short Term Provisions**

Sr No	Particulars	AS AT MARCH 31, 2014		AS AT MARCH 31, 2013	
1	<b>Others</b>				
	Provision for standard Assets		4,81,180.00		7,35,410.00
	Provision for Fringe benefit Tax		-		5,003.00
	Provision for Taxation		3,40,127.00		3,51,362.00
	<b>Total</b>		<b>8,21,307.00</b>		<b>10,91,775.00</b>

Radhey Shyam Mishra  
Chairman

Binod Chand Kankaria  
Managing Director

Anant Bhagat  
Director

Anny Jain  
Company Secretary



# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014

**Note : 6 Long Term Loans and Advances**

Sr. No	Particulars	AS AT MARCH 31,2014		AS AT MARCH 31,2013	
	Advance against land/ Flat		9,93,76,944.00		38,00,000.00
	Electricity Deposit		5,700.00		-
	<b>Total</b>		<b>9,93,82,644.00</b>		<b>38,00,000.00</b>

**Note :7 Non- Current Investment**

Sr. No	Particulars	AS AT MARCH 31,2014		AS AT MARCH 31,2013	
		Nos.	Value	Nos.	Value
	<b>Investment in Equity</b>				
	<b>QUOTED</b>				
	Econo Trade (India) Ltd.	27,800	22,29,009.76	27,800	22,29,009.76
	Rashel Agro	1	8.77	1	8.77
	R.M Financial Ltd.	20	20.00	20	20.00
	Purbanchal Steel Limited	40,500	1,03,275.00	40,500	1,03,275.00
	Rohtash Industries Limited	2,000	800.00	2,000	800.00
	Ankit Metal and Power	1,50,000.00	16,95,855.00	-	-
	Kwality credit	8,000.00	9,25,328.20	-	-
	Pipavav	98,000.00	47,96,544.70	-	-
	<b>Total</b>		<b>97,50,841.43</b>		<b>23,33,113.53</b>

The Market Value of Shares is Rs. 1,10,34,823.77/- . In the absense of Market Value of some shares, Book Value is taken as Market Value.

**Note :8 Miscellaneous Expenditure**

Sr. No	Particulars	AS AT MARCH 31,2014		AS AT MARCH 31,2013	
	Share Issue Expenses		-		1,60,000.00
	<b>Total</b>		<b>-</b>		<b>1,60,000.00</b>

**Note : 9 Cash & Cash Equivalent**

Sr. No	Particulars	AS AT MARCH 31,2014		AS AT MARCH 31,2013	
1	<u>Cash-in-Hand</u>				
	Cash Balance		5,68,081.69		8,45,067.69
	<b>Sub Total (A)</b>		<b>5,68,081.69</b>		<b>8,45,067.69</b>
2	<u>Bank Balance</u>				
	Corporation Bank		2,106.00		2,106.00
	The Lakshmi Vilas Bank		9,884.73		3,49,176.34
	<b>Sub Total (B)</b>		<b>11,990.73</b>		<b>3,51,282.34</b>
	<b>Total [ A + B ]</b>		<b>5,80,072.42</b>		<b>11,96,350.03</b>

**Note :10 Short Terms Loans and Advances**

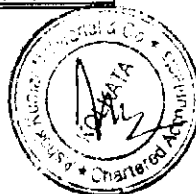
Sr. No	Particulars	AS AT MARCH 31,2014		AS AT MARCH 31,2013	
1	<u>Loans &amp; Advances</u>				
	a) Unsecured, Considered Good :		90,58,171.00		11,07,63,512.00
2	<u>Share Application Given</u>		18,36,00,000.00		18,36,00,000.00
3	<u>Others</u>				
	Income Tax Refundable for A.Y. 2006-2007		1,72,661.00		1,72,661.00
	<b>Total</b>		<b>19,28,30,832.00</b>		<b>29,45,36,173.00</b>

Radhey Shyam Mishra  
Chairman

Binod Chand Kankaria  
Managing Director

Anant Bhagat  
Director

Anny Jain  
Company Secretary



# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

Break-up of Notes Items appearing in Balance Sheet as at 31st March, 2014

## Note- 18 Related Party Disclosures

### Key Management Personnel

Mr. Binod Chand Kankaria  
Mr. Anant Bhagat  
Mr. Shrish Tapuriah  
Mr. Radhey Shyam Mishra  
Mr. Rajesh Kumar Sethia

### Relative of Key Management Personnel

Mr. Chandrakant Kankaria (Son of Sri Binod Chand Kankaria)  
Mr. Subhash Chand Kankaria (Brother of Sri Binod Chand Kankaria)

### Enterprise in which key management personnel or relative of key management personnel exercise Significant influence.

Tapp Chennai Holdings Private Limited  
Olympia Real Estate Chennai Pvt Ltd  
Sripanchanan Complex Pvt Ltd  
Brilliant Dealers Pvt Ltd  
ABN Infratech Pvt Ltd  
Opaline Hotels Pvt Ltd  
Jai-shree Centre Pvt Ltd  
Pawan Complex Pvt Ltd  
M K Construction

Particulars	Key Management Personnel	Relative of Key Management	Enterprise in which Key Management Personnel Exercise Significant Influence	Total(Rs.)
<b>Repayment of Advances</b>				
Olympia Real Estate Chennai Pvt Ltd			24,00,000.00	24,00,000.00
Sri Panchanan Complex Pvt Ltd			38,00,000.00	38,00,000.00
<b>Advances Given</b>				
Opaline Hotels Pvt Ltd			1,35,00,000.00	1,35,00,000.00
<b>Repayment of Loans Given</b>				
Brilliant Dealers Pvt Ltd			45,00,000.00	45,00,000.00
M K Construction			2,00,000.00	2,00,000.00
Pawan Complex Pvt Ltd			1,66,200.00	1,66,200.00
Jai-shree Centre Pvt Ltd			1,51,074.00	1,51,074.00

Radhey Shyam Mishra  
Chairman

Binod Chand Kankaria  
Managing Director

Anant Bhagat  
Director

Anny Jain  
Company Secretary



# ASSOCIATED CEREALS LTD.

Arihant Enclave, Ground Floor, G.T.Road(South) Shibpur Howrah-711102

Break-up of Notes Items appearing in Balance Sheet as at 31st March, 2014

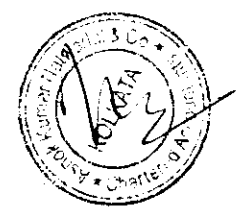
Particulars	Key Management Personnel	Relative of Key Management	Enterprise in which Key Management Personnel Exercise Significant Influence	Total(Rs.)
<b>Interest Income</b>				
Brilliant Dealers Pvt Ltd			4,70,618.00	4,70,618.00
<b>Balance Receivable</b>				
Tapp Chennai Holdings Pvt Ltd			(P.Y. Rs.)	18,31,00,000.00
Olympia Real Estate Chennai Pvt Ltd			(P.Y. Rs.)	18,31,00,000.00
Sri Panchanan Complex Pvt Ltd (Advance against Property)			(P.Y. Rs.)	24,00,000.00
ABN Infratech Pvt Ltd			(P.Y. Rs.)	38,00,000.00
M K Construction			(P.Y. Rs.)	55,205.00
Brilliant Dealers Pvt Ltd			(P.Y. Rs.)	55,205.00
Opaline Hotels Pvt Ltd (advance for land )			(P.Y. Rs.)	2,00,000.00
Lawan Complex Pvt Ltd			(P.Y. Rs.)	55,86,889.00
Trishree Centre Pvt Ltd			(P.Y. Rs.)	96,63,333.00
			(P.Y. Rs.)	9,93,76,944.00
			(P.Y. Rs.)	8,58,76,944.00
			(P.Y. Rs.)	1,66,200.00
			(P.Y. Rs.)	-
			(P.Y. Rs.)	1,51,074.00

*Handwritten signature of Shyam Mishra*  
 Shyam Mishra  
 Chairman

*Handwritten signature of Binod Chand Kankaria*  
 Binod Chand Kankaria  
 Managing Director

*Handwritten signature of Anant Bhagat*  
 Anant Bhagat  
 Director

*Handwritten signature of Anny Jain*  
 Anny Jain  
 Company Secretary



## ASSOCIATED CEREALS LIMITED

### NOTE : 19

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014 AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON THAT DATE

### SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements are prepared on accrual basis under historical cost convention in accordance with the provisions of the Companies Act, 1956 and Accounting Standards issued by the Institute of Chartered Accountants of India.

#### **Basis of Preparation**

The Ministry of Corporate affairs (MCA) has issued a revised form of Schedule VI, applicable from 1st April 2011 for the preparation and presentation of financial statement. The adaption of revised schedule VI does not impact the recognition and measurement principle followed for the preparation of the financial Statements. However, it has significant impact on presentation and disclosures made in the financial statement.

The Operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalent. The cycle has been considered as 12 months for classification of current and non current assets and liabilities as required by revised Schedule VI.

The accounting policies applied by the company are consistent with those used in the previous year.

#### **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognized:

- Interest and other dues are accounted on accrual basis except in the case of non-performing loans where it is recognized upon realization, as per the income recognition and asset classification norms prescribed by the RBI.

#### **Investments**

Current Investment are valued at cost.

#### **Miscellaneous Expenditure**

Miscellaneous Expenditure including share issue expenditure is amortized in the Year of Incurrence.

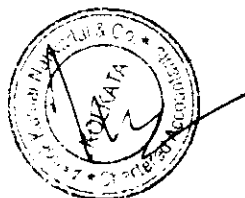
#### **Gratuity and Other Benefits**

The provisions of payment of Gratuity Act are not applicable to the employees of the Company for the year under review.

#### **Taxes on Income**

Current tax is the amount payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences; being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.



## ASSOCIATED CEREALS LIMITED

### 1. Earnings per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standards-20, *Earnings per Share*, issued by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the period.

### 2. Provisions and Contingencies

#### Provision against Loans

- Provisions is made in accordance with the RBI guidelines applicable to non- performing loans. In addition, Provision is made in accordance with the Provisioning policy of the company against non- performing loans.
- A general provision is made at 0.25% of the outstanding Standard Assets in accordance with the RBI guidelines.

#### Other Provisions

- A Provision is recognized when the company has a present obligation as a result of Past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation as at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed separately.

#### Contingent Liability

Contract remain to be executed on capital A/c and not Provided for Rs. 13,73,20,984/- Net of Advances.  
Advance.

Previous year figures has been re-arranged or re-cast wherever necessary, however the same are not strictly comparable with that of the current year as the previous year.

The Company Operates Solely in one Geographic Segment and hence no separate information for Geographic segment wise disclosure is required.

E. I. Mahatma Gandhi Road,  
Floor, Room No. 70B,  
Kata - 700 007

For, Ashok Kumar Natwarlal & Co.  
Chartered Accountants

A. K. Agarwal

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

The 31st Day of May 2014



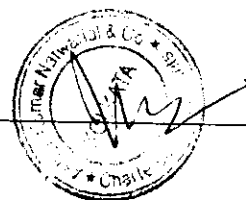


**ASSOCIATED CEREALS LIMITED**

Schedule Annexed as per Reserve Bank of India Prudential Norms. Schedule to the Balance sheet of a Non Banking Financial Company as on 31.03.2014 required in terms of paragraph 13 of a Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. in lakhs)

Particulars			
<b>Liabilities side:</b>			
(1)	<b>Loans and advances availed by the NBFCs Inclusive of interest accrued thereon but not Paid:</b>	Amount Out-standing	Amount overdue
	(a) Debentures : Secured	NIL	NIL
	: Unsecured (other than falling within the meaning of public deposits)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowing	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits	NIL	NIL
	(g) Other Loans (unsecured)	NIL	NIL
<b>Assets side:</b>		Amount outstanding	
(2)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>		
	(a) Secured	NIL	
	(b) Unsecured	1924.47	
(3)	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	NIL	
	(b) Operating lease	NIL	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	NIL	
	(b) Repossessed Assets	NIL	
	(iii) Hypothecation loans counting towards EL/HP activities:		
	(a) Loans where assets have been repossessed	NIL	
	(b) Loans other than (a) above	NIL	
<b>Break-up of Investments:</b>			
<b>Current investments:</b>			
	1. <b>Quoted:</b>		
	(i) Shares: (a) Equity	NIL	



	(b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Other (please specify)	NIL NIL NIL NIL NIL
	2. <u>Unquoted:</u> (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	NIL NIL NIL NIL NIL NIL
	<u>Long Term investment:</u> 1. <u>Quoted:</u> (i) Share: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Other (please specify)	97.51 NIL NIL NIL NIL NIL
	2. <u>Unquoted:</u> (i) Shares: (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	NIL NIL NIL NIL NIL NIL
51	<b>Borrower group-wise classification of all leased assets, stock-no-hire and loans and advances:</b>	



Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	1887.42	1887.42
© Other related parties	NIL	NIL	NIL
<b>2. Other than related parties</b>	NIL	37.05	37.05
Total	NIL	1924.47	1924.47

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)</b>		
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
© Other related parties	NIL	NIL
2. Other than related parties	110.35	97.50
Total	110.35	97.50

**(7) Other information**

	Particulars	Amount
(i)	Gross Non-Banking Assets	NIL
	(a) Related parties	NIL
	(b) Other than related parties	NIL
(ii)	Net Non-Performing Assets	NIL
	(a) Related parties	NIL
	(b) Other than related parties	NIL
(iii)	Assets acquired in satisfaction of debt	NIL

