

**NORTH EASTERN REGIONAL AGRICULTURAL  
MARKETING CORPORATION LIMITED**



**30<sup>TH</sup> ANNUAL REPORT  
2011-2012**

**30th ANNUAL REPORT 2011-2012****CONTENTS**

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# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING COMPANY LIMITED, GUWAHATI

30th Annual Report 2011-2012

## BOARD OF DIRECTORS

### CHAIRMAN



Shri P. K. Pattanaik, IAS  
Joint Secretary to the Govt. of India  
Ministry of Development of  
North Eastern Region

### DIRECTORS

Shri P.R. Meshram  
Capt. Sanjay Ghalot  
Shri R.T. Jindal  
Shri P. Kharkongar  
Shri Vishal Chauhan  
Shri Hage Kojeen  
Shri Dani Salu  
Prof. C. L. Mahanta

### MANAGING DIRECTOR



Shri S. Bhattacharjee

### COMPANY SECRETARY

Ms. Antareepa Goswami

### BANKERS

State Bank of India  
United Bank of India  
Axis Bank  
UCO Bank  
Syndicate Bank  
Punjab National Bank  
ICICI Bank

### AUDITORS

M/s Bhawani Sharma & Co  
Chartered Accountants  
Near Sahida Market, Lakhtokia  
S.S. Road, Guwahati-781001

### REGISTERED OFFICE

Rajbari Path, G.S. Road  
Ganeshguri, Dispur  
Guwahati-781005 (Assam)

# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

(A GOVERNMENT OF INDIA ENTERPRISE)

9, RAJBARI PATH, G. S. ROAD, GANESHGURI, GUWAHATI – 781 005, ASSAM, INDIA  
Pbx: +91 361 2341427; Tele-fax: +91 361 2341427  
E-mail: [md.neramac@gmail.com](mailto:md.neramac@gmail.com) Website: [www.neramac.com](http://www.neramac.com)

## NOTICE

Notice is hereby given that the 30th Annual General Meeting for the year 2011-2012 of North Eastern Regional Agricultural Marketing Corporation (NERAMAC) Limited will be held on 28th September, 2012 (Friday) at 1700 Hrs. at the Registered Office of the Corporation, 9, Rajbari Path, G.S. Road, Geneshguri, Guwahati – 781 005 to transact the following business :-

### As Ordinary Business

- To receive, consider and adopt the Directors' Report and Audited Accounts for the year ended 31.03.2012
- Any other business that may ordinarily be transacted with the permission of the Chair.

### As Special Business

- Equity Participation in SPV registered under Companies Act, 1956.
- To approve insertion of new business in the Object Clause of Memorandum of Association and pass with or without modification the following resolution(s):  
**"RESOLVED THAT** pursuant to Section 17(1) of Companies Act and other applicable provisions of the Act, if any, the Object Clause under Part B: OBJECTS INCIDENTAL OR ANCHILLIARY TO ATTAINMENT OF MAIN OBJECTS of the Memorandum of Association of the Corporation be and is hereby altered by inserting the following new object 49 after existing clause 48 and renumber accordingly.  
 49. To procure and market minor forest produces and products such as brooms, bamboo, tezpatta, agarbatti sticks etc."

By Order of the Board of Directors

Sd/-  
S.Bhattacharjee  
Managing Director

Place: Guwahati

Date: 28/09/2012

- All members of the Company
- M/s Bhawani Sharma & Co., Chartered Accountants  
Near Sahida Market, S.S. Raod  
Lakhtokia, Guwahati  
Cc to: All Directors

### NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME TO THE ANNUAL GENERAL MEETING.



# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 173 OF THE COMPANIES ACT, 1956.

### Item No. c:-

The Board in their 108th Board Meeting accorded its approval to the agenda item no. 4, relating to investment by the Company upto 26% of equity shares of the proposed SPV subject to a maximum of Rs.3 Cr, in terms of the guidelines of the MoFPI, subject to availability of grant in aid loan from NEC or loan from NEDFi. The meeting also resolved to convene the Extra-Ordinary General Meeting to approve the above proposal by the shareholders if the SPV is registered.

Meanwhile, M/s Anand Infrastructure (P) Ltd Co, Gnaktok has communicated that the SPV in the name of Himalayan Organic Mega Food Park Pvt. Ltd. have been recommended for consideration where NERAMAC is also a SPV member with others. The MoFPI in the Inter-Ministerial Approval Committee (IMAC) meeting held on 20.06.2012 granted approval to the Himalayan Organic Mega Food Park Ltd. as one of the Mega Food Park to be established. The Corporation has already made proposal to the NEC for Grant-in Aid of Rs.3.00 Cr. (Rupees Three Crores Only) for equity investment in the SPV for setting up Mega Food Park, Sikkim.

However, the SPV under the name and style Himalayan Organic Mega Food Park Pvt. Ltd. is yet to be registered with the jurisdictional Registrar of Companies, Ministry of Corporate Affairs, Govt. of India, hence the agenda item may be taken up and considered in the Extra-Ordinary General Meeting as and when required.

### Item No. d:-

NERAMAC endeavors to give importance to sustain farmer's interest in production by application of post harvest technology thereby arrest decline in prices arising from larger output of farm produces. It is playing a significant role by sourcing, procuring & marketing cash crops like ginger, fresh pineapple, cashew nut etc from the farmers / growers of the Region. One of the mandates of the Company is to assist the small scale processing units of North East to market their products in terminal markets.

Marketing of Minor Forest Produces and Products is also done by NERAMAC such as brooms, bamboo, tezpatta, agarbati sticks etc. from beginning.

As such it is necessary to insert a new clause No 49 under Part B: OBJECTS INCIDENTAL OR ANCILLIARY TO ATTAINMENT OF THE MAIN OBJECTS of the Memorandum of Association of the Corporation as under:

49. To procure and market minor forest produces and products such as brooms, bamboo, tezpatta, agarbati sticks etc.

The Board in its 109th Meeting approved the proposal of inserting a new clause No. 49 in the Memorandum and approved the same to be placed in this 30th Annual General Meeting of the Company.

# DIRECTORS' REPORT

TO

THE SHAREHOLDERS

NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPN. LTD.

The Board of Directors has pleasure in placing **30<sup>th</sup> Annual Report and Audited Statements of Accounts** for the year ended **31<sup>st</sup> March, 2012**.

## FINANCIAL RESULTS

(Rupees in Crs.)

	2011-2012	2010-2011
Turnover	100.18	101.65
Gross Profit	4.40	4.18

The Corporation achieved a turnover of Rs.100.18 Crore during 2011 – 2012 as compared to Rs.101.65 crores during 2010-11, though during the year 2011 – 12 the Company earned a gross profit of Rs.4.40 crores as compared to that of Rs.4.18 crore during the previous year, resulting in an increase of 5 %.

### 1. SHARE CAPITAL

The Authorized Share Capital of the company as on 31/3/2012 remains same as in the previous year and stood at Rs. 10 Cr.

The paid up Capital of the company as on 31/3/2012 remains same as in the previous year and stood at Rs. 7.62 Cr.

### 2. DIVIDEND

In view of non divisible profit during the year, no dividend has been recommended.

### 3. PHYSICAL PERFORMANCE

#### **i) FRUIT JUICE CONCENTRATION PLANT, NALKATA**

The Fruit Juice Concentration Plant at Nalkata procured 256.15 MT of pineapple during the year 2011-2012 as against procuring of 270.38 MT of Pineapple during the year 2010 – 2011.

#### **ii) CASHEW PROCESSING UNIT**

The Cashew Processing Unit at Agartala processed 4.20 MT of raw cashew nut and produced 1.03 MT of finished product during the year 2011-2012 as against production of 56 MT raw Cashewnut & 11.25 MT of finished product during the year 2010-2011.



### iii) GINGER PROCESING PLANT, BYRNIHAT

Ginger Processing Plant at Byrnihat processed 35.67 MT of fresh Ginger to produce fresh graded ginger, oil & powder saleable valued at Rs.4.68 lacs during the year 2011 – 12 in comparison to that of 113.33 MT of fresh ginger during 2010-11 with value of Rs.7.18 lacs.

### iv) PROCUREMENT & MARKETING ACTIVITIES

Main thrust of the Corporation is the Procurement and Marketing Activities. Corporation has procured items like fresh pineapple, ginger, large cardamom, bay leaves, cashew nuts, and marketed them outside the region. Corporation has also marketed various other items like as processed products, maize, Ground Nut Cake, input supplies like fertilizer, assorted seeds, planting materials etc. during this year.

Initiating in the procurement and marketing in the minimum supply was of great importance during this fiscal year through National Horticultural Mission, Horticulture Mission for North East & Hill States (HMNEHH), Integrated Child Development Scheme (ICDS) programmes.

The total turnover on procurement & marketing activities was Rs.99.75 Crores during 2011–2012 against Rs.100.99 Crores during 2010-11.

### v) OTHER INITIATIVES

- NERAMAC under the sponsorship of Ministry of Food Processing Industries, Government of India conducted ten numbers of awareness programmes on Product Specific at Majuli (Assam), Churchandpur (Manipur), Mokokchang (Nagaland), Rongpo (South Sikkim), Nirjuli (Arunachal Pradesh), Pasighat (Arunachal Pradesh), Doomdooma (Assam), Cherrapunjee (Meghalaya), Kumarghat (Tripura), Vairangte (Mizoram).
- NERAMAC under the sponsorship of Ministry of Food Processing Industries, Government of India conducted four numbers of Food Processing Investors Meet at Guwahati (Assam), Agartala (Tripura), Itanagar (Arunachal Pradesh), Shillong (Meghalaya).
- NERAMAC under the sponsorship of Ministry of Food Processing Industries, Government of India conducted Fruit Wine & its Commercialization at Gangtak (Sikkim).
- NERAMAC under the sponsorship of Ministry of Development of North Eastern Region (DoNER), Government of India organized North East Food Processing Expo 2012 at Guwahati.
- NERAMAC in association with American Soybean Association –International Marketing conducted one awareness programmes at Guwahati.
- NERAMAC under the sponsorship of North Eastern Council (NEC), Government of India conducted ten numbers of Seminar-Cum-Product Specific Capacity Building Programmes at Guwahati, Goalpara, Tinsukia, Gangtok, Shillong, Kohima, Imphal, Itanagar, Aizwal & Agartala.
- NERAMAC under the sponsorship of North Eastern Council (NEC) conducted the following Calendar of Events for the promotion and marketing of Agri-Horti produces/ processed food of the NER for the financial year 2011-2012.



- INDPACK 2011 at Hyderabad
- INDPACK 2012 at Guwahati
- Platinum Sponsor in Global Agri Connect 2011 at New Delhi
- Promotion of North East Produce in Shopping Mall at Shipra Mall at Gaziabad, EDM Mall at New Delhi, TDI Mall at New Delhi, Star City Mall at New Delhi, Sab Mall at Noida, Mahagun Metro Mall at Vaishali.
- Four (4) North East Connect Program at New Delhi, Mumbai, Bangalore & Kolkata.
- Organized Field visit of One Hundred (100) nos. of Orange Farmers of Meghalaya, Assam and Arunachal Pradesh to Nagpur.

#### **4. PERSONNEL AND INDUSTRIAL RELATIONS**

Company's overall regular manpower strength is at 44; contractual manpower strength is 24 and casual manpower strength is 27 as on 31/03/2012. Industrial relations of the Company remained satisfactory during the year under review.

#### **5. IMPLEMENTATION OF OFFICIAL LANGUAGE**

The company pursued the policy of Government of India on implementation of official language. A week long Hindi week was organized by NERAMAC at the Corporate Office of NERAMAC during fiscal year 2011-12. Quarterly meeting has also been conducted pertaining to implementation of the official language.

#### **6. PARTICULARS OF THE EMPLOYEES**

Number of employees who are in receipt of emoluments aggregating to Rs. 60,00,000 per annum or Rs. 5,00,000 per month as per Companies (Particulars of Employees) Rules, 1975 as amended is Nil.

#### **7. DIRECTORS RESPONSIBILITY STATEMENT**

- That in the preparation of the annual accounts, the applicable accounting standards had been followed to the best possible extent along with proper explanation relating to material departures.
- That 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 or loss of the Company for that period.
- That 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.
- That the Directors had prepared the Annual Accounts on a going concern basis.

#### **8. AUDITORS**

M/s. Bhawani Sharma & Co., Chartered Accountants, Guwahati were appointed by the Comptroller and Auditor General of India as Auditor of the Corporation for the financial year 2011-2012 under section 619 (2) of the Companies Act, 1956. Company's replies to the observations made in their report are annexed to this report.

## 9. COMMENTS ON THE ACCOUNTS BY THE COMPTROLLER & AUDITORS GENERAL OF INDIA.

Comments from the Office of the Comptroller & Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the Accounts of the Corporation for the year ended 31<sup>st</sup> March 2012 are annexed to this report.

## 10. CORPORATE GOVERNANCE

Though the Company has initiated adopting the Corporate Governance practice but as the Board of Directors needs to be restructured which is pending with the Administrative Ministry it could not be adopted fully. The detail in this regard forming part of this report is enclosed vide **Annexure-A**.

## 11. DIRECTORS

The following changes took place amongst Directors of the company during 2011-2012.

### Appointment of Director by virtue of nomination by Ministry of DoNER

Shri P.R. Meshram	29/09/2011
Capt. Sanjay Gahlot	29/09/2011
Shri R.T. Jindal	29/09/2011
Shri P. Kharkongor	29/09/2011
Shri Vishal Chauhan	29/09/2011
Shri Hage Kojeen	29/09/2011
Shri Dani Salu	29/09/2011

## 12. ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the Ministry of Development of North Eastern Region (DoNER), Ministry of Food Processing Industries (MoFPI), North Eastern Council and various Ministries and Departments of the Government of India, to the various constituent State Government of the North Eastern Region, Banks, Co-operatives, other Public Bodies and Corporations who had extended their co-operation and valuable guidance during the year under review. The Board is also thankful to auditors of the Company, the Comptroller & Auditor General of India, the Registrar of Companies for their valuable guidance and advice.

The Directors would like to place on record the appreciation of all the shareholders of the Company for their continued support and guidance.

The Directors of the Company would also like to acknowledge the commitment, dedication, devotion and contribution of NERAMAC employees at all levels, which are the backbone of the Company, for their extraordinary performance, which enabled the company to achieve substantive improvements in performance and results both physical and financial and also in achievement of targets in time.

***On behalf of the Board of Directors***

Date : 28/09/2012  
Place : Guwahati

Sd/-  
**V.B. Pathak**  
Chairman



# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## INDUSTRY STRUCTURE & DEVELOPMENT

NERAMAC Ltd is working as a dynamic and vibrant marketing organization essentially to support the farmers of North East. It endeavors to give importance to sustain farmers interest in production by application of post harvest technology hereby arrest decline in prices arising from larger output of farm produces. It is playing a significant role by sourcing, procuring & marketing cash crops like ginger, fresh pineapple, cashew nut etc. from the farmers/growers of the region.

Over the years, NERAMAC has also been actively involved in marketing of cashew nut, maize, sesame and other oil seeds, spices like ginger, black pepper etc., and minor forest produces like 'Jhanu'. The corporation has also taken up sourcing and marketing of agro horticultural outputs like fertilizers, pesticides, seeds, agricultural tools and equipments, keeping in view of overall agro-horticultural development. It has number of outlets of its own and few franchises in the North East and also in NCR, Delhi.

### Strength & Weakness :

The strength of NERAMAC lies in that it is a dynamic and vibrant marketing organization to support farmers and bridge the gap between farmers and the market. It plays significant role in sourcing, procuring and marketing various cash crops, agro horticultural inputs etc. The weakness of the organization is lack of competent professionals to accomplish the desired goals.

### Opportunities and Threats :

There are ample opportunities for NERAMAC to emerge as a marketing organization considering the huge potential in the North Eastern region where naturally grown agro-horticultural products are available. NERAMAC has the mandate to assist the tiny and small scale units in processing and in value addition of North East to market their products in terminal market. The threats of NERAMAC are lack of competent professionals to take up the responsibility in specialized area of activities, perennial losses caused due to procurement of pineapples in FJCP, Nalkata, Tripura etc. as the machinery and plant of Fruit Juice Concentration Plant has outlived and production in the plant caused perennial losses to the company. Moreover, the Cashew Nut Processing unit of the Company at Agartala, Tripura is also non-operational due to pollution hazard. To take up the work of expediting restructuring of the plants the Corporation need competent professionals, which at present it is lacking.

### Performances :

The Corporation achieved a turnover of Rs. 100.18 Crore during 2011 – 2012 including other income of Rs. 4.13 Crore as compared to Rs. 101.65 crores during 2010-11 including other income of Rs. 1.74 Crore. There was a resultant decrease of 1% in turnover corresponding to last year. The Company during the year 2011 – 12 earned a gross profit of Rs. 4.40 crores as compared to Rs. 4.18 crore during the previous year, resulting in an increase of 5 %.

## Product-wise Performance

(Rs. in Lakhs)

SL No	Products	2011 - 2012	
		Qty	Value
A)	<b>Processing</b>		
i)	Cashewnut , (in MT)	1.06	3.20
ii)	PJC, (in MT)	0.08	0.15
iii)	Ginger Oil, (in Kg)	13.00	0.91
iv)	Ginger Powder, (in MT)	2.60	2.23
B)	<b>Procurement &amp; Marketing of spices / Agri-Horti item</b>		
i)	Ginger, (in MT)	256.57	76.11
ii)	Cashewnut, (in MT)	30.00	15.60
iii)	Pineapple, (in MT)	34.11	0.73
iv)	Bay leaf, (in MT)	71.84	25.80
v)	Orange , (in Nos)	867442	9.79
vi)	Kiwi fruits, (in MT)	0.86	0.88
vii)	Turmaric, ( in MT )	6.90	71.90
vii)	Large Cardamom, ( in MT )	9.20	70.14
C)	<b>Procurement &amp; Marketing of other items</b>		
i)	Maize, ( in MT )	27.46	6.80
ii)	Seed,( in MT )	311.70	303.38
iii)	Fertilizer, ( in MT )	686.50	37.72
iv)	Animal Feed Ing, etc.		8978.89

Total Rs.

9604.23

## Internal Control System &amp; their adequacy :

The company formed the Audit Committee as a sub-committee of the Board of Directors on 13/12/2011 after the Ministry of DoNER has reconstituted the Board of Directors. The company has appointed Internal Auditor and is putting its best Endeavour to strengthen the internal control system to make its adequate so that any possible fraud or error can be detected at an early stage.



## Status of the Ongoing Project

### (1) Fruit Juice Concentration Plant :

The Fruit Juice Concentration Plant at Nalkata, Tripura was setup in 1988. But the Plant has outlived as the machineries have become unproductive and obsolete. As the processing in the Plant has been causing perennial losses to the company, the management has proposed suitable diversification plan for a Multi-Fruit Processing Unit at Nalkata under NLCPR. The DPR has been submitted to the Government of India but because of few observations from Ministry of Urban Development (MoUD), New Delhi, the submission of revised DPR for the same to the Administrative Ministry through the Govt. of Tripura is underway.

### (2) Cashew Processing Unit, Mankachar:

One Cashew Processing Unit of 4TPD is under commission at Mankachar Assam, to harness the potentiality of Cashew Cultivation of the West Garo Hills Districts of Meghalaya & Dhubri District of Assam. More than 90% of the Civil Works has already been completed and erection of Plant & Machinery is under process.

### (3) Quality Assurance & Central Packaging Centre, Chaygaon, Assam :

Considering the urgent need to provide modern packaging facilities for the already existing as well as the upcoming processing Units, NERAMAC proposed to set up under NLCPR a Quality Assurance & Central Packaging Centre, Chaygaon near Guwahati, with an object to provide assistance to the existing small fruit processors and built a common brand name for marketing their products. The proposed packaging center will have modern facility for fruit juice in smaller retail packs of assorted size also bulk filling for export. DPR has been submitted to the Government of Assam, for onward submission to the Government of India.

### (4) Multi Fruit Processing Plant at Silchar, Assam :

NERAMAC proposed to set up a Multi Fruit Processing Plant at Silchar under NLCPR. A Committee has been formed by P&D Department of Government of Assam, to resolve the technical specification of machineries, equipments etc. as sought by the Administrative Ministry.

## Marketing :

### I. Setting Up Large Cardamom Auction Center at Gangtok, Sikkim :

NERAMAC started Large Cardamom Auction Center at Gangtok, Sikkim, which is first of its kind in the country. Prior to its existence there was no organized market of Large Cardamom in Sikkim.



which is largest producer of Large Cardamom in India which was totally controlled by a few private groups and the farmers are given a meager price for their produce. After functioning of the Large Cardamom Center of NERAMAC, the farmers are being benefited. It is proposed to strengthen its trading, more vigorous media coverage and public/farmers participation strategies are being worked out.

## **II. Appointment of Franchisee:**

NERAMAC is putting its efforts to generate employment by way of appointing franchisees for marketing and sales of different products produced by tiny/small scale producers of NER.

## **III. Set Up retail outlets to Market fruit and vegetables grown in the Region :**

NERAMAC aims to set up minimum 100 outlets with in the next five years. To begin with, NERAMAC will put up minimum 10 retail outlets in important locations gradually increasing it to help farmers market their produce and make those items available to customers.

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance as on 31.03.2012

Though the Company has initiated adopting the Corporate Governance practice but as the Board of Directors needs to be restructured which is pending with the Administrative Ministry it could not be adopted fully. The Corporate Governance shall be based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values that governs relationship with all its stakeholders and attaining maximum level of enrichment of the enterprise. The said practice of Corporate Governance shall stem from its professionalism. NERAMAC trust on the conduct of its business activities and enhance the value of all those who are associated with the Company viz. Shareholders, Customers, Vendors, Government of India, Ministry of Development of North Eastern Region, Ministry of Food Processing Industries, North Eastern Council, Department of Public Enterprises, various State Governments of North East, other Government Agencies/Departments and the society at large.

### 1.0 BOARD OF DIRECTORS :

The composition of the Board Directors as to the appointment of Independent Directors needs to be restructured which is pending with the Administrative Ministry. The Board of Directors oversees all major actions proposed to be taken by the Company.

#### 1.1 Composition of Board of Directors (as on 31.03.2012) :

01 Functional Directors including MD (Whole time)	1
02 Part Time Government Directors	8
03 Part Time Non-Official Directors	1
<b>Total</b>	<b>10</b>

#### 1.2 Terms & Conditions of appointment of Board Member :

The terms, conditions and tenure of appointment of Managing Director as well as Full-time and Part-time Directors are decided by the Government of India.

#### 1.3 Remuneration / Compensation to Board of Directors :

The Managing Director is paid monthly remuneration as fixed by Government of India. The Part Time Non-Official Directors are paid sitting fees for attending each meeting of the Board of Directors. The Company bears all the expenditure of the Part Time Government Directors and Part Time Non-Official Directors for attending the Board Meetings.

#### 1.4 Board Meetings:

The Board Meets statutorily and also as many times as may be warranted. The Board Meetings are held not only at company's Registered Office at Guwahati, but also at Ministry of Development of North Eastern Region (DoNER) at New Delhi. The Company Secretary serves as Secretary to the Board Meetings.



### 1.5 Number of Board Meetings:

During the year 2011-12, Four (4) Meetings were held, the details of which are given below:

Sl.No	Date of Meeting	Board Strength	No. of Directors Present
1	31/05/2011	3	3
2	08/09/2011	3	3
3	13/12/2011	10	5
4	08/02/2012	10	4

**Particulars of the Directors including their attendance at the Board Meetings from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012.**

Part Time Government Directors	Period	No. of Board Meetings held	No. of Board Meeting Attended
Shri P.K Pattanaik, IAS Joint Secretary Ministry of Development of North Eastern Region & Chairman (Ex Officio) NERAMAC Ltd	01.04.2011-31.03.2012	FOUR	FOUR
Shri. P. R. Meshram, Director, Ministry of Development of North Eastern Region & Director NERAMAC Ltd.	01.04.2011-31.03.2012	FOUR	FOUR
Shri. P. Kharkongor, Commissioner & Secretary, Agriculture Department, Government of Meghalaya	01.04.2011-31.03.2012	FOUR	NIL
Capt. Sanjay Gahlot, Director, Ministry of Food Processing Industries & Director NERAMAC Ltd.	01.04.2011-31.03.2012	FOUR	NIL
Shri. Vishal Chauhan, Secretary, Food Security & Agriculture Development/ Horticulture & Cash Crops Development Department, Government of Sikkim	01.04.2011-31.03.2012	FOUR	TWO

Part Time Government Directors	Period	No. of Board Meetings held	No. of Board Meeting Attended
Shri. Hage Kojeen, Commissioner (Agriculture), Government of Arunachal Pradesh	01.04.2011-31.03.2012	FOUR	NIL
Shri. Dani Salu, Deputy Financial Advisor, North Eastern Council Secretariat, Nongrim Hills, Shillong – 3	01.04.2011-31.03.2012	FOUR	NIL
Shri R.T. Jindal, A.P.C & Principal Secretary, Agriculture Department, Government of Assam	01.04.2011-31.03.2012	FOUR	NIL
Functional Directors	Period	No. of Board Meetings held	No. of Board Meeting Attended
Shri. S. Bhattacharjee, Managing Director, NERAMAC	01.04.2011-31.03.2012	FOUR	FOUR
Part Time Non Official Directors	Period	No. of Board Meetings held	No. of Board Meeting Attended
Prof. Charu Lata Mahanta Professor Department of Food Processing Technology Tezpur University & Director NERAMAC Ltd.	01.04.2011-31.03.2012	FOUR	THREE

### 2.1 BOARD COMMITTEES

#### 2.1.1 Audit Committee

The Audit Committee was constituted on 13th December, 2011 by the Board of Directors of NERAMAC. Its first meeting was held on 30.03.2012. The requirement of two third of the members of the Audit Committee being Independent Directors is awaited pending receipt of direction from Administrative Ministry.

#### Number of Board Meetings :

During the year 2011-12, One (1) Meeting of Audit Committee was held, the details of which are given below

Sl.No	Date of Meeting	Committee Strength	No. of Directors Present
1	30/03/2012	4	2



## 2.2 Remuneration Committee

The Corporation is not required to constitute the Remuneration Committee as the Scale of Pay 2007 has not been implemented in the Corporation.

## 3.0 GENERAL BODY MEETING :

The details of the last three and of the current year Annual General Meeting of the company are as follows

Year	Date	Time	Venue
2008-2009	23.09.2009	1600 Hrs	Registered Office of the Corporation at 9 Rajbari Path, G. S. Road, Ganeshguri, Guwahati – 781 005, Assam
2009-2010	24.09.2010	1600Hrs	Registered Office of the Corporation at 9 Rajbari Path, G. S. Road, Ganeshguri, Guwahati – 781 005, Assam
2010-2011	09.09.2011	1700 Hrs	Registered Office of the Corporation at 9 Rajbari Path, G. S. Road, Ganeshguri, Guwahati – 781 005, Assam
2011-2012	28.09.2012	1700 Hrs	Registered Office of the Corporation at 9 Rajbari Path, G. S. Road, Ganeshguri, Guwahati – 781 005, Assam

## 4.0 DISCLOSURES

### 4.1 Disclosure of accounting treatment

All applicable Accounting Standards issued by the Institute of Chartered Accounts of India are being followed to the best possible extent in the preparation of financial statements.

### 4.2 Compliance Certificate

Compliance Certificate on the Financial Statements of the Company was placed before the Board.



**Bhawani Sharma & Co.**  
Chartered Accountants

Near Sahida Market, Head Office  
Lakhtokia, Guwahati-781005  
☎ : 0361-2514394, 2514395  
Email : bsco.srp@gmail.com

## Certificate on Corporate Governance

To  
The Members of  
**North Eastern Regional Agricultural Marketing Corporation Ltd.**  
Regd. Office: 9, Rajbari Path,  
G.S. Road, Ganeshguri,  
Guwahati -78001.

We have examined the compliance of conditions of Corporate Governance by North Eastern Regional Agricultural Marketing Corporation Ltd. for the year 31st March, 2012, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises 2007 (the Guidelines) issued by the Department of Public Enterprises of Ministry of Heavy Industries and Public Enterprises, Government of India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedure 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 our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the mandatory requirements of Corporate Governance as stipulated in the Guidelines except for non-compliance of Clause 3.1.4 relating to the number of Independent Directors on the Board of Directors of the Company, 3.3.3 relating to Compliance Committee, 3.3.4 relating to Risk Management, 4.1.1. relating to Composition of Audit Committee, 7.3.1 relating to Board Disclosures— Risk Management.

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

For **BHAWANI SHARMA & CO**  
Chartered Accountants  
Firm Registration No. 314006E

Place: Guwahati  
Date: 23/07/2012

Sd/-  
**Shailendra Sharma** (Partner)  
M. No. 058352

## NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON UNDER SECTION ON 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2012.

The preparation of financial statements of **North Eastern Regional Agricultural Marketing Corporation Limited** for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report (revised) dated **25.08.2012**.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statement of **North Eastern Regional Agricultural Marketing Corporation Limited** for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective Examination of some of the accounting records.

Based on my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the Comptroller  
and Auditor General of India

Sd/-

**(Johan K. Sellate)**

Principal Director of Commercial Audit &  
Ex-Officio Member Audit Board-IV

Place : New Delhi  
Date : 10.09.2012



# Bhawani Sharma & Co.

Chartered Accountants

Near Sahida Market, Head Office  
Lakhtokia, Guwahati-781001  
☎ : 0361-2514394, 2514392  
Email : bscs.srp@gmail.com

## Auditors' Report

To  
The Members of  
North Eastern Regional Agricultural Marketing Corporation Limited.  
Guwahati

1. We have audited the attached Balance sheet of North Eastern Regional Agricultural Marketing Corporation Limited, as at 31<sup>st</sup> March 2012 the Statement of Profit and Loss and Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. On consequent to CAG'S observation, vide letter no. LAP-II/NERAMAC/Acs.Audit/2011-12 dated 31.07.2012 nessessery rectification have been made against our Audit observation no.1 & 2 in Annexure II to Audit Report.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in Annexure - I a statement on matters specified in paragraph 4 and 5 of the said order and also our observation in Annexure - II which are not covered by said Order.
4. Further to our comments in the Annexure referred to above 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 purposes of our audit.
  - b. In our opinion, the company has kept proper books of accounts as required by law so far as appear from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956 subject to our observation in Annexure II attached herewith.
- e. The Directors of the Government Companies were exempted by the provisions of Section 274(1)(g) of the Companies Act, 1956, vide clarification issued by the Ministry of Law, Justice & Company Affairs vide No. 2/5/2001-CL.V; General Circular No. 8/2002 dated 22.03.2002. Thus requirement of the clause u/s 274(1)(g) of the Act is not applicable.
- f. Subject to our observation as stated above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - 1. In the case of Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012,
  - 2. In the case of the Statement of Profit & Loss, of the Profit for the year ended on that date and
- g. The Cash Flow Statement fails to give true & fair view for the year ended on that date subject to our observation in annexure II attached herewith.

For **BHAWANI SHARMA & CO**  
Chartered Accountants  
Firm Registration No.314006E

Sd/-

**Shailendra Sharma** (Partner)  
M. No. 058352

Place: Guwahati  
Date: 25<sup>th</sup> August, 2012

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*Copy To: Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-VI*



# Bhawani Sharma & Co.

Chartered Accountants

Near Sahida Market, Head Office  
Lakhtokia, Guwahati-781001  
☎ : 0361-2514394, 2514395  
Email : bscs.srp@gmail.com

## ANNEXURE: I: FORMING PART OF THE AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> March 2018

(Referred to in paragraph 3 of our report of even date)

Re: North Eastern Regional Agricultural Marketing Corporation Limited.

1. (a) The Company has maintained proper records showing full particulars including Quantitative details of the fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any fixed assets during the year. So going concern status does not affect the company.
2. (a) The inventory has been physically verified during the year at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of the business.
- (c) The company is maintaining proper records of inventory except in case of perishable items like products, rice bran, wheat bran etc. As reported, the discrepancies noticed on verification between physical books and the records were not material.
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to the parties listed in the register maintained under section 301 of the Companies Act, 1956, paragraphs (iii) (a), (b), (c) and (d) of the Order are not applicable.
- (b) The Company has taken loan from parties listed in the Register maintained under section 301 of the Companies Act, 1956. The balance outstanding at the end of the year was Rs. 15.13 Crores. Ministry of DoNER.
- (c) In our opinion and according to information and explanations given to us, the rate of interest and terms and conditions are not prima facie prejudicial to the interest of the Company. However, interest is being paid by the company. As informed to us the company has applied to the Government of India to waive interest.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of the business with regard to purchase of the inventory, fixed assets and with regard to the sales of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.



5. The provision of paragraph 4(v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company, as the company has not made any transaction that need to be entered in to a register in pursuance of section 301 of the Act.
6. The provision of paragraph 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company as the company has not accepted any deposit from public within the meaning of section 58 A and 58 AA of the Act 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The provision of paragraph 4(vii) of the Companies (Auditor's Report) Order, 2003 are not applicable as Central Government has not prescribed any rules for maintenance of cost records under section 209 (i) (d) of the Companies Act, 1956.
9.
  - (a) As per information and explanation given to us, the company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, and Professional Tax etc.
  - (b) As per information and explanation provided to us, no disputed amount was outstanding in respect of Income Tax, Sales Tax, Professional Tax and Provident Fund at the year end for a period of more than six months from the date they become payable.
10. It has been observed that the accumulated losses of the Company are more than fifty percent of its Net Worth. The Company has not incurred Cash loss during the financial year covered by our Audit and in the immediately preceding financial year.
11. The provision of the paragraph 4 (xi) of the Companies (Auditor's Report) Order, 2003 are not applicable, as the Company has not defaulted of repayment of dues to the financial institution for the loan taken. There were no debenture holders at any time during the year.
12. The provision of the paragraph 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable as 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 provision of the paragraph 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as it is not Chit Fund or a Nidhi/Mutual Fund/Society.
14. The provision of the paragraph 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The provision of the paragraph 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as the Company has not availed any term loans.

17. According to information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that the Company has not raised any fund either short term or long term. Therefore, the provision of the Clause 4 (xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
18. The provision of the paragraph 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company since the Company is the Government Company.
19. The provision of the paragraph 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable as the Company has not issued any debentures during the year.
20. The provision of the paragraph 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable as the Company has not raised any money by public issue.
21. Based upon the audit procedure performed and information and explanation given by the management on the Company has been noticed and reported during the course of audit that cheque issued by the company were fraudulently transformed into Bankers Cheque & encashed in name other than that for which they were issued. The amount involved is Rs. 25.49 Lakhs.

For **BHAWANI SHARMA & CO**  
Chartered Accountants  
Firm Registration No. 314006E

Place: Guwahati  
Date: 25<sup>th</sup> August, 2012

Sd/-  
**Shailendra Sharma (Partner)**  
M. No. 058352



# **Bhawani Sharma & Co.**

**Chartered Accountants**

Head Office  
Near Sahida Market, S.S. Road  
Lakhtokia, Guwahati-781001  
☎ : 0361-2514394, 2514362  
Email : bsco.srp@gmail.com

## **ANNEXURE – II : OBSERVATIONS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

**Re: North Eastern Regional Agricultural Marketing Corporation Limited.**

### **1. LONG TERM BORROWING :**

It has been observed that the Corporation has out standing balance as on 31<sup>st</sup> March, 2012 Rs. 15,13,00,000/- from DoNER, Govt. of India towards working capital. Rs. 2.00 Crores received during the year under Audit & Rs. 2.00 Crores in the preceding year carries interest at the rate of 14.5% p.a. Payment to be made in 5 Yearly equated instalment. However on 50% of the loan amount have grace period of 2 years & to be paid in 3 yearly equated instalment. On the balance amount of loan, interest to be charged at the rate of 10.5%. Interest is to be charged on 50% of the principal amount & payment is to be made in equated monthly instalments over 20 years. Liability towards interest on above as on 31<sup>st</sup> March, 2012 comes to Rs. 16187000.00, which has not been charged to Profit & Loss Account but shown under the head "Other Current Liabilities" and "Short Term Loans & Advances" thereby resulting an overstatement of Profit by Rs. 16187000.00. As explained to us, the Corporation has approached the Ministry of DONER to waive the interest in-parity & convert the Loan into Equity. The matter is still pending with Ministry of Finance.

### **2. TRADE RECEIVABLE :**

Trade Receivable include Rs. 188.30 Lakhs receivable from parties outstanding for more than three years, but legal suits was filed against only against 8 parties involving amount of Rs. 50.60 Lakhs being same as reported in last year. No fresh legal suit/writ petition was filed against defaulter Trade receivable during the year under Audit. Also these Trade receivable are wrongly classified as considered good. In our opinion adequate provision should be made for irrecoverable debts against such debtors.

### **3. LONG TERM LIABILITIES(SUBSIDY/GRANT- IN AID) :**

It has been observed that corporation has adjusted Rs. 9900000/- as arrear subsidy from North Eastern Council which was deducted as subsidy adjusted from Trade Purchase under "Purchase of Stock in Trade". Further the corporation had credited Rs. 78,00000/- as Sales Subsidy, in Statement of Profit & Loss Account as non operating Income under the head "Other Income" the basis of which is not determinable and which in our opinion, is not in conformity with of the Accounting Standard-12 issued by the Institute of Chartered Accountants of India. Due to above treatment, there is an overstatement of profit by Rs. 17700000.00.

### **4. SHORT TERM LOANS & ADVANCES :**

Prepaid Insurance amounting to Rs. 20674.00, & Prepaid Renewal Fees amounting to Rs. 25000.00 related to previous year are not transferred to Profit & Loss Account. These prepaid items related to earlier year is to shown as prior period items. Also provision for current year are not made on Insurance, Rent etc.

## 5. OTHER INCOME :

Other Income Include Interest on Short Term Deposits of Rs.1015078.00. Details of Term Deposits interest not provided to us for verification.

## 6. DEPRECIATION ON FIXED ASSETS :

Depreciation on addition to fixed assets has not been provided on pro-rata basis. Depreciation on addition to Fixed assets under Plant & Machinery for less than Rs.5000/- should be provided at the rate of 10% p.a. Moreover depreciation on Assets sold is not adjusted, instead shown as -ve figure.

## 7. NON-COMPLIANCE WITH ACCOUNTING STANDARDS :

It has been observed that the following Accounting Standard issued by the Institute of Chartered Accountants of India from time to time have not been complied with in the preparation & presentation of the financial statement. Moreover the impact on the revenue due to such deviation cannot be quantified accurately.

- a) AS - 3 :- Cash Flow Statement.
- b) AS - 6 :- Depreciation Accounting – In respect of addition to/deduction from the fixed assets, depreciation is not charged on pro-rata basis.
- c) AS -12 :- Accounting of Government Grants : Subsidies are recognised as Income although the same is not yet received
- d) AS -15 :- Employees Benefit-Provision for Pension, Gratuity, Leave salary encashment etc. has not been provided as defined contribution plan & defined benefit plan.
- e) AS - 22 :- Accounting for Taxes on Income: Provision for Deferred Tax resulting from "timing difference" between book & taxable profit has not been made.

8. VRS(National Renewal Fund should be shown as capital Reserve under Reserve & Surplus"
9. Repayment schedule of working capital loan from Ministry of DoNER has not been provided.
10. Interest accrued & due on Govt. Loan has been provided on principal amount instead of outstanding.
11. The Assets of the company are not fully insured.
12. From the Current financial Year manually accounting system is replaced by computerised accounting system using the "Tally Software" at Head Office & some Zonal Office. However the accounting procedure to be improved.



13. It has been observed that Income Tax deducted at Sources have not been deposited with Central Government Account within the stipulated time under the provision of the Income tax Act, 1961. Original Challan of Tax Deducted of each year were not available to us for verification & the same were verified through cash book maintained. Moreover corporation is depositing Income Tax into the Govt. Account by account payee cheque instead of electronic payment system, which has become mandatory nowadays under the provision of Income Tax Act, 1961.

In case of certain payment the corporation deducted at rates other than specified in the income Tax Act, 1961. Moreover, updated quarterly returns of Income Tax deducted at Source has not been filed as required under the Law. However in the absence of supporting evidence i.e original challan we could not ascertain the total amount of Income Tax deducted at source & deposited in Government account.

14. The corporation has not prepared a comprehensive accounting Manual, which lays down the Rules for financial & Inventory Accounting, delegation of Financial powers, procedures for Sanction and adjustment of advances, accounting for subsidies and grants etc.
15. All outstanding balances due to five outside parties are subject to confirmation.
16. Balances with Bank include two Bank Guarantee in favour of Punjab National Bank should be separately disclosed.
17. On scrutiny of accounts of Zonal office following quarries were noticed:

At Sikkim Zonal office

- a) Rs. 31321.00 being T.A. bill is wrongly shown as Pre-operative expenses.
- b) Prior period rent amounting to Rs. 204952.00 is wrongly debited to Rent account.

At Assam Zonal office

- a) Provision for Prepaid insurance, repair & maintenance has not been made.

For **BHAWANISHARMA & CO**  
Chartered Accountants  
Firm Registration No. 314006E

Sd/-

**Shailendra Sharma** (Partner)  
M. No. 058352

Place: Guwahati  
Date: 25<sup>th</sup> August, 2012

# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS MADE BY THE STATUTORY AUDITORS IN ANNEXURE I : TO THEIR REPORT 2011- 2012

Para of Auditor's Report	Extracts of the concerned Para of Auditors Report	Replies of Management
Para 1 (a) to Auditor's Report	The Company has maintained proper records showing full particulars including Quantitative details and situation of the fixed assets.	No Comments
Para 1 (b) to Auditor's Report	All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.	No Comments
Para 1 (c) to Auditor's Report	The Company has not disposed off any fixed assets during the year. So going concern status does not affect the company.	No Comments
Para 2 (a) to Auditor's Report	The inventory has been physically verified during the year at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable.	No Comments
Para 2 (b) to Auditor's Report	The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the of the company and nature of the business.	No Comments
Para 2 (c) to Auditor's Report	The company is maintaining proper records of inventory except in case of perishable items like fruit products, rice bran, wheat bran etc. As reported, the discrepancies noticed on verification between the physical books and the records were not material.	No Comments
Para 3 (a) to Auditor's Report	The company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to the parties listed in the register maintained under section 301 of the Companies Act, 1956, paragraphs (iii) (a), (b), (c) and (d) of the Order, are not applicable.	No Comments
Para 3 (b) to Auditor's Report	The Company has taken a loan from parties listed in the Register maintained under section 301 of the Companies Act, 1956. The balance outstanding at the end of the year was Rs.15.13 Crores from Ministry of DoNER.	No Comments



Para of Auditor's Report	Extracts of the concerned Para of Auditors Report	Replies of Management
Para 3 (c) to Auditor's Report	In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company. However no interest is being paid by the company. As informed to us the company has applied to the Government of India to waive interest.	No Comments
Para 4 to Auditor's Report	In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of the business with regard to purchases of the inventory, fixed assets and with regard to the sales of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.	No Comments
Para 5 to Auditor's Report	The provision of paragraph 4(v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company, as the company has not made any transaction that need to be entered in to a register in pursuance of section 301 of the Act.	No Comments
Para 6 to Auditor's Report	The provision of paragraph 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company as the company has not accepted any deposit from public within the meaning of section 58 A and 58 AA of the Act 1956 and the rules framed there under.	No Comments
Para 7 to Auditor's Report	In our opinion, the company has an internal audit system commensurate with the size and nature of its business.	No Comments
Para 8 to Auditor's Report	The provision of paragraph 4(vii) of the Companies (Auditor's Report) Order, 2003 are not applicable as Central Government has not prescribed any rules for maintenance of cost records under section 209 (i) (d) of the Companies Act, 1956.	No Comments
Para 9 (a) to Auditor's Report	As per information and explanation given to us the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, and Professional Tax etc.	No Comments
Para 9 (b) to Auditor's Report	As per information and explanation given to us, no disputed amounts was outstanding in respect of Income Tax, Sales Tax, Professional Tax and Provident Fund at the year ended for a period of more than six months from the date they become payable.	No Comments
Para 10 to Auditor's Report	It has been observed that the accumulated losses of the Company are more than fifty percent of its Net Worth. The Company has not incurred Cash Loss during the financial year covered by our Audit and in the immediately preceding financial year.	No Comments



Para of Auditor's Report	Extracts of the concerned Para of Auditors Report	Replies of Management
Para 4 to Auditor's Report	<p><b>4. <u>SHORT TERM LOANS &amp; ADVANCES:</u></b></p> <p>Prepaid Insurance amounting to Rs. 20,674/- &amp; Prepaid Renewal Fees amounting to Rs. 25,000/- related to previous year are not transferred to Profit &amp; Loss Account. These prepaid items related to earlier year are to shown as prior period items. Also provisions for current year are not made on Insurance, Rent etc.</p>	Noted. Necessary corrections be made in next year's accounts.
Para 5 to Auditor's Report	<p><b>5. <u>OTHER INCOME</u></b></p> <p>Other Income Include Interest on Short Term Deposit of Rs.1015078.00. Details of Term Deposit &amp; interest not provided to us for verification.</p>	Noted for compliance
Para 6 to Auditor's Report	<p><b>6. <u>DEPRICIATION OF FIXED ASSETS:</u></b></p> <p>Depreciation on addition to fixed assets has not been provided on pro-rata basis. Depreciation on addition to fixed Assets under Plant &amp; Machinery for less Rs.5,000.00 should be provided at the rate of 100%. Moreover depreciation on Assets sold is not adjusted, instead shown as – ve figure.</p>	Noted for compliance
Para 7 to Auditor's Report	<p><b><u>NON-COMPLIANCE WITH ACCOUNTING STANDEREDS</u></b></p> <p>It has been observed that the following Accounting Standard issued by the Institute of Chartered Accountants of India from time to time have not been complied with in the preparation &amp; presentation of the financial statement. Moreover the impact on the revenue due to such deviation cannot be quantified accurately.</p>	
	<p>a) AS-3 :- Cash Flow Statement</p> <p>b) AS-6:- Depreciation Accounting – In respect of addition to/deduction from the fixed assets depreciation is not charged on pro-rata basis.</p> <p>c) AS-12:- Accounting of Government Grants: Subsidies are recognized as Income although it is not yet received.</p> <p>d) AS-15:- Employees Benefit-Provision for Pension, Gratuity, Leave Salary encashment has not been provided as defined contribution plan &amp; defined benefit plan.</p> <p>e) AS-22:- Accounting for Taxes on Income: Provision for Deferred Tax resulting from "timing difference" between book &amp; taxable Profit has not been made.</p>	Noted for compliance
Para 8 to Auditor's Report	VRS (National Renewal Fund) should be shown as capital Reserve under "Reserve & Surplus".	Noted. Necessary corrections made in next year's accounts.
Para 9 to Auditor's Report	Repayment schedule of working capital loan from Ministry of DoNER has not been provided.	Noted
Para 10 to Auditor's Report	Interest accrued & due on Govt. loan has been provided on principal amount instead of outstanding balance.	Noted



Para of Auditor's Report	Extracts of the concerned Para of Auditors Report	Replies of Management
Para 11 to Auditor's Report	The Assets of the Company are not fully insured.	Noted & action will be initiated to get the assets of the Company fully insured.
Para 12 to Auditor's Report	From the Current Financial Year manually accounting system is replaced by computerized accounting system using the "Tally Software" at Head Office & some Zonal Office. However the accounting procedure is needed to be improved.	Noted
Para 13 to Auditor's Report	<p>It has been observed that Income Tax deducted at Sources have not been deposited with Central Government Account within the stipulated time under the provision of the Income Tax Act, 1961. Original Challan of Tax Deducted of earlier years were not available to us for verification &amp; the same were verified through cash book maintained. Moreover Corporation is depositing Income Tax into the Govt. Account by account payee cheque instead of electronic payment system, which has become mandatory now a days under the provision of Income Tax Act, 1961.</p> <p>In case of certain payment the Corporation deducted at rates other than specified in the income Tax Act, 1961. Moreover, an updated quarterly return of Income Tax deducted at Source has not been filed as required under the Law. However in the absence of supporting evidence i.e original challan we could not ascertain the total amount of Income Tax deducted at source &amp; deposited in Government account.</p>	Noted for compliance
Para 14 to Auditor's Report	The corporation has not prepared a comprehensive accounting Manual, which lays down the Rules for financial & Inventory Accounting, delegation of Financial powers, procedures for Sanction and adjustment of advances, accounting for subsidies and grants etc.	Noted. As approved by the BoD in their 109 <sup>th</sup> Meeting held on 21.06.2012, action initiated for the same.
Para 15 to Auditor's Report	All outstanding balancers due to/from outside parties are subject to confirmation.	Noted
Para 16 to Auditor's Report	Balance with Bank include two Bank Guarantee in favour of Punjab National Bank should be separately disclosed.	Noted. Necessary corrections will be made in next year's accounts.
Para 17 to Auditor's Report	<p>On scrutiny of accounts of Zonal Office following quarries were noticed:</p> <p><b><u>At Sikkim Zonal Office :</u></b></p> <p>a) Rs.31,321.00 being T.A bill is wrongly shown as Pre-operative expenses.</p> <p>b) Prior period adjustment amounting to Rs.2,04,952.00 is wrongly debited to Rent account.</p> <p><b><u>At Assam Zonal Office :</u></b></p> <p>a) Provision for Prepaid insurance, repair &amp; maintenance has not been made.</p>	Noted. Necessary corrections will be made in next year's accounts

REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS MADE BY THE  
COMPTROLLER AND AUDITOR GENERAL OF INDIA IN ANNEXURE TO THEIR REPORT 20

Extract of the Comments made by the Comptroller and Auditor General of India	Replies of Management
<p><b>COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UN UNDER SECTION ON 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2012.</b></p> <p>The preparation of financial statements of North Eastern Regional Agricultural Marketing Corporation Limited for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Reprt (revised) dated 25.08.2012.</p> <p>I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statement of North Eastern Regional Agricultural Marketing Corporation Limited for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective Examination of some of the accounting records.</p> <p>Based on my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.</p>	<p>No Comments</p>



# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note	As on 31 <sup>st</sup> March 2012 (Rupees in '000)	As on 31 <sup>st</sup> March 2011 (Rupees in '000)
<b><u>I. EQUITY &amp; LIABILITIES</u></b>			
<b>(A) Shareholder's Funds</b>			
(a) Share Capital	1	76,200.00	76,200.00
(b) Reserves and Surplus	2	(38,124.89)	(48,131.93)
<b>(B) Share Application Money (Pending Allotment)</b>		-	-
<b>(C) Non Current Liabilities</b>			
(a) Long Term Borrowings	3	151,300.00	131,300.00
(b) Differed Tax Liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	4	30,554.68	50,399.55
(d) Long Term Provisions	5	915.32	915.32
<b>(D) Current Liabilities</b>			
(a) Short Term Borrowings	-	-	-
(b) Trade Payables	6	171,919.83	165,784.89
(c) Other Current Liabilities	7	92,988.70	58,755.24
(d) Short Term Provisions	-	-	-
<b>Total ::</b>		<b>485,753.64</b>	<b>435,223.07</b>

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant

Particulars	Note	As on 31 <sup>st</sup> March 2012 (Rupees in '000)	As on 31 <sup>st</sup> March 2011 (Rupees in '000)
<b><u>II. ASSETS</u></b>			
<b>(A) Non-Current Assets</b>			
(a) Fixed Assets	8	18,765.67	
(i) Tangible Assets	-	-	17,661.79
(ii) Intangible Assets	-	20,930.91	
(iii) Capital Work-In-Progress	-	-	17,504.46
(iv) Intangible Assets Under Development	-	-	
(b) Non Current Investment	-	-	
(c) Deferred Tax Assets (Net)	-	-	
(d) Long Term Loans & Advances	-	-	
(e) Others Non Current Assets	-	-	
<b>(B) Current Assets</b>			
(a) Current Investment	-	-	
(b) Inventories	9	8,159.15	4,020.85
(c) Trade Receivable	10	200,867.15	143,766.75
(d) Cash & Cash Equivalents	11	59,169.66	54,783.75
(e) Short Term Loans & Advances	12	174,357.54	192,698.21
(f) Others Current Assets	13	3,503.56	4,787.26
<b>Total ::</b>		<b>485,753.64</b>	<b>435,223.07</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	(1 to 21)		

The Schedules referred to above form an integral part of the Accounts  
As per our Report of even date

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant



# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2012

Particulars	Notes	As on 31 <sup>st</sup> March 2012 (Rupees in '000)	As on 31 <sup>st</sup> March 2011 (Rupees in '000)
<b>I. INCOME</b>			
(a) Revenue From Operations	14	960,423.66	999,076.36
(b) Other Income	15	49,136.69	25,213.92
<b>Total Revenue ::</b>		<b>1,009,560.35</b>	<b>1,024,290.27</b>
<b>II. EXPENDITURE</b>			
(a) Cost of Materials Consumed	16	1,957.18	3,496.21
(b) Purchase of Stock-in Trade	17	933,614.88	964,075.70
(c) Changes of Inventories of Finished Goods, Work-in Progress and stock- In-Trade	18	(5,831.32)	1,453.38
(d) Employee Benefits Expenses	19	21,939.05	20,803.28
(e) Finance Costs	-	-	-
(f) Depreciation and Amortization Expenses	-	1,557.14	2,058.42
(g) Other Expenses	20	41,416.39	11,657.13
<b>Total Expenses ::</b>		<b>994,653.31</b>	<b>1,003,544.12</b>
<b>Profit(Loss) Before Tax (I-II)</b>		<b>14,907.04</b>	<b>20,746.15</b>
<b>III. TAX EXPENSES</b>			
(a) Current Tax	-	4,900.00	6,000.00
(b) Deferred Tax	-	-	-
<b>Profit (Loss) For the Period</b>		<b>10,007.04</b>	<b>14,746.15</b>
<b>IV. Earnings per share:</b>			
(a) Basic	21	131	194
Significant Accounting Policies and Notes on Accounts	(1 to 21)		

Sd/-

P. R. Meshram  
Director

Sd/-

S. Bhattacharjee  
Managing Director

Sd/-

S. Sharma  
Partner

Membership No 058352  
Chartered Accountant

# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## Notes On Financial Statement For the Year Ended 31st March,

The Previous Year Figures have been regrouped/reclassified, wherever necessary to conform to the current year

### 1. SHARE CAPITAL

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<b>Authorised Shares Capital</b> 100000 equity share of 1000 each (Previous Year 100000 equity share of 1000 each)	100,000.00	100,000.00
<b>Issued, Subscribed and paid up</b> (Previous Year 76200 Equity Shares of Rs. 1000/- each)	76,200.00	76,200.00
<b>Total</b>	76,200.00	76,200.00

#### 1.1 Reconciliation of number of shares

Particulars	As on 31-03-2012 (Rs in '000)		As on 31-03-2011 (Rs in '000)
	No. of Shares	Amount	No. of Shares
<u>Equity Shares</u>			
Opening Balance	76200	76,200.00	76200
Changes During the Year	—	—	—
Closing Balance	76200	76,200.00	76200

#### 1.2 Par Value of Share

The Company has one class of equity share having par value of Rs. 1000/- Each

#### 1.3 Details of Shareholders holding more than 5% Shares

Particulars	As on 31-03-2012 (Rs in '000)		As on 31-03-2011 (Rs in '000)
	No of Shares	Amount	No of Shares
<u>Equity Shares</u>			
President of India	76180	76,180.00	76180

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharm  
Partner  
Membership No.  
Chartered Accountant



## 2. RESERVES AND SURPLUS

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<u>Surplus in statement of Profit &amp; Loss</u>		
Opening Balance	(48,131.93)	(62,878.08)
Less: Profit for the year	10,007.04	14,746.15
<b>Total</b>	<b>(38,124.89)</b>	<b>(48,131.93)</b>

## 3. Long Term Borrowings

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<b><u>SECURED</u></b>	<b>NIL</b>	<b>NIL</b>
<b><u>UNSECURED</u></b>		
Working Capital Loan from Minsrty of DoNER	151,300.00	131,300.00
<b>Total</b>	<b>151,300.00</b>	<b>131,300.00</b>

## 4. OTHER LONG TERM LIABILITIES

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<u>Trade payable</u>	27,202.68	29,347.55
<u>Others*</u>	3,352.00	21,052.00
<b>Total</b>	<b>30,554.68</b>	<b>50,399.55</b>

\* Other Liabilities comprise Sale Subsidy / Grant in Aid

## 5. LONG TERM PROVISION

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<u>Provision For Employees Benefit</u>	915.32	915.32
<b>Total</b>	<b>915.32</b>	<b>915.32</b>

\* Provision for employees benefite includes provision for VRS ( National Renewal Fund)

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant

**6. TRADE PAYABLE**

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<b>Micro Small And Medium Enterprises</b>	NIL	NIL
<b>Others</b>	171,919.83	165,784.89
<b>Total</b>	<b>171,919.83</b>	<b>165,784.89</b>

**7. OTHERS CURRENT LIABILITIES**

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Interest accrued and due on Borrowings:	49,747.35	25,778.35
Other Payables*	43,241.35	32,976.89
<b>Total</b>	<b>92,988.70</b>	<b>58,755.24</b>

\* Include Statutory Dues, security deposit and advances from customers.

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant



## 8. FIXED ASSETS

(Rupees in '000)

Sl. No.	Description	Gross block		Addition During the Year	As at 31/03/2012	Depreciation Block		Net Block	
		% Rate	As at 31/03/2011			Depreciation Upto 31/03/2011	Depreciation during 2011-12	As at 31/03/2012	As at 31/03/2011
TANGIBLE ASSETS									
OWN ASSETS									
1	Land (Mankachar)		203.93	-	203.93	-	-	203.93	203.93
2	Land (Six Mile)			2,250.00	2,250.00			2,250.00	
3	Vehicle	25.89	1,852.95	(438.57)	1,414.38	(543.24)	890.26	524.12	619.48
4	Air Conditioner	13.91	299.19	20.49	319.68	8.64	261.25	58.43	46.58
5	Office Equipments	13.91	1,468.59	140.47	1,609.05	97.99	951.95	657.10	614.63
6	Furniture & Fixtures	18.10	2,449.17	284.16	2,733.32	111.59	2,078.18	655.14	482.58
7	Elect. Equipments	13.91	49.11	64.70	113.81	6.08	50.47	63.34	4.72
8	Elect. Equip.(GPP)	13.91	588.38	-	588.38	43.98	316.19	272.20	316.18
9	Juice dispenser	13.91	1,010.21	-	1,010.21	13.59	926.10	84.11	97.70
10	Bottle cooler	13.91	20.79	-	20.79	0.09	20.21	0.57	0.66
11	Lorry	30	151.75	-	151.75	0.01	151.72	0.03	0.04
12	Lab. Equipments	13.91	305.08	-	305.08	2.55	289.32	15.76	18.30
	Office & Factory building								
	(i) Silchar	10	3,594.55	-	3,594.55	280.25	1,072.26	2,522.29	2,802.55
	(ii) FJCP,Nalkata	10	15,411.21	-	15,411.21	149.67	14,064.19	1,347.02	1,496.69
	(iii) Ginger Plant	10	14,935.36	-	14,935.36	803.28	7,705.80	7,229.56	8,032.84
	(iv) Office Building, Six Mile	10	574.19	-	574.19	50.59	118.91	455.28	505.87
13	Guest House Building	5	530.86	-	530.86	8.16	375.85	155.01	163.16
14	Plant & Machinery	13.91	20,387.71	30.50	20,418.21	102.21	19,775.53	642.68	714.39
15	Deep Tubewell	5	362.56	-	362.56	5.57	256.70	105.86	111.43
	I. Deep Tubewell(GPP)	5	402.28	-	402.28	16.23	93.86	308.42	324.65
16	Computer Equipment	40	1,585.23	309.27	1,894.50	155.46	1,489.60	404.90	251.09
17	Auto Cashew Machine	13.91	158.95	-	158.95	2.62	142.72	16.23	18.85
18	Admn. Buildings (FJCP)	5	1,354.85	-	1,354.85	41.77	561.17	793.68	835.45
	Total of Current Year		67,696.91	2,661.01	70,357.92	1,557.14	51,592.25	18,765.67	17,661.79
	Total of Previous year		66,693.22	1,003.68	67,696.91	2,058.42	50,035.11	17,661.79	18,716.53
	CAPITAL WORK IN PROGRESS							20,930.91	17,504.46

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant

## 9. INVENTORIES

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Raw Materials	440.88	2,082.48
Finished Goods	7,232.90	1,401.58
Stores And Spares	128.37	144.10
Others*	357.00	392.69
<b>Total</b>	<b>8,159.15</b>	<b>4,020.85</b>

\* Others Includes Stocks of Packing Materials & Stock of Power & Fuel.  
Inventories are carried at lower of cost and net realisable value.

## 10. TRADE RECEIVABLES

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
(Unsecured & Considered Good)		
Over Six Months	50,011.79	41,907.96
Others	150,855.36	101,858.79
<b>Total</b>	<b>200,867.15</b>	<b>143,766.75</b>

## 11. CASH & CASH EQUIVALENTS

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Balances With Bank	33,854.31	27,871.96
Cash & Cheque in Hand	839.49	406.71
Remittance in transit	675.44	71.00
Fixed Deposits With Banks	23,800.41	26,434.96
<b>Total</b>	<b>59,169.66</b>	<b>54,783.63</b>

## 12. SHORT TERM LOANS & ADVANCES

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
(Unsecured & Considered Good)		
Loans And Advances to Related Parties	11,675.96	1,648.69
Deposits	3,238.89	191,049.52
Others*	159,442.70	192,698.21
<b>Total</b>	<b>174,357.54</b>	<b>194,396.42</b>

\* Others Comprises of advances to staff, suppliers prepaid expenses.

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 05830  
Chartered Accountant



**13. OTHER CURRENT ASSETS**

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<b><u>Other Current Assets Consist of the Following</u></b>		
Misc Expenses ( to the extent not w/off or adjusted)	3,503.56	4,787.26
<b>Total</b>	<b>3,503.56</b>	<b>4,787.26</b>

**14. REVENUE FROM OPERATIONS**

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Sale From Operation	960,423.66	999,076.36
<b>Total</b>	<b>960,423.66</b>	<b>999,076.36</b>

**15. OTHER INCOME**

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Interest	2,371.99	1,115.14
Misc Income	1,863.41	5,579.22
Other Non Operating Income*	44,901.29	18,519.55
<b>Total</b>	<b>49,136.69</b>	<b>25,213.92</b>

\* Non operating Income Include income from Consultancy and credit for sales subsidy

**16.COST OF MATERIALS CONSUMED**

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Indigenous	1,957.18	3,496.21
<b>Total</b>	<b>1,957.18</b>	<b>3,496.21</b>

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant

## 17. PURCHASE OF STOCK IN TRADE

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Purchase	943,514.88	973,975.70
Less:- Transport Subsidy Adjusted	9,900.00	9,900.00
<b>Total</b>	<b>933,614.88</b>	<b>964,075.70</b>

18. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS  
STOCK IN TRADE

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<u>Inventories (At Close)</u>		
Stock in Trade	7,232.90	1,401.58
<u>Inventories (At Commencement)</u>		
Stock in Trade	1,401.58	2,854.96
<b>Total</b>	<b>(5,831.32)</b>	<b>1,453.38</b>

## 19. EMPLOYEE BENEFITS EXPENSES

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Salaries and Wages	18,444.54	17,076.01
Contribution to Provident and Other Funds	2,134.49	1,633.47
Staff Welfare Expenses *	1,360.01	2,093.80
<b>Total</b>	<b>21,939.05</b>	<b>20,803.28</b>

\* Staff Welfare Expenses include Bonus, Gratuity, Medical Expenses, LTC, Leave Encashment etc.

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No. 058352  
Chartered Accountant



## 20. OTHER EXPENSES

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
<b>Manufacturing Expenses</b>		
Packing Materials	85.07	226.71
Stores & Spare Parts	18.90	59.25
Power & Fuel	103.60	790.21
Factory Repair & Maintenance	31.52	522.69
Factory Electricity	372.22	490.08
Freight & Handling (Factory)	105.29	614.17
Factory Wages	1,061.02	973.17
Storage charges	-	516.03
Running cost of Ref. Van	-	294.70
Cost of Ginger Production	226.84	1,149.52
Processing cost	851.03	-
<b>Selling and Distribution Expenses</b>		
Sales Tax	-	714.23
Sales Commission	269.70	324.63
Advertisement Expenses	694.34	289.06
Exhibition & Trade Fair	173.96	36.50
Capacity Building Program & Promotional Expenses	25,123.34	-
<b>Establishment Expenses</b>		
Auction Expenses	24.68	-
Audit Expenses	30.66	22.80
Bank Commission	304.83	289.82
Board Meeting Expenses	234.89	324.97
Books & Periodicals	43.48	21.39
Consultant Fees	415.64	267.50
Conveyance	148.32	132.53
Elect. Charges	174.59	464.46

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Electrical Fittings	33.06	48.15
Entertainment Expenses	40.38	41.12
Freight & Handling	325.43	49.10
Internal Audit Fee	18.00	18.00
Insurance	99.13	41.31
Legal Expenses	83.45	24.42
Licence Fees	330.00	6.63
Meeting & Conference	380.85	278.74
Membership Fee	7.96	5.00
Miscellaneous Expenses	245.09	166.87
Pollution Control Fees	50.00	25.00
Postage & Telegram	141.01	84.43
Printing & Stationery	618.42	560.92
Rates & Taxes	28.21	127.11
Registration Fees	7.70	29.80
Renewal fees	66.93	39.14
Rent	1,973.79	1,187.37
Repair & Maintenance	398.50	247.79
Seminar Expenses	652.67	5,180.93
Stall Expenses	98.60	93.91
Statutory Audit Fee	18.00	18.00
Tax Audit Fees	8.00	8.00
Telephone/Fax	509.93	533.72
Training Programme	38.44	15.00
Travelling Expenses	1,293.81	1,686.54
Vehicle Running & Maintenance	1,101.37	982.47
Preliminary Expenses W/Off	875.89	1,094.86
Deferred Revenue Expenditure	407.81	352.15
Prior Period Adjustment	1,070.08	(9,813.79)
<b>Total</b>	<b>41,416.39</b>	<b>11,657.13</b>

## 21. EARNING PER SHARE (EPS)

Particulars	As on 31-03-2012 (Rs in '000)	As on 31-03-2011 (Rs in '000)
Net profit After Tax as per Statement of Profit & Loss	10,007.04	14,746.15
Number of Equity Shares	76.20	76.20
Earning Per Share	131.33	193.52
Face Value per Equity share	1.00	1.00

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 05833  
Chartered Accountant



# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2012

<b>Cash In Flows:</b>	<b>Amount (Rs in '000)</b>
Net Profit as per Profit & Loss Account	10,007.04
Increase in Loan from Ministry	43,969.00
Decrease in Loans & Advances	18,475.67
Decrease in Preliminary & Pre-operative Expenses	1,283.70
Increase in Current Liabilities	14,119.53
(A)	87,854.94
<b>Cash Outflows:</b>	<b>Amount (Rs in '000)</b>
Increase in Capital Works in Progress	3,426.45
Decrease in Sales Subsidy	17,700.00
Net Increase in Fixed Assests	1,103.88
Increase in Inventory	4,138.30
Increase in Sundry Debtors	57,100.41
(B)	83,469.03
Opening Balance	54,783.75
(C)	54,783.75
Add/Less, Cash Surplus/ Cash Deficit during the year	
<b>Cash Generation from operation</b> (A)-(B)=(D)	<b>4,385.91</b>
Closing Cash / Bank Balances (C )+(D)=(E)	59,169.66

Sd/-  
P. R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant

# NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED, GUWAHATI

## NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31.03.2012

### SIGNIFICANT ACCOUNTING POLICIES

#### a) **BASIS OF PREPARATION OF FINANCIAL STATEMENT:**

Financial statement has been prepared as a going concern basis under historical cost convention in accordance with the generally accepted accounting principles and the provision of Companies Act, 1956 as adopted consistently by the company.

#### b) **USE OF ESTIMATE:**

The preparation of financial statement in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balance of assets and liabilities as of the date of the financial statement and reported amounts of income & expenses during the reporting period. Management believes that the estimates used in preparation of financial statement are prudent and reasonable. Difference between the actual result and estimates are recognized in the period in which result are known/materialized.

#### c) **FIXED ASSETS :**

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre-operative expenses and interest in case of construction.

#### d) **DEPRECIATION :**

Depreciation on Fixed assets has been provided at the rate & in the manner prescribed in schedule XIV to the Companies Act, 1956.

#### e) **IMPAIRMENT OF ASSETS:**

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.

#### f) **INVENTORIES:**

In general, all inventories of Finished Goods, Work in Progress etc. are stated at lower of cost or net realizable value. Cost of inventories comprises of all cost of purchase, cost of conversion & other cost incurred in bringing the inventories to their present location & condition. Materials & stores and spares are stated at cost on FIFO Basis.

#### g) **REVENUE RECOGNITION:**

Revenue from sale of goods is recognized when significant risk and rewards of ownership in the goods have passed to the buyer. Turnover includes sale of goods inclusive of sales tax and is net of claim. Interest income is recognized on time proportion basis taking into account amount outstanding & rate applicable.



a) **EMPLOYEE BENEFITS:**

- i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using estimated basis.

i) **EMPLOYEE SEPARATION COST:**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit & Loss Account in the year of option.

j) **BORROWING COST:**

Borrowing cost that attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying assets is an assets that necessarily takes substantial period of time to get ready for its intended use or sale. Other borrowing cost are recognized as an expenses in the period in which they are incurred.

k) **PROVISION FOR TAXATION:**

Provision for current tax is measured at the amount expected to be paid to the tax authorities, using the applicable rate & tax laws.

l) **CONTINGENT LIABILITIES :**

Contingent liabilities are disclosed in respect of present possible obligation that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

m) **SEGMENT REPORTING:**

The company has single business segment namely "Producing, Processing & marketing of agricultural based products". As such, the company business does not fall under the different segment reporting as defined in AS-17 of ICAI.

n) **ACCOUNTING FOR INVESTMENT:**

Investments are carried at cost. Investments in Fixed deposit represent unutilized funds to be deployed for capital expenditure as well as revenue expenditures.

Sd/-  
P.R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 058352  
Chartered Accountant

### NOTES ON ACCOUNTS

1. The Corporation owns 1.64 bighas of land in CS Plot No. 377 (New) of Mouza Nalkata Kailashahar sub-division, Tripura which has been allotted free of cost by the Govt. of Tripura and whose value has been taken as nil.
2. The Corporation owns 4000 Sq. m. a plot bearing No. 12 in the EPIP, Byrnihat for setting up of Ginger Processing Unit, which has been provisionally allotted by the Govt. of Meghalaya and whose value has been taken as nil.
3. The Corporation owns 1.54 Bighas of land under Dispur Revenue Circle in the District of Kamrup, Assam for construction of Office building which has been allotted by the Govt. of Assam for a total cost of Rs. 22,50,000/-. This payment was released in the month of March 2011 along with land revenue and taxes for twenty five years amounting to Rs. 28,21,000/-.
4. The Corporation owns 6 bighas 2 khata and 4 lacha land at Mankachar, District Dhubri for setting up of Cashew nut factory which is valued at Rs. 2,03,932/-.
5. The insurance claims on account of shortage of stock are accounted for as & when settled.
6. Payment to and provisions in respect of payment to statutory auditors :

	<u>Current Year</u>	<u>Previous Year</u>
As audit Fees (Rs.)	18,000.00	18,000.00

7. Necessary provision for taxation on income has been made in the Books of Accounts taking into consideration of depreciation for the financial year.
8. Capacity and production :

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	Pineapple Crushed	Raw Cashew Processed	Pineapple Crushed	Raw Cashew Processed
a) Licensed capacity	48 MT/day	0.50 MT/day	48 MT/day	0.50 MT/day
b) Installed Capacity	-do-	-do-	-do-	-do-
c) Annual Production (in MT)				
i) Juice Concentrate	—	—	18.53	—
ii) Finished Cashewnut	—	1.03	—	—



9. Analysis of raw material consumed:

ITEM	CONSUMPTION IN MT	VALUE (RS)
Pineapple	—	—
Raw Cashewnut	4.20	2,01,600.00

10. The previous figure has been regrouped and rearranged wherever necessary.

11. Break-up of expenditure of employees who are in receipt of remuneration in the aggregate of Rs. 3,00,000/- or more per annum if employed for full year and of Rs. 25,000/- or more per month if employed for part of the year.

	<u>Employed for the Full Year</u>	<u>Employed for part of the year</u>
Number of employees	6	0

12. Investment allowance reserve will be created in the year of assessable profits.

13. Some creditors have filed money suit / writ petition against the Corporation because the Corporation has not accepted the quantum of their claims.

14. Provision for leave encashment benefit has been provided on estimated basis.

15. Contingent liabilities not provided for:

(Rs in lacs)

Creditors	Amount Claimed	Liabilities Provided	Contingent Liabilities
Sobhayaga Advertising, Kolkata	19.90	12.62	7.28
<b>Total</b>	<b>19.90</b>	<b>12.62</b>	<b>7.28</b>

16. During the financial year 2004 – 05 the Company has issued two Bank Guarantee drawn on Punjab National Bank, Zoo Road Branch, Guwahati in favour of the Registrar General, Calcutta High Court (Appellate Suite) for an amount of Rs. 19,62,430.85 against pledging Term Deposit bearing No. 18/2004 dt. 06.08.2004 and 1/2005 dt. 11.01.2005. Subsequently renewed yearly basis.

17. Miscellaneous expenditure to the extent not written off or adjusted is charged 1/5 to the PL Account during the financial year.

18. Sales include taxes.

19. Payment to and provision in respect of payment of Managing Director:

	2011 - 2012	2010 - 2011
a) Pay & Allowances	10,25,482.00	946,904.00
b) Medical Reimbursement	2,400.00	2,400.00
c) TA Expenses	27,120.00	18,036.00
d) Entertainment	6,000.00	6,000.00

20. Ministry of DoNER was approached to waive the interest @ 10.5% on working Capital of Rs. 13.13 Cr in parity with the Working Capital loan of Rs. 2.00 Crore given through free of interest. This followed by our letter No 180/Subsidy/Accts/607 dated 28.08.2010 for clarification from Administrative Ministry. Ministry of DoNER vide letter no. 1/2010/NERAMAC (DoNER) dated 4.02.2011 informed that the matter is being taken up with Ministry of finance and advice to maintain the status quo in accordance with the existing policy of Company..
21. The Corporation has claimed sales subsidy pertaining to the processing and production of pineapple juice concentrate at FJCP, Nalkata during the year 1993-1994 to 2009-2010 amounting to Rs. 8.66 Crores. The claim has been acknowledged by North Eastern Council. Out of the above 1/3 of the claim has been charged in P.L Account during the financial year 2011-2012.
22. No dividend was declared by the Board and hence the amount of the dividend is not carried over to the accounts during the financial year 2011-2012.
23. In pursuance of the Memorandum & Articles of Association of the Corporation the Corporation has started consultancy works in the food processing sector.
24. Basic earning per share for the financial year is Rs. 131/- which is computed using the number of equity shares outstanding during the financial year.
25. The carrying amount of assets are reviewed at each Balance Sheet date. If there is any impairment based on internal/external factors, an impairment is recognized when the carrying amount of an asset exceeds its recoverable amount.

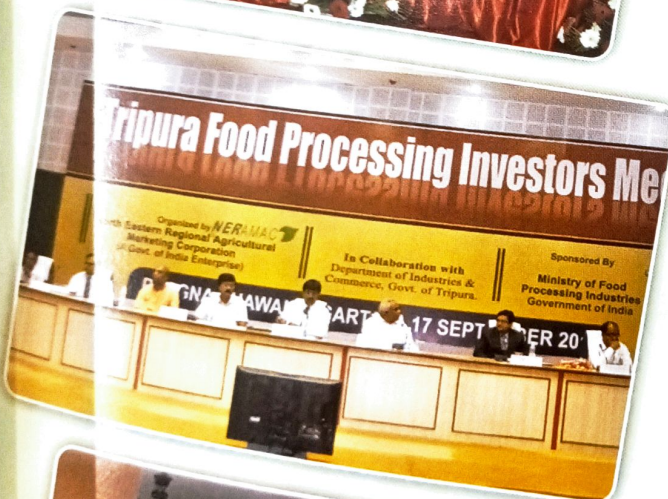
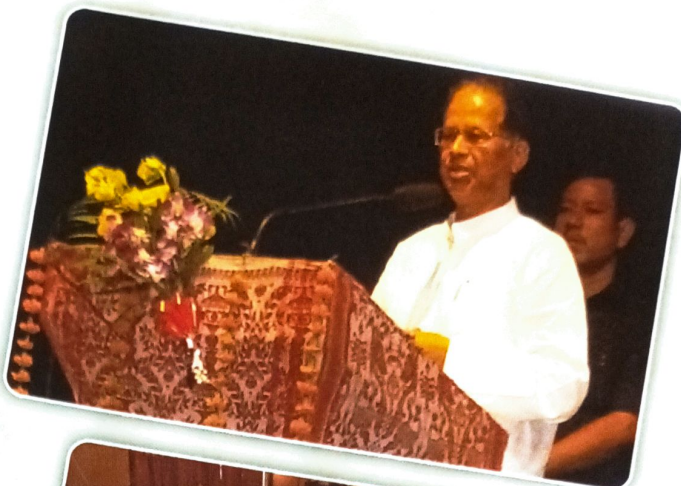
Sd/-  
P.R. Meshram  
Director

Sd/-  
S. Bhattacharjee  
Managing Director

Sd/-  
S. Sharma  
Partner  
Membership No 0583  
Chartered Accountant



NERAMAC under the sponsorship of Ministry of Food Processing Industries, Government of India conducted four numbers of Food Processing Investors Meet at Guwahati (Assam), Itanagar (Arunachal Pradesh), Shillong (Meghalaya) & Agartala (Tripura)





Photos of students, different activities, the students and the staff of the school



Students, Students' Activities



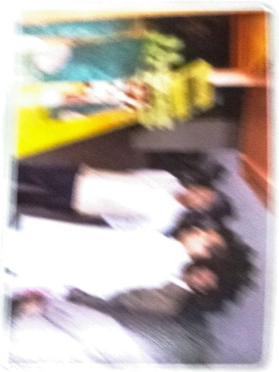
Students, Students' Activities



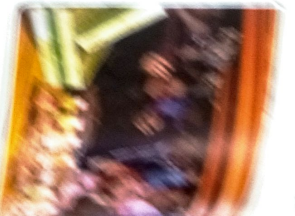
Students, Students' Activities



Students, Students' Activities



Students, Students' Activities



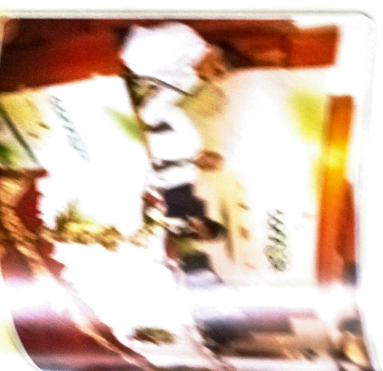
Students, Students' Activities



Students, Students' Activities



Students, Students' Activities



Students, Students' Activities



A view of the Capacity Building Programme on "Empowering Agri-Preneurs Throuh seminar cum product specific Capacity Building" held at different places in North East Organized by NERAMAC with the sponsorship of NEC.





A view of awareness programme on "Betterment of Scales in Food Processing" held at different places in North Eastern Region  
Organized by NERAMAC with the sponsorship of Ministry of Food Processing Industries, GOI.



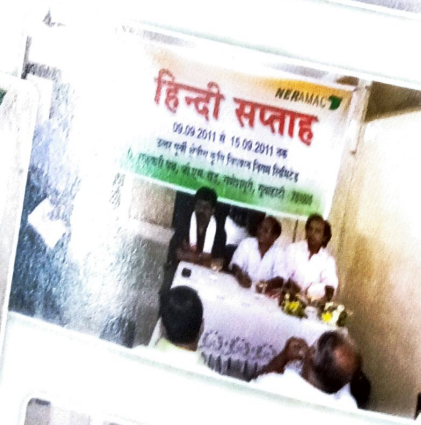


NERAMAC under the sponsorship of Ministry of Development of North Eastern Region (DoNER), Govt. of India has conducted "North East Food Processing Expo" in Guwahati for promotion of Food Processing Industry of the Eight State of North East.





## Hindi Week Celebration





*Exploring packaging programmes through participation & organizing Indpack.*



**Indpack 2011 at Hyderabad from 25th to 27th November, 2011**



**Indpack 2012 at Guwahati from 15th to 17th March, 2012**



*Development of Beneficiaries through NERAMAC initiatives*

