



ntc industries limited

(AN ISO 9001-2008 COMPANY)

REGD. OFFICE : 149 B. T. ROAD, P.O. KAMARHATI, KOLKATA-700 058, PH : 30190500/501, FAX : 2553 2420

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the Annual Report to be filed with the Stock Exchange

1.	Name of the Company	ntc industries limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	To be signed by-	

Sri Naresh Chandra Chakraborty
Managing Director

Sri Prem Chand Khator
CFO

For S.M. Daga & Co.
Chartered Accountants
Sri Deepak Kumar Daga
Partner
Membership No. 059205

Sri Gaurav Somani
Audit Committee Chairman

Date: 30th day of May, 2013



5/2013



ntc industries limited

Annual Report 2012-13

**thriving on
challenges**



FORWARD LOOKING STATEMENT

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to

risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Naresh Chandra Chakraborty
Managing Director

Mr. Ravi Prakash Pincha
Non Executive & Independent Director

Mr. Manish Kumar Jain
Non Executive & Independent Director

Mr. Mahendra Pratap Singh
Non Executive & Independent Director

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Sunil Kumar Varma

AUDITORS

Statutory Auditors

M/s S. M. Daga & Co.
Chartered Accountants
11 Clive Row, 2nd Floor,, Kolkata -700 001

Internal Auditors

M/s R. Kothari & Co.
16A, Shakespeare Sarani, Kolkata - 700071

BANKERS

Axis Bank

Oriental Bank of Commerce

Corporation Bank

Kotak Mahindra Bank

State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

M/s Niche Technologies Private Limited

SOLICITORS

Mr. Dipayan Choudhury
Advocates

REGISTERED OFFICE/FACORY

149, B.T.Road,P.O.-Kamarhati,
Kolkata - 700 058
Ph: 033-30190500/01
Email id: investors@ntcind.com
Website: www.ntcind.com

BETWEEN THE COVERS

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ntc thrives on challenges

Because, we focused on finding potential opportunities.

Swift, smart, and strategic.

The year 2012-13 tested our mettle.

We think for the long term.

Amidst challenges, we set up small targets in tranches and achieved our highest ever growth.

We executed our plans and achieved extraordinary breakthrough in our export business.

We performed under pressure and delivered real value to our shareholders.

Our strong determination and focus has inculcated a growth culture within the organisation. Thus, strengthening the foundation for the future.



A SNEAK-PEAK INTO NTC

ntc industries limited is a prospering organisation of cigarette and tobacco products manufacturing and marketing within India and abroad.

15,700
million sticks p.a.
Fifth-largest licensed
cigarette manufacturing
Company in India

2,255
million sticks p.a.
Capacity to produce
64 mm, 69mm and
84 mm filter cigarettes in
hinge-lid packets and in
soft-cup packets

66.26%
Promoter's stake

₹ 1,784.50 Lacs
Market capitalization

Incepted in September 1931 with its office and works in the city of Kolkata, India, National Tobacco Co. of India Limited was a prominent name among cigarettes manufacturers in India. In 1994, RDB Industries Limited acquired the assets of erstwhile National Tobacco Co. of India Limited on lease. In 1995 it further put its foot ahead and purchased assets of it and ever since then the Company has come a long way. Today, the Company has a presence across various segments of the market through its range of brands, popularly known as REGENT, COOL and NO. 10. Besides, it also exports high quality and value-priced cigarettes to USA, Africa and Central & Middle East countries.

ntc's state-of-the-art manufacturing facility at Kolkata is equipped with modern technology and excellent work practices*. A robust supply-chain and distribution network further ensures timely delivery of products across the length & breadth of the country.



Vision

Sustain ntc's position as one of India's most valuable corporations through world-class performance, creating growing value for the Indian economy and achieve the best quality product through commitment and dedication.



Mission

To enhance the wealth generating capability of the enterprise in a globalising environment, generate superior returns, and reduce the harm caused by smoking while operating our business sustainably and with integrity.

*ntc does not employ any child labour in their premises.

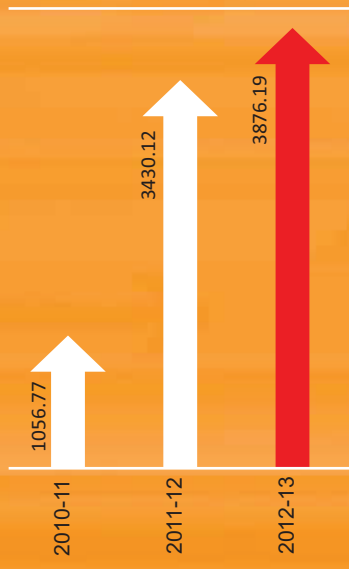
The ntc edge!

- India's first company to manufacture and market **filter** and **menthol** cigarettes
- Possesses modern PMD for tobacco processing of any blend type-**Virginia** or **American**
- Ability to develop **finest customized blends** to suit customer's choice
- Well-equipped cigarette making and packaging divisions with full range of modern machineries to produce **quality cigarettes** as well as **excellent finished packets** in conformation to international standards

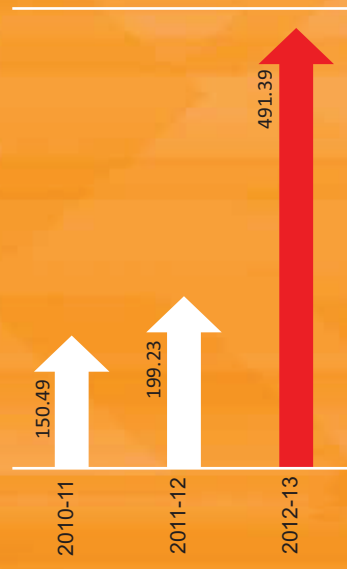


PERFORMANCE HIGHLIGHTS

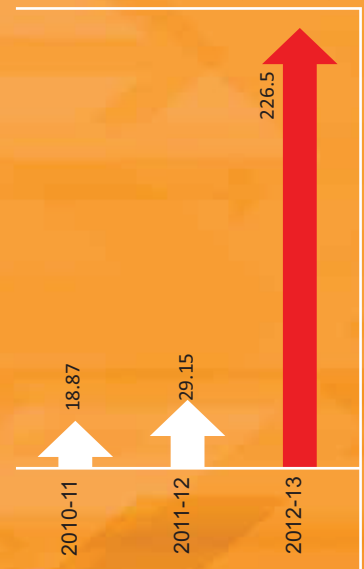
NET SALES (₹ in Lacs)



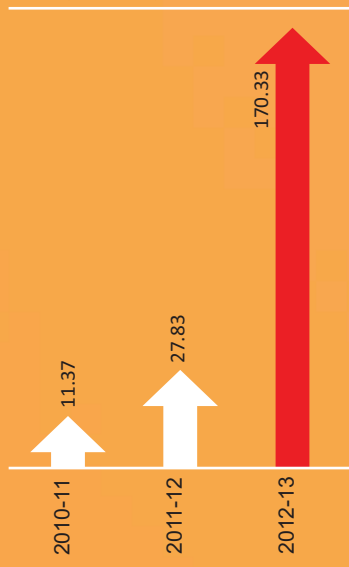
EBIDTA (₹ in Lacs)



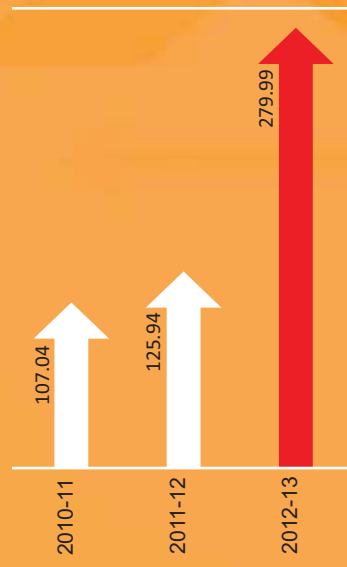
PRE-TAX PROFIT (₹ in Lacs)



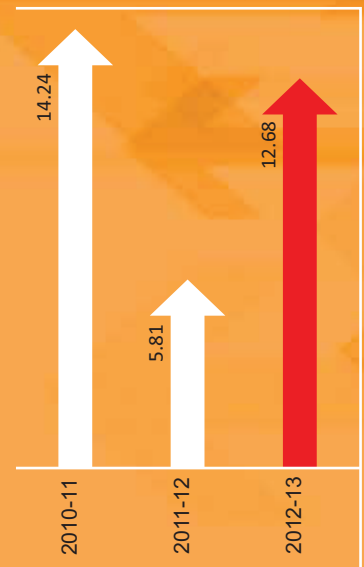
PAT (₹ in Lacs)



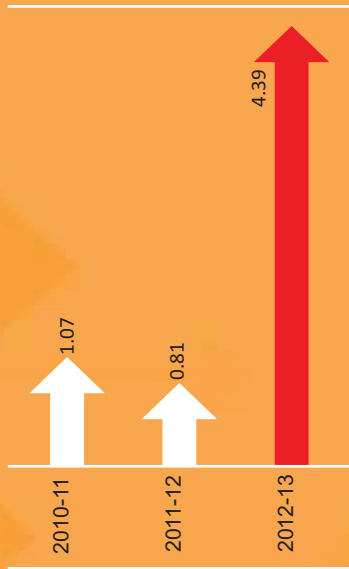
CASH PROFIT (₹ in Lacs)



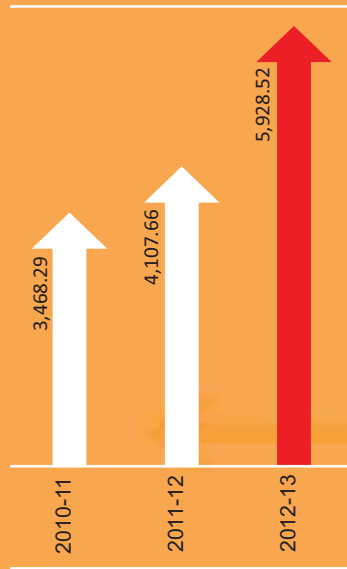
EBIDTA MARGIN (%)



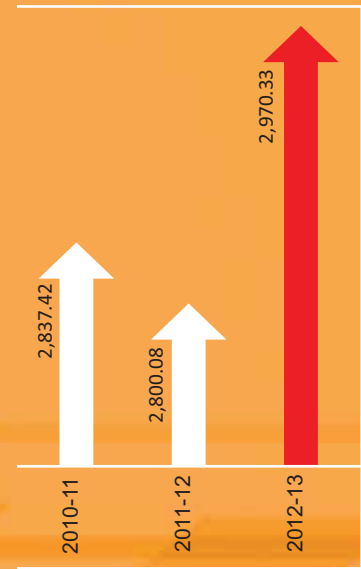
NET PROFIT MARGIN (%)



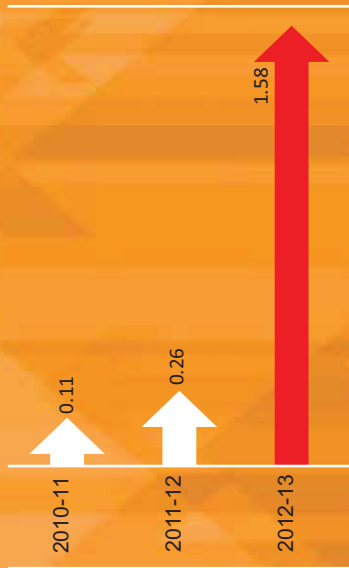
CAPITAL EMPLOYED (₹ in Lacs)



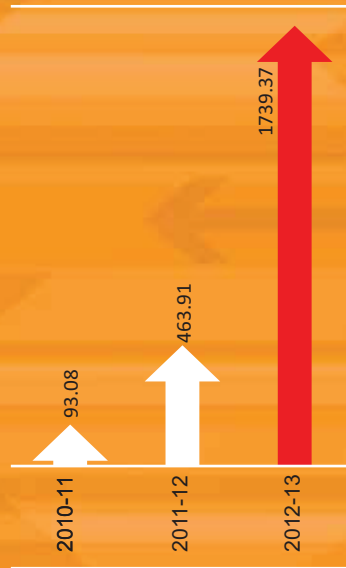
GROSS BLOCK (₹ in Lacs)



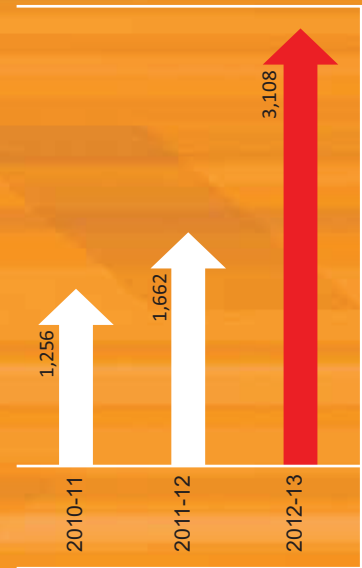
EPS (₹)



EXPORTS (₹ in Lacs)



CIGARETTES (₹ in Lacs)



MANAGING DIRECTOR'S MESSAGE

Mr. Naresh Chandra Chakraborty, Managing Director, speaks about Company's performance and the way ahead.



“In 2012-13, we further enhanced our overseas presence which resulted in our exports increasing by over 275%.”

Dear Friends,

Year 2012-13 was a year that witnessed the highest level of economic challenges. Right from depreciating rupee, inflationary pressures to political instability, there was an eminent slowdown in the overall growth of the economy.

At ntc, we have a different story to say. While several companies across India struggled to fight against the tide, we reported record results. While our revenues increased by over 15%, our post tax profit increased by over 500%.

A number of observers will be tempted to ask how we reported such a successful divergence when the industry is facing the threats of high placement cost, advertisement restrictions, harsh pictorial warning on the product, increasing anti-tobacco drives and a smoking ban in public in few states.

My answer: Our 'opportunity-focused model'. This made it possible for us to maximise profitability despite such challenges and sluggishness.

At ntc, we countered the trough in the market due to a number of initiatives that we commissioned across the past few years.

1. **Increasing focus on exports:** With increasing pressure of anti-tobacco awareness drives in the domestic market, we explored opportunities to penetrate the export markets. Our proactive thinking paid rich dividends. In 2012-13, we further enhanced our overseas presence, particularly in the American nations, which resulted in our export increasing by over 275%.
2. **Technological upgradation:** Our constant endeavours towards installing updated technologies have allowed us to reduce our operational cost on one hand and allowed us to produce quality cigarettes in good finished packets

“We have consistently focussed on value-creation for our customers through constant research and development initiatives.”

at par with international quality standards, on the other. The Company has also invested over ₹ 500 lacs as capex in last three years.

3. **Introduction of new brands:** We introduced new brands in the 64mm segment for eliminating the taxation impact. These brands came in modern packaging in different segments, particularly to attract young generation smokers.
4. **Research and development:** We have consistently focussed on value-creation for our customers through constant research and development initiatives that allow us to create quality brand, deliver quality blends and produce various size variants.

“We have consistently focussed on value-creation for our customers through constant research and development initiatives.”

However, such an extra-ordinary success does not make us complacent. We are aware of the prominent challenges that may affect our operations in the medium to long run. The threat of rising raw material prices owing to supply shortage and volatile exchange rate fluctuations looms high. By virtue of our proactive business thinking, we have started maintaining sufficient inventory to mitigate the threats of rising prices.

We have also initiated aggressive marketing efforts to penetrate deeper into the domestic and export markets.

This will further enhance our revenues and profitability going ahead.

As a responsible citizen, we have taken conservative steps towards our product promotion that complies with all the specified norms, policies and regulatory guidelines. Besides, we continued to enhance the socio-economic quotient of the communities residing around our facilities and regularly initiated various health-related activities, like blood donation camps and eye check-ups, for their healthy and safe livelihood. We also continue to follow sustained business practices to ensure that the environment does not get impacted adversely.

At the end, I would like to show my deep sense of appreciation to the shareholders, bankers, business associates, retailers, suppliers, customers, government and other regulatory agencies for their continued support and faith in the Company. I would also like to thank our employees without whom this success would have never been possible. Your continued trust and support has given us the courage to perform at our potential best and we are now fully confident of taking this success to the next level.

Best wishes,

Naresh Chandra Chakraborty
Managing Director

EXPLORING OPPORTUNITIES AMIDST ADVERSITIES

At ntc, we always kept a firm eye on overseas growth opportunities.

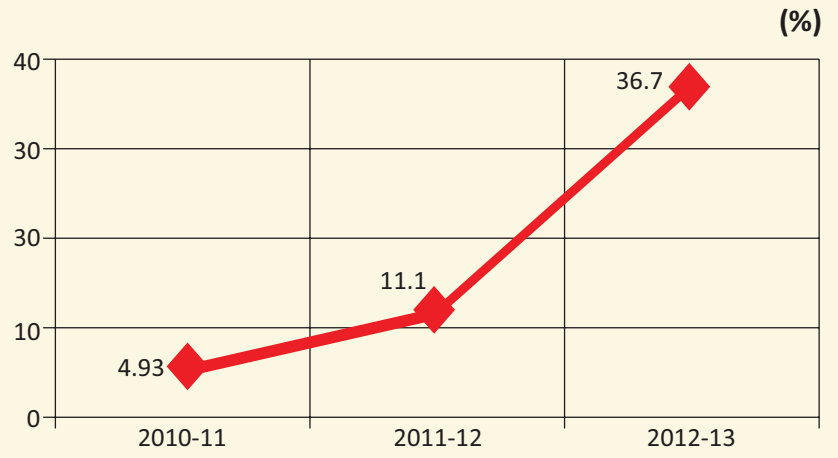
In order to thrive against the adverse industrial challenges in the domestic market, we aggressively explored the possibilities of marking our presence beyond the Country.

Despite being in unfavourable circumstances, your company posted highest ever revenue particularly in exports by earning more than 275% growth.



**PROPORTION OF EXPORTS
IN TOTAL REVENUE**

CAGR : 173%



STRENGTHENING INTERNAL EFFICIENCIES AMIDST ADVERSITIES

At ntc, we always stressed upon strengthening our internal efficiencies.

We invested in the latest technologies for a better productivity and consistent quality.

We invested in research & development to constantly innovate and deliver finest of blends with various sizes.

We invested in skill upgradation of our people and strengthen their competencies.



THE PERFORMANCE IN 2012-13
IS THE RESULT OF OUR
CONSOLIDATED EFFORTS.





DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 22nd Annual Report together with the Audited Statements of Accounts for the year ended 31st March 2013.

PERFORMANCE HIGHLIGHTS

The financial results of the Company during the year are given below :

(₹ In Lacs)

Particulars	Financial Year 2012-2013	Financial Year 2011-2012
1. a) Income from Operations	4,476.78	3,976.05
b) Other Income	147.50	40.37
2. Expenses	4,132.89	3,817.19
Profit before Interest and Depreciation	491.39	199.23
Less : a) Finance Cost	155.21	71.97
b) Depreciation	109.66	98.11
Profit/(Loss) before Exceptional Items	226.52	29.15
Add : Exceptional Items	–	–
Profit before Taxation	226.52	29.15
Less : Provisions for Current Tax, Deferred Tax and Tax adjustments for earlier years	56.19	1.32
Profit (Loss) after Tax	170.33	27.83
Add : Balance brought forward from last year	1,274.08	1,246.25
Less : Amount transferred to Reserves	–	–
Balance carried to the Balance Sheet	1,444.41	1,274.08

REVIEW OF OPERATIONS

The financial year under review was a year of opportunities coupled with challenges. The performance of the Company was commendable both in terms of profitability and revenue. The Company has achieved highest ever level of production and sales of cigarettes.

During the year under review, your Company achieved total turnover of ₹ 4,822.30 Lacs as compared to ₹ 4,177.09 Lacs reflecting strong growth of 15.45%. But the major evolution came in the exports sales where your Company achieved a praiseworthy escalation of 274.94%. The export sales increased to ₹ 1,739.37 Lacs from ₹ 463.91 Lacs. Your Company has also shown uptrend in domestic sales as well and has earned a growth of 14.29% by registering sales of ₹ 1,368.81 Lacs to ₹ 1,197.65 Lacs. However, the sales in Stock in Trade have suffered by 31.88% due to overall dismal market scenario.

Your Company always endeavours to provide good quality at affordable pricing to its customers. Use of modern technology in its factories and consistent improvement in

its manufacturing and procuring process, enabled your Company to offer new brand of cigarettes of 64 mm size at a reasonable price.

During the year under review, the Company has not brought any changes in its accounting policies.

More details about the business and operations of your Company are provided in the Management Discussion and Analysis Report, forming part of the Annual Report.

DIVIDEND

The Company has ongoing need of financial resources, for the purpose of expansion activities. In order to meet its growing funds requirement, and conserve its resources and to plough back its entire profit into the expansion activities, the directors have decided not to declare dividend for the current year.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis containing a detailed analysis of the Company's performance

DIRECTORS' REPORT

as per Clause 49 of the Listing Agreement is annexed hereto.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with the Certificate from the Auditors of the Company for its due compliance is annexed hereto, forming part of this Annual Report. A certificate of the CEO and CFO of the Company in terms of sub-clause (v) of Clause 49 of Listing Agreement, inter alia, confirming the correctness of the financial statement, adequacy of the internal control measures and reporting of the matters to the Audit Committee is also annexed.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, Sri Ravi Prakash Pincha, Director of the Company, is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment. Your Board of Directors is of opinion that his continued association with the Board of Director of the Company will be beneficial to the Company and hence recommend his re-appointment.

The Board of Directors have appointed Sri Naresh Chandra Chakraborty as the Managing Director of the Company w.e.f. 12.11.2012 for a period of 1 (One) year subject to the approval of members in the ensuing Annual General Meeting of the Company.

Sri Dilip Chakraborty and Sri Gaurav Somani were appointed as Additional Directors of the Company with effect from 8th August, 2012 and 15th November, 2012 respectively. They holds office upto the date of the ensuing Annual General Meeting. Notices have been received from members of the Company under Section 257 of the Act proposing their candidature for the office of Directors liable to retire by rotation.

Sri Lawrence Baptist Fernandes ceased to be the Managing Director and CEO of the Company w.e.f. 11th November, 2012. Sri Mahendra Pratap Singh and Sri Manish Jain ceased to be the Directors of the Company w.e.f. 21st November, 2012. The Board places on record its gratitude for the services rendered by Sri Lawrence Baptist Fernandes, Sri Mahendra Pratap Singh and Sri Manish Jain during their tenure as member of the Board.

HUMAN RESOURCES

Your Company believes in best HR practices by providing its employees a world class working environment, giving them equal opportunities to rise and grow. We continue to

implement the best of HR policies so as to ensure that talent retention is ensured at all levels. Employee relations continued to be cordial and harmonious at all levels and in all divisions of the Company during the year. Presently your Company does not have any employee falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of the Employees) Rules, 1975.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has complied with all the applicable laws. The Company has been complying with relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

SUBSIDIARY COMPANY

The Company does not have any subsidiary company as on 31st March 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm :

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s S. M. Daga & Co., Chartered Accountants, as statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, have offered themselves for re-appointment and have further confirmed that the said re-appointment will be in conformity with the provisions of Section 224 (1B) of the Companies Act, 1956. The Audit Committee has recommended their re-appointment.



DIRECTORS' REPORT

In compliance with the Order of the Central Government, your Board of Directors has appointed M/s. D. K. Lodha & Co., Cost Accountants to carry out the Cost Audit of your Company for the financial year ended March 31, 2014 in respect of cigarettes manufactured by the Company. Necessary application will be made to the Central Government seeking approval to the appointment of the Cost Auditors for the financial year ending March 31, 2014.

AUDITORS' OBSERVATION

There are no reservations, qualifications or adverse remarks contained in Auditors' Report attached to the Balance Sheet as at 31st March, 2013.

PUBLIC DEPOSIT

During the year under review, the Company has neither accepted nor renewed any public deposit and has no overdue or unclaimed public deposit, as defined under Section 58 (A) of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, read with

the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the annexure attached hereto and forms a part of this Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep sense of appreciation to the shareholders, bankers, business associates, retailers, suppliers, customers, government and other regulatory agencies for their continued support and faith in the Company. Your Board is grateful to the Independent Directors for their valuable contributions. All of them despite other business exigencies have shared their rich experience and knowledge with the management to take your Company forward. Your Directors are also wish to place on record their appreciation for the whole-hearted co-operation, dedication, commitment and contribution made by all the employees and look forward to their continued support.

For & on behalf of the Board

Naresh Chandra Chakraborty
Managing Director

Ravi Prakash Pincha
Director

Place : Kolkata
Date : 30th Day of May, 2013

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of Particulars under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 related to conservation of energy, technology absorption and foreign exchange earnings and outgo:

A. CONSERVATION OF ENERGY

The disclosure of particulars relating to conservation of energy in Form A under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is not applicable to the Company.

a) Energy Conservation Measures taken	N.A.
b) Additional Investments and proposals, being implemented for reduction of consumption of energy	N.A.
c) Impact of the measures at (a) or (b) above for reduction of energy consumption and consequent impact on the cost of production	N.A.
d) Total Energy consumption and energy consumption per unit of production	N.A.

ANNEXURE TO THE DIRECTORS' REPORT

B. TECHNOLOGY ABSORPTION

The Company is a manufacturing organization and is not engaged in research and development activity. The Company has no particulars related to research and development, technology absorption, adaptation and innovation as per Form B under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

	2012-13 (₹)	2011-12 (₹)
Research & Development (R & D)		
a) Specific areas in which R & D carried out	Nil	Nil
b) Benefits derived as a result of the above R & D	Nil	Nil
c) Future plan of action	Nil	Nil
d) Expenditure on R & D		
i) Capital Expenditure	Nil	Nil
ii) Recurring Expenditure	Nil	Nil
Total	Nil	Nil
Total R & D expenditure as a percentage of total turnover	Nil	Nil

Technology Absorption, Adaptation and Innovation		
1. Efforts in brief, made towards technology absorption, adaptation and innovation		Nil
2. Benefits derived as a result of the above efforts		Nil
3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year), following information may be furnished:		
i) Technology imported		N.A.
ii) Year of import		N.A.
iii) Has technology been fully absorbed?		N.A.
iv) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action		N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Company has exported cigarettes and cut tobacco and imported raw materials and spare parts of machines for manufacturing of cigarettes.

- a) Initiatives taken to increase exports, Development of new export markets for products and services and Export Plans:** The Company has focused and explored new markets for export of the products manufactured by the Company. The Company has taken various initiatives for increasing exports like strengthening design & development, improving taste and quality of product and increasing manufacturing capacities. The Company has a good network for marketing and export activities and it avails and explores export opportunities based on economic considerations, international market analysis and embarking on new product applications. During the year the Company has exports (FOB value) worth ₹ 16,331,785,556.00.

b) Total Foreign Exchange earned and used

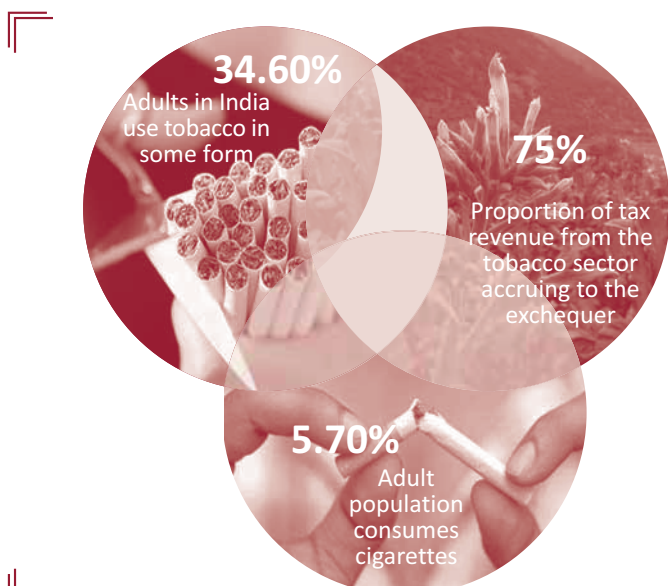
	2012-13 (₹)	2011-12 (₹)
i) Foreign Exchange earned	163,317,856.00	43,489,430.00
ii) Foreign Exchange used	18,740,131.00	12,960,018.00
iii) Expenditure	–	130,108.00



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Tobacco is considered amongst the major commercial crops in India. Irrespective of the health hazards associated with it, the Indian tobacco industry contributes significantly to the economy in terms of employment, income and government revenue. It is the second largest sector in terms of central excise revenue contribution after the oil and gas sector. The industry is also one of the major foreign exchange earners for the government.



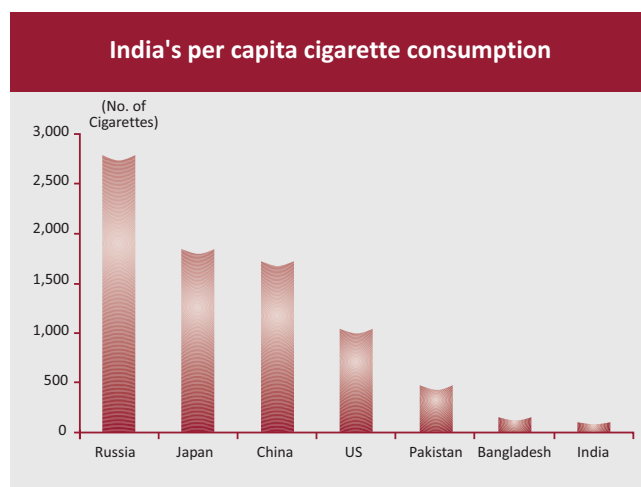
(Source : Global Adult Tobacco Survey, 2010, Ministry of Health and Family Welfare, Government of India)

India is the second- largest producer of tobacco globally after China and accounts for a meager 0.7% share in the \$30-billion global trade in tobacco. Of the total Indian tobacco production, chewing tobacco, bidis and cigarettes account for 48%, 38% and 14% respectively. Of these, cigarettes alone account for 85% of the country's total tobacco exports.

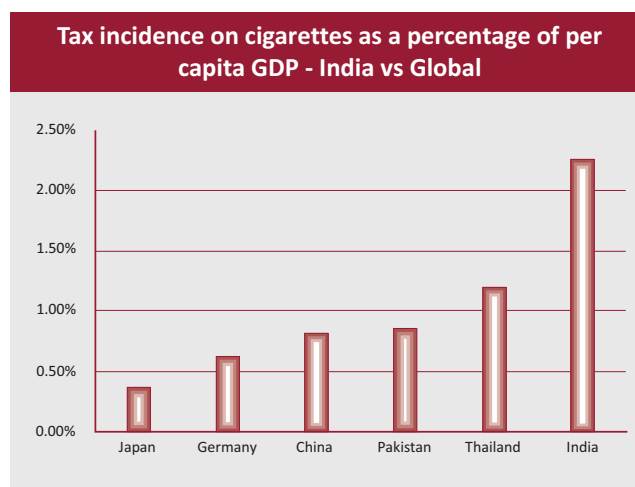
Tobacco provides a livelihood to 38 million people, and its economic contribution to India's GNP is significant, both at the national level, where earnings of US\$3.5 billion accounts for 10% of the government's total income from excise revenues, and at the state level, where local taxes earn around US\$1 billion annually.

The per capita cigarette consumption in India is just one-tenth of the global average and is the lowest among the Asian countries.

Fiscal year 2013 was a challenging year for the Indian tobacco industry. The increase in excise duty



(Source : CLSA, The Tobacco Atlas - 4th Edition (American Cancer Society), 2012)



(Source : Global Adult Tobacco Survey)

exerted pressure on the volumes as well as margins of the domestic tobacco companies. The tobacco production index slipped in the first half of Financial Year 2013, but showed impressive recovery in the last quarter of the fiscal year.

At 2.25% of per capita GDP, cigarette taxes (per 1000 cigarettes in most popular price category) in India are the highest in the world.

MANAGEMENT DISCUSSION AND ANALYSIS

CHALLENGES AND OUTLOOK

Taxing tobacco and tobacco products has always been the preferred way of generating revenues by the central and state governments especially in times of sustained inflationary pressures and uncertain macro-economic environment.

The consistent rise in excise duty and regulatory restrictions are the biggest challenges for the sector. Besides, increasing anti-tobacco drives and the ban on consumption in public areas further poses a big challenge for the sector. The Union Budget 2012 announced a steep increase of 22% in cigarette Excise Duty rates. Besides, there were also arbitrary increases in Value Added Tax (VAT) on cigarettes by States Governments.

While India's low per capita cigarette consumption bodes well for the sector, the future growth of the industry is completely dependent on the individual consumption patterns and their adherence to the anti-tobacco campaign.

RISK MANAGEMENT

Risk is an expression of the uncertainty about events and their possible outcomes that could have a material impact on the performance and prospects of the Company. ntc is committed to its proactive awareness and has taken actions in order to de-risk itself from the unforeseen adversities. Some of these risks include :



REGULATORY RISK

Definition :

Any adverse changes in the regulations of the tobacco industry may impact the regular functioning of the Company.

Mitigation :

Considering the increasing anti-tobacco awareness drive in India, the Company has proactively started exploring export opportunities.



FINANCIAL RISK

Definition :

Inappropriate financial management could result in staling of operations.

Mitigation :

The Company's prudence financial management was visible in the remarkable results achieved in 2012-13, thus mitigating itself from the overall economic downturn.



TECHNOLOGY RISK

Definition :

Obsolete technology may result in loss of productivity leading to higher production costs.

Mitigation :

The Company has upgraded technology in its facilities leading to a consistent improvement in the manufacturing and procuring process. This has allowed the Company to offer new brands at reasonable pricing.



HEALTH, SAFETY AND ENVIRONMENT RISK

Definition :

Improper health, safety and environment could impact the goodwill and credibility of the Company.

Mitigation :

The Company complies with all the applicable laws related to health, safety and environment and ensures sustainable business practices.



MANAGEMENT DISCUSSION AND ANALYSIS

THREAT

The continuous growth in illicit trade is a matter of serious concern for both the legitimate industry and the Government. A recent study reveals that the illegal business hits the public exchequer and the industry alike.

High taxation policy on cigarettes in India has resulted in the growth of contraband trade of the product. Sales of illegal cigarettes have doubled in last eight years lending to huge revenue loss to the government. It grew from 11 billion sticks to 22 billion sticks. The last year alone witnessed 2 billion illegal sticks increment. India at present accounts for 18% of the illegal cigarettes trade and which makes it the fifth largest market for contraband cigarettes.

The impact of the grey market is, however, not merely restricted to the substantial loss of revenue and sales. Less revenue collection by the government means declined spending on welfare measures, like health care, education, public transport etc. Simultaneously it leads to increased capital expenditure on public awareness campaigns, law enforcement and handling of seized illegal stocks.

The illicit market adversely impacts the Country's economy as well. On the one hand, it boosts the supply of black money, criminal activity and terrorism, while reducing the GDP growth and employment opportunities in legitimate channels, on the other.

In order to safeguard the Indian tobacco market from the ill effect of illegal tobacco trade, serious actions needs to be implemented by the government on a speedy basis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

ntc has adequate internal controls for safeguarding its assets, ensuring transactions are in accordance with our policies, and are duly authorised, recorded and reported to prevent possibilities of frauds or other irregularities. The Company is constantly putting efforts to further strengthen the systems for internal audit and risk assessment and mitigation.

Internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. These controls are designed to ensure that financial and other records are reliable for preparing financial information and other reports, and for maintaining regular accountability of the Company's assets.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Management recognizes their human resources as the prime machinery of the organization. They are always given the first priority and are provided with all the basic requirements and safety measures for good health and well-being. The Management has fostered a culture of feeling of being togetherness and attachment amongst NTC employees through participative management practices, open interaction and mutual respect. Besides, the Company also undertakes periodical leadership trainings for their employees, which will enable the organization to run smoothly and efficiently. The Company continued to maintain healthy industrial relations and did not report any sort of strike or lockout that would have impacted Company's operations.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the industrial expectations are "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied, important factors that could make difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the government regulations, tax regimes, economic developments in India and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

Sound Corporate Governance practices are guided by culture, conscience and mindset of an organization and are based on principles of openness, fairness, professionalism, transparency and accountability with an aim to building confidence of its various stakeholders and paving way for its long-term success. At NTC, Corporate Governance is defined as a systematic process by which companies are directed and controlled keeping in mind the long-term interests of all their stakeholders. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Corporate Governance has indeed assumed greater significance as the world has moved towards closer integration and free trade.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company firmly believes that Corporate Governance is about commitment to values and ethical business conduct. Your Company has a strong legacy of fair, transparent and ethical governance practices and endeavours to improve upon these aspects on an ongoing basis and adopts innovative approaches. The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. It has been enduring in its philosophy to enhance stakeholders' value and customers' satisfaction by consistently endeavoring to follow the best Corporate Governance practices. The Board plays a critical role in overseeing how the management serves the

short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. The Board updates its policies and guidelines from time to time to address the changing need of the environment in which it operates and to effectively achieve the stated objective of the Company.

2. BOARD OF DIRECTORS

In terms of the Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees to the shareholders. The Board of Directors ('the Board') is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

Composition

The composition of the Board of Directors of the Company is in conformity with the Code of Corporate Governance as per Listing Agreement with the stock exchanges. The Company has an optimum combination of Executive and Non-Executive Directors. There is one Managing Director, and three Non-Executive Independent Directors on the Board. The Board believes that the current size is appropriate, based on the Company's present circumstances.

The following is the composition of the Board as on 31st March, 2013 :

Name of the Director	Designation	Category	No. of other* Directorship(s)	Membership(s)/ Chairmanship(s) of Board Committees of other companies
Mr. Naresh Chandra Chakraborty ¹	Managing Director	Executive Director	–	–
Mr. Ravi Prakash Pincha	Director	Non-Executive & Independent Director	12	3 (including 1 as Chairman)
Mr. Dilip Chandra Chakraborty ²	Additional Director	Non-Executive & Independent Director	–	–
Mr. Gaurav Somani ³	Additional Director	Non-Executive & Independent Director	–	–

*Excludes Directorships in private limited, foreign companies and government companies

1. Appointed as Managing Director w.e.f. 12.11.2012
2. Appointed w.e.f 08.08.2012
3. Appointed w.e.f 15.11.2012



REPORT ON CORPORATE GOVERNANCE

Notes :

1. The Directorship/Committee membership is based on the Disclosures received from the Directors as on 31.03.2013.
2. None of the Directors hold Directorships in more than 15 companies pursuant to Section 275 read with Section 278 of the Companies Act, 1956.
3. None of the Directors hold Membership and/or Chairmanship of any Committee exceeding 10 Companies and/or 5 Companies respectively as per Clause 49 of the Listing Agreement.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company's/business policy and strategy apart from other Board business. The Board/Committee meetings are pre-

scheduled and a tentative date of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings. The Chairman of the Board and the Company Secretary, draft the agenda for each meeting, along with the agenda notes and explanatory statements, are distributed in advance to the Directors. Every Board member is free to suggest items for inclusion on the agenda. The Board meets at least once in a quarter to review the quarterly results and other agendas.

During the financial year ended 31st March, 2013, six (6) meetings of the Board were held, i.e., on 05/05/2012, 28/05/2012, 08/08/2012, 11/11/2012, 04/01/2013, 13/02/2013. The maximum interval between any two meetings was well within the maximum allowed gap of four months.

Attendance of Directors at Board Meetings and Annual General Meeting :

Director	No. of Board Meetings		Attendance at last AGM (08th August, 2012)
	Held during Directorship	Attended	
Mr. Naresh Chandra Chakraborty	6	6	Yes
Mr. Ravi Prakash Pincha	6	6	Yes
Mr. Manish Jain *	4	3	Yes
Mr. Mahendra Pratap Singh **	4	2	Yes
Mr. Lawrence Baptist Fernandes ***	4	3	Yes
Mr. Dilip Chakraborty	3	3	No
Mr. Gaurav Somani	2	2	No

* Ceased to be the director w.e.f. 21.12.2012

** Ceased to be the director w.e.f. 21.12.2012

*** Ceased to be the director w.e.f. 11.11.2012

3. DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT 22ND AGM PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT OF STOCK EXCHANGE

Mr. Ravi Prakash Pincha, retire by rotation and being eligible, seek re-appointment at the ensuing 22nd Annual General Meeting (AGM). Further, it is proposed to appoint Mr. Dilip Chakraborty and Mr. Gaurav Somani as Directors liable to retire by rotation and Mr. Naresh Chandra Chakraborty as Managing Director at the ensuing AGM.

A brief resume of the director retiring by rotation along with the nature of their expertise and the details of other directorships and the committee positions held by them and their shareholdings have been disclosed to the shareholders

through notes/Explanatory Statement annexed to the Notice for the ensuing AGM.

4. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles. The Board supervises the execution of its responsibilities by the Committee and is responsible for their action. The Minutes of the meetings of all the Committees are placed before the Board for review.

The Board had established the following Committees.

REPORT ON CORPORATE GOVERNANCE

A. Audit Committee

The Audit Committee of the Company acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures :

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to :

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

The role of the Audit Committee includes the following :

- (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending the appointment/re-appointment and removal of statutory auditors, internal auditors and fixation of their remuneration;
- (c) Approval of payment to statutory auditors for any other services rendered by them;
- (d) Reviewing, with the management, the financial statements before submission to the Board, focusing primarily on :
 - Matters required to be included in the Directors' Responsibility Statement, which is to be included in the Board's Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on exercise of judgment by the management.
 - Qualifications in the draft audit report.
 - Significant adjustments arising out of audit.
 - The 'going concern' assumption.

- Compliance with Accounting Standards.
 - Compliance with stock exchanges and legal requirements concerning financial statements.
 - Any related party transactions.
- (e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
 - (f) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same, prior to endorsement by the Board;
 - (g) Reviewing the adequacy of the internal audit function, reporting structure, coverage and frequency of the internal audit;
 - (h) Reviewing reports of internal audit and discussion with internal auditors on any significant finding and follow-up thereon;
 - (i) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity of failure of internal control systems of a material nature and reporting the matter to the Board;
 - (j) Discussion with the statutory auditors, before the audit commences on the nature and scope of audit, as well as post-audit discussions, to ascertain any areas of concern and review the comments contained in their draft report;
 - (k) To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders(in case of non-payment of declared dividend) and creditors;
 - (l) To review the functioning of the Whistle Blower Mechanism, in case the same is existing;
 - (m) Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualification, experience and background, etc. of the candidate;
 - (n) Reviewing the Company's financial and risk management policies;
 - (o) Considering such other matters as may be required by the Board.



REPORT ON CORPORATE GOVERNANCE

Composition of the Audit Committee

The Audit Committee comprises of two Non-Executive Independent Directors and one Executive Director. The Chairman of the Audit Committee is Independent Director. The Company Secretary is the Secretary to the Committee. All the members of the Committee are financially literate and the Chairman of the Committee has accounting and

financial management expertise. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement.

The Audit Committee met four times during the financial year ended 31st March, 2013 on 28/05/2012, 08/08/2012, 11/11/2012, and 13/02/2013.

Details of members and their attendance at the meetings :

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Manish Jain *	Chairman	3	3
2	Mr. Mahendra Pratap Singh **	Member	2	2
3	Mr. Lawrence Baptist Fernandes **	Member	2	2
4	Mr. Gaurav Somani ***	Chairman	1	1
5	Mr. Dilip Chakraborty ****	Member	1	1
6	Mr. Naresh Chandra Chakraborty ****	Member	1	1

Note :

* ceased to be directors from 21.12.2012

** ceased to be Committee Members w.e.f 09.11.2012

*** appointed as Chairman w.e.f. 21.12.2012

**** appointed as Members on 09.11.2013

B. Remuneration Committee

The Remuneration Committee of the Company, inter alia, recommends to the Board the compensation terms of the Executive Directors and other senior management personnel.

Committee is Independent Director. The Committee determines the remuneration paid/payable to the Managing Director and other Executive Directors subject to the approval of the members.

Composition of the Remuneration Committee

The Remuneration Committee comprises of three Non-Executive Directors and the Chairman of the Remuneration

During the financial year ended 31st March, 2013, three meeting of the Remuneration Committee were held on 28/05/2012, 05/12/2012, 20/03/2013.

Details of members and their attendance at the meetings are as follows :

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Mahendra Pratap Singh *	Chairman	2	2
2	Mr. Manish Jain *	Member	2	2
3	Mr. Ravi Prakash Pincha	Member	3	3
4	Mr. Dilip Chakraborty **	Chairman	1	1
5	Mr. Gaurav Somani **	Member	1	1

Note :

* ceased to be director from 21.12.2012

** appointed as member on 21.12.2012

REPORT ON CORPORATE GOVERNANCE

Remuneration Policy

The Company's remuneration strategy aims at attracting and retaining high-calibre talent. The remuneration policy, therefore, is market-led and takes into account respective job profile vis-à-vis the responsibility profile of individuals to attract and retain quality talent and leverage performance significantly.

Details of Remuneration of the Directors for the financial year ended 31st March, 2013 :

(Figures in ₹)

Director	Consolidated Salary	Perquisites and other Benefits	Performance bonus/ Commission	Sitting Fees	Total
Mr. Naresh Chandra Chakraborty	4,20,000	35,000	–	–	4,55,000/-
Mr. Lawrence Baptist Fernandes	5,32,000	–	–	–	5,32,000/-

No remuneration (including sitting fee) has been paid to the Non-Executive Directors in the financial year 2012-13. The Non-Executive Directors do not hold any shares and/or convertible instruments in the Company and also they do not have any pecuniary relationship or transaction with the Company except Mr. Ravi Prakash Pincha, who holds 5,600 shares and Mr. Gaurav Somani, who holds 1,500 shares in the Company. The Company has not granted any stock options to its Directors.

C. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee of the Company oversees the redressal of shareholders and investor grievances, and approves the sub-division, transfer/transmission of shares, issue of duplicate share certificates, etc. The committee also meets as and when required for approving share transfers. The processing activities with respect to requests received for share transfer are normally completed within 30 working days from the date of receipt of request.

Composition of Shareholders'/Investors' Grievance Committee

Pursuant to clause 49 of the Listing Agreement, a Shareholders'/Investors' Grievances Committee exists in NTC Industries Ltd. to look into the investors' complaints, if any, and to redress the same expeditiously.

The Committee has met 10 times on 30/04/2012, 16/05/2012, 08/08/2012, 31/08/2012, 10/09/2012, 11/11/2012, 05/12/2012, 13/02/2013, 09/03/2013 and 20/03/2013 during the period from 01/04/2012 to 31/03/2013.

Details of members and their attendance at the meetings are as follows :

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Mahendra Pratap Singh *	Chairman	7	6
2	Mr. Manish Jain *	Member	7	7
3	Mr. Naresh Chandra Chakraborty *	Member	7	7
4	Mr. Ravi Prakash Pincha **	Chairman	3	3
5	Mr. Dilip Chandra Chakraborty **	Member	3	3
6	Mr. Gaurav Somani **	Member	3	3

Note :

* ceased to be director from 21.12.2012

** appointed as member on 21.12.2012

Company Secretary & Compliance Officer

Mr. Sunil Kumar Varma, Company Secretary is the Compliance Officer of the Company. The shareholders may send their complaints at investors@ntcind.com.



REPORT ON CORPORATE GOVERNANCE

Details of shareholders' complaints :

(a)	Number of shareholders' complaints received during the year	0 (Zero)
(b)	Number of shareholders' complaints resolved during the year	0 (Zero)
(c)	Number of complaints not solved to the satisfaction of shareholders	Nil
(d)	Number of complaints pending	Nil

5. CODE OF CONDUCT

The Company is consistently endeavouring to conduct its business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

The Board of Directors have adopted the Code of Conduct for the Directors and Senior Management (hereinafter referred to as "the Code") which has been posted on the Company's website www.ntcind.com.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given below :

"I hereby confirm that the Company has obtained, from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of financial year 2012-13."

Naresh Chandra Chakraborty
Managing Director

6. DETAILS OF GENERAL BODY MEETINGS

(a) The date, time and venue of the last 3 Annual General Meetings are as under :

Financial Year ended	Meeting	Date	Time	Location	No. of Special Resolution, if any, passed
2011-12	21st A.G.M.	Wednesday, 8th August, 2012	12.30 p.m.	Gyan Manch, 11 , Pretoria Street, Kolkata - 700 071	–
2010-11	20th A.G.M.	Monday, 19th September, 2011	9.00 a.m.	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata - 700 017	–
2009-10	19th A.G.M.	Wednesday, 8th September, 2011	9.00 a.m.	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani Kolkata - 700 017	1*

* Special Resolution for Alteration of Articles of Association of the Company

(b) No extra-ordinary general meeting of the shareholders was held during the year.

(c) No special resolution was passed during the year through postal ballot.

(d) None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

REPORT ON CORPORATE GOVERNANCE

7. DISCLOSURES

a) Disclosures on materially significant related party transactions :

All contracts with our affiliates entered into during the said period have no potential conflict of interests of the Company at large and are being carried out at an arm's length at fair market value. There are no materially significant related party transactions i.e. any transaction of material nature, with its promoters, directors or the management or relatives, etc. that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transactions with related parties have been disclosed in Note No. 2.29 of Notes to the Accounts forming part of the accounts for the year ended 31st March, 2013.

b) Statutory Compliances :

The Company regularly complies with the requirements of the regulatory authorities on the matters relating to the capital market and no penalties/restrictions have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, during the last three years.

c) Whistle Blower Policy :

The Company does not have a Whistle Blower Policy. However, no personnel of the Company have been denied access to the Audit committee.

d) Disclosure of Accounting Treatment :

In preparation of Financial Statements, the Company has followed the Accounting Standards issued by The Institute of Chartered Accountants of India. The significant Accounting Standards have been set out in the notes to Accounts of the Audited Accounts.

e) Management Discussion and Analysis Report (MDA) :

MDA forms part of the Directors' Report and the same is attached separately in this Annual Report.

f) Compliance of Mandatory Requirements and Adoption of Non-mandatory requirements of Clause 49 :

The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has complied with the non-mandatory

requirements of Clause 49 with regard to the constitution of Remuneration Committee.

8. MEANS OF COMMUNICATION

The Company interacts with the Shareholders through the multiple channels of communication such as publication of results, Annual Report and the Company's website. The Company also informs the Stock Exchange in a prompt manner, all price sensitive and all other matters which in its opinion, are material and relevant for the Shareholders.

- a. The quarterly un-audited financial results and annual audited financial results are published in all editions of Business Standard and/or The Financial Express in English, and Kalantar, Dainik Lipi, Duranta Barta and/or Arthik Lipi in Bengali.
- b. The quarterly financial results and annual audited financial results of the Company are sent to The Calcutta Stock Exchange Limited and BSE Limited.
- c. The Company's financial results are also displayed on its website, www.ntcind.com.
- d. The Company's website does not display any official news releases.
- e. In compliance of Clause 47(f) of the Listing Agreement, the Company has designated an e-mail id as investors@ntcind.com especially for its investors.
- f. No presentation was made to the institutional investors or to the analysts during the year under review.
- g. Annual Report, containing inter alia, Director's Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to members and others entitled thereto.

9. COMPLIANCE CERTIFICATE OF THE AUDITORS

The statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed.

10. RECONCILIATION OF SHARE CAPITAL

As per SEBI (Depositories & Participants) Regulation, 2003, certificate of Reconciliation of Share Capital Audit issued by a Practicing Company Secretary, confirming that the total issued capital of the Company is in



REPORT ON CORPORATE GOVERNANCE

agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis and also submitted to the stock exchanges.

11. GENERAL SHAREHOLDER INFORMATION

Details of Annual General Meeting for F. Y. 2012-13

Date	: Thursday, 8th August, 2013
Venue	: The Aryans School, 149, B. T. Road, Kolkata - 700 058
Time	: 10.00 a.m.
Book closure date	: From Thursday, 1st August, 2013 to Thursday, 8th August, 2013 (both days inclusive)

Financial Calendar :

Financial year : 1st April to 31st March

For the year ended 31st March, 2013, results were adopted on :

- ♦ 8th August, 2012 : First quarter (Un-audited)
- ♦ 11th November, 2012 : Half yearly (Un-audited)
- ♦ 13th February, 2013 : Third quarter (Un-audited)
- ♦ 30th May, 2013 : Annual (Audited)

For the year ending 31st March, 2014, the results are likely to be adopted :

- ♦ on or before 14th August, 2013 : First quarter (Un-audited)
- ♦ on or before 14th November, 2013 : Half yearly (Un-audited)
- ♦ on or before 14th February, 2014 : Third quarter (Un-audited)
- ♦ on or before 30th May, 2014 : Annual (Audited)

Listing on Stock Exchanges

The shares of the Company are listed on the following Stock Exchanges, namely

Name of the Stock Exchange	Address of the Stock Exchange	Stock Code
The Calcutta Stock Exchange Limited	7, Lyons Range, Kolkata - 700 001 Website : www.cse-india.com	28393
BSE Limited	Phiroz Jeejabhoy Towers, Dalal Street, Mumbai - 400 001 Website : www.bseindia.com	533285

The listing fees for the financial year 2013-14 have been paid to the above Stock Exchanges.

Depositories

Name of the Depository	Address of the Depository	Website
National Securities Depository Ltd.	Trade World, Kamala Mills Compound Lower Parel, Mumbai - 400 013	www.nsdl.co.in
Central Depository Services (India) Limited	P J Towers, 17th Floor, Dalal Street, Fort Mumbai - 400 001	www.cdslindia.com

The International Securities Identification Number (ISIN) allotted to Company's securities under the Depository system is INE920C01017. The fees to the depositories for the financial year 2013-14 have been paid.

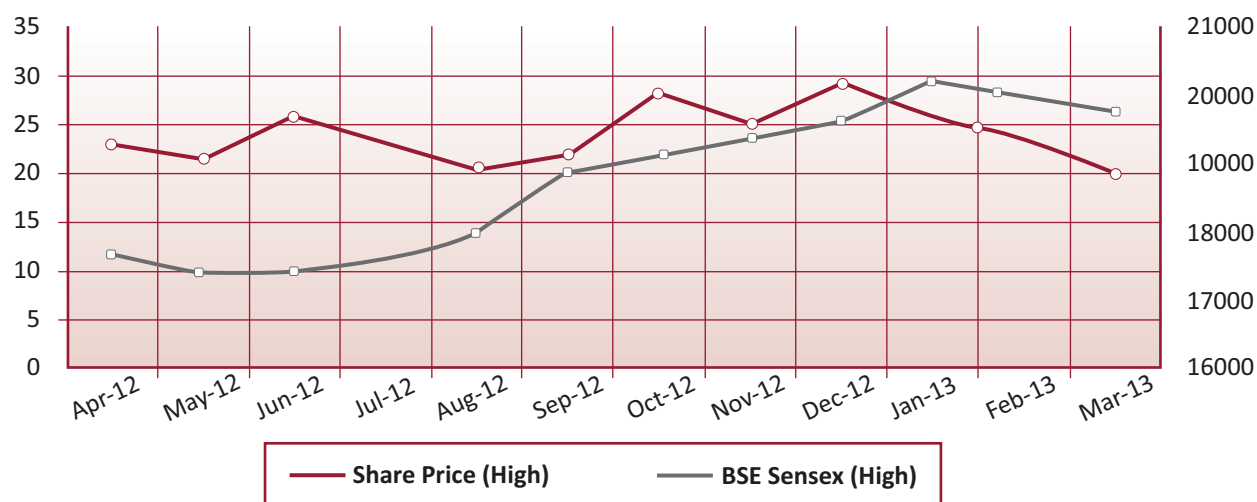
REPORT ON CORPORATE GOVERNANCE

Market price data

The monthly high and low share price data at the BSE Limited for the financial year 2012-13 :

Month	Share Price (High)	Share Price (Low)	BSE Sensex (High)	BSE Sensex (Low)
April, 12	22.75	18.40	17,664.10	17,010.16
May, 12	21.45	16.20	17,432.33	15,809.71
June, 12	25.75	16.60	17,448.48	15,748.98
July, 12	22.50	17.15	17,631.19	16,598.48
August, 12	20.35	16.60	17,972.54	17,026.97
September, 12	21.85	15.05	18,869.94	17,250.80
October, 12	28.10	17.50	19,137.29	18,393.42
November, 12	25.05	19.50	19,372.70	18,255.69
December, 12	29.25	20.30	19,612.18	19,149.03
January, 13	25.85	21.00	20,203.66	19,508.93
February, 13	23.50	18.25	19,966.69	18,793.97
March, 13	20.00	15.00	19,754.66	18,568.43

Performance of Company's Scripts on BSE vs BSE Sensex



Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited
D-511, Bagree Market, 71, B.R.B. Basu Road
5th Floor, Kolkata - 700 001
Phone No. (033) 2234-3576, 2235-7270/7271
Fax No. (033) 2215-6823
E-mail : nichetechpl@nichetechpl.com
Contact Person - Mr. S. Abbas (Sr. Manager - Systems)

Share Transfer System

The RTA performs all share transfer activities, which is a Category-I Registrar & Share Transfer Agent. Therefore, all correspondences should be made to the address mentioned above. Shareholders holding shares in the electronic form should address their correspondence to their respective depository participants.



REPORT ON CORPORATE GOVERNANCE

Distribution of Shareholding

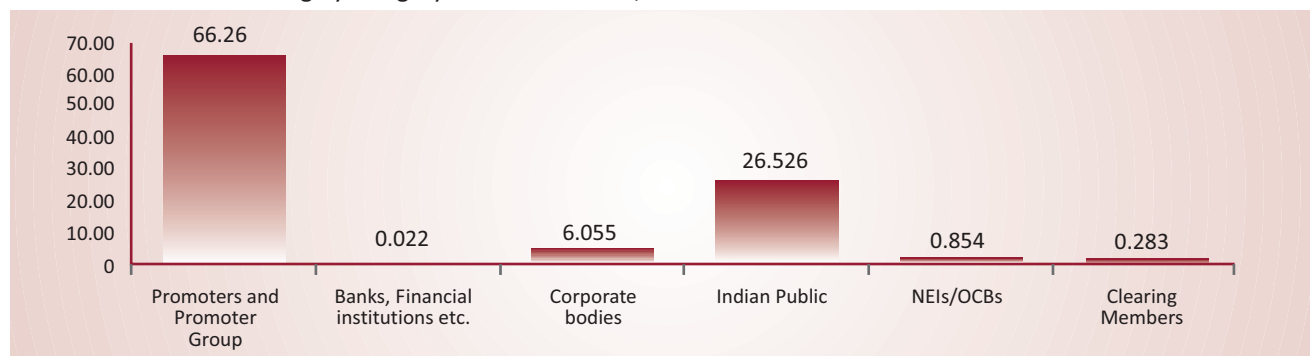
Distribution of shareholding by size as on 31st March, 2013 :

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	5,678	87.14	7,85,110	7.30
501 - 1000	431	6.62	3,52,550	3.28
1001 - 5000	311	4.77	6,78,598	6.31
5001 - 10000	42	0.64	3,04,569	2.83
10001 - 50000	38	0.58	7,82,798	7.28
50001 - 100000	5	0.08	3,25,959	3.04
100001 and above	11	0.17	75,20,416	69.96
Total	6,516	100	1,07,50,000	100

Distribution of shareholding by category as on 31st March, 2013 :

Category	Number of Shares	% to Total
Promoters and Promoter Group	71,22,955	66.260
Banks, Financial Institutions etc.	2,400	0.022
Corporate Bodies	6,50,859	6.055
Indian Public	28,51,527	26.526
NRIs/OCBs	91,842	0.854
Clearing Members	30,417	0.283
Total	1,07,50,000	100.00

Distribution of shareholding by category as on 31st March, 2013 :



REPORT ON CORPORATE GOVERNANCE

List of Top Ten Shareholders as on 31st March, 2013 :

Sl. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1	Vinod Dugar	21,14,423 *	19.66
2	Sheetal Dugar	18,03,180	16.77
3	Khatod Investments & Finance Company Limited	9,21,225	8.57
4	Pyramid Sales Private Limited	7,16,122	6.66
5	Sunder Lal Dugar	6,87,900 **	6.40
6	Loka Properties Private Limited	3,77,100	3.51
7	Ankur Constructions Private Limited	3,75,000	3.49
8	Maheswari Plaza Resorts Limited	2,34,931	2.19
9	Babita Kishangopal Bang	1,34,700	1.25
10	Yashaswi Dugar	1,20,055	1.12

* includes 46,400 shares as Trustee of Rekha Benefit Trust

** includes 67,200 shares held as Karta of Moti Lal Dugar (HUF)

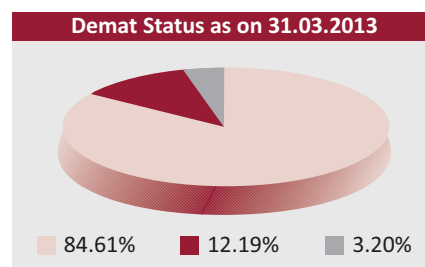
Details of shares held by Directors as on 31st March, 2013 :

Name of Director	No. of Equity Shares	% of Total holding
Mr. Naresh Chandra Chakraborty	Nil	Nil
Mr. Ravi Prakash Pincha	5,600	0.052
Mr. Dilip Chandra Chakraborty	Nil	Nil
Mr. Gaurav Somani	1,500	0.014
Total	7,100	0.066

Dematerialisation of shares and liquidity

Shares held in dematerialised and physical form as on 31st March, 2013

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	90,95,588	84.61
Shares held in CDSL	13,10,721	12.19
Shares held in physical form	3,43,691	3.20



Outstanding GDR's/ADR's/Warrants or any Convertible Instruments

The Company has not issued any GDR's/ADR's/Warrants/Stock Options or any other Convertible Instruments.

Plant Location and address for correspondence

ntc industries limited
149, B. T. Road, Kamarhati
Kolkata - 700058
Website : www.ntcind.com



CERTIFICATE OF CORPORATE GOVERNANCE

To
The Members
ntc industries limited

We have examined the compliance of conditions of Corporate Governance by NTC Industries Limited (the Company) for the year ended 31st March, 2013, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate Governance as stipulated in the Clause 49 of the above-mentioned Listing Agreement.

On the basis of records maintained by the Company, we state that as on 31st March, 2013, there were no investor grievances remaining pending for a period exceeding one month against the company.

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

For **S. M. DAGA & CO.**
Chartered Accountants
Firm Registration No. 303119E

Deepak Kumar Daga
Partner
Membership No. 059205

Place : Kolkata
Date : 30th May, 2013

CEO/CFO CERTIFICATE

To
The Board of Directors
ntc industries limited

We, Naresh Chandra Chakraborty, Managing Director appointed in terms of the Companies Act, 1956 and Prem Chand Khator, Chief Financial Officer, hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the period
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **ntc industries limited**

Place : Kolkata
Date : 30th May, 2013

Naresh Chandra Chakraborty
Managing Director

Prem Chand Khator
Chief Financial Officer



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Members of
ntc industries limited

We have audited the accompanying financial statements of ntc industries limited, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss for the year ended on that date and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with other notes 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 :

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2013.
- b) In the case of the Statement of Profit & Loss of the Profit for the year ended 31st March, 2013.
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 227(3) of the Act, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. Proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
3. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
4. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. In our opinion and according to the explanations given to us none of the Directors are disqualified from being appointed as directors under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in exercise of the power conferred by section 227(4A) of the Companies Act, 1956 on the matters specified in paragraph 4 and 5 of the said Order, we report that -

INDEPENDENT AUDITORS' REPORT

- i) a) The company is maintaining proper records showing, full particulars including quantitative details and situation of Fixed Assets.
- b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- c) In our opinion, substantial part of fixed assets has not been disposed off by the company during the year.
- ii) a) In our opinion, the inventory of the Company has been physically verified by the management at reasonable intervals during the year. In respect of material lying with third parties, these have substantially been confirmed by them.
- b) In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies ascertained on physical verification between the physical stocks and the book records of inventories were not material in relation to the operations of the Company.
- iii) a) The company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956, during the year. The maximum amount involved during the year was ₹ 9,95,12,361/- and the year end balance was ₹ 6,14,26,168/-.
- b) In our opinion and according to the explanation given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- c) The receipt of the principal amount and interest are regular.
- d) There are no overdue amounts of more than rupees one lakh in respect of the loan granted to a body corporate listed in the register maintained under section 301 of the Act.
- e) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) a) In our opinion and according to information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and records of the company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

INDEPENDENT AUDITORS' REPORT

- b) According to the records of the Company examined by us and according to information and explanations given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute except as detailed hereunder :

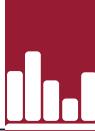
Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty and interest, penalty thereon		8,816.56 Assistant/Additional/Deputy Commissioner, Commissioner, Commissioner (Appeals), Appellate Tribunal, High Court & Supreme Court

- x) The accumulated losses as at 31st March, 2013 are not more than fifty percent of its net worth. The company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the Balance Sheet date.
- xii) In our opinion, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- xiv) In our opinion and according to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institution.
- xvi) The term loan obtained by the company has been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investments by the company.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the registered maintained under section 301 of the Companies Act, 1956.
- xix) The company has not issued any debentures and hence question of creating security in respect thereof does not arise.
- xx) The Company has not raised any money by way of public issue during the year.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **S. M. DAGA & CO.**
Chartered Accountants
Firm Registration No 303119E

Deepak Kumar Daga
Partner
Membership No. 059205

11, Clive Row, Kolkata - 700 001
Dated : The 30th day of May, 2013



BALANCE SHEET

as at 31st March, 2013

(Amount in ₹)

Particulars	Note	As at March 31, 2013		As at March 31, 2012	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
(a) Share Capital	2.1	107,500,000		107,500,000	
(b) Reserves and Surplus	2.2	186,131,507	293,631,507	169,098,166	276,598,166
2. Non-current Liabilities					
(a) Long-term Borrowings	2.3	53,509,010		87,362,997	
(b) Deferred Tax Liabilities (net)	2.4	(3,879,296)		536,225	
(c) Long-term Provisions	2.5	23,592,585	73,222,299	23,413,862	111,313,084
3. Current Liabilities					
(a) Short-term Borrowings	2.6	21,489,955		23,390,827	
(b) Trade Payables		62,752,667		20,727,986	
(c) Other Current Liabilities	2.7	126,684,619		102,317,289	
(d) Short-term Provisions	2.8	15,071,273	225,998,514	7,512,569	153,948,671
Total			592,852,320		541,859,921
II. ASSETS					
1. Non-current Assets					
(a) Fixed Assets	2.9				
(i) Tangible Assets		176,013,545		169,263,146	
(ii) Capital work-in-Progress		79,994,193		80,603,645	
		256,007,738		249,866,791	
(b) Non Current Investments	2.10	6,014,997		6,014,997	
(c) Deferred Tax Assets (net)					
(d) Long-term Loans and Advances	2.11	51,909,280		51,809,280	
			313,932,015		307,691,068
2. Current Assets					
(a) Inventories	2.12	57,007,816		57,317,082	
(b) Trade Receivables	2.13	88,960,428		34,160,882	
(c) Cash and Bank Balances	2.14	8,802,424		7,357,886	
(d) Short-term Loans and Advances	2.15	124,149,637	278,920,305	135,333,003	234,168,853
Total			592,852,320		541,859,921
Significant accounting policies and notes to accounts	1 & 2				

This is the Balance Sheet referred to in our report of even date

For and on behalf of Board

For **S. M. DAGA & CO.**

Chartered Accountants

Firm Registration No. 303119E

Deepak Kumar Daga

Partner

Membership No. 059205

Place : Kolkata

Date : 30th day of May, 2013

Sunil Kumar Varma

Company Secretary

Naresh Chandra Chakraborty

Managing Director

Ravi Prakash Pincha

Director

STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Note	For the year ended March 31, 2013		For the year ended March 31, 2012	
REVENUE					
Revenue from Operations :					
Sales and Services	2.16	542,289,294		472,436,132	
Less : Excise Duty		94,611,231	447,678,063	74,830,921	397,605,211
Other Income	2.17		14,749,634		4,036,643
Total Revenue			462,427,697		401,641,854
EXPENSES					
Cost of Materials Consumed	2.18		125,964,044		49,377,535
Purchase of Stock in Trade			148,514,740		266,720,835
Changes in Inventories of Finished Goods and Stock in Trade	2.19		9,110,256		(28,313,429)
Employee Benefits Expense	2.20		39,841,251		41,979,811
Finance Costs	2.21		15,521,075		7,197,195
Depreciation	2.9		10,966,020		9,810,581
Other Expenses	2.22		89,590,595		51,911,706
Prior Period Expenses (net)			267,833		42,853
Total Expenses			439,775,814		398,727,087
Profit/(Loss) before Tax (PBT)			22,651,883		2,914,767
Tax Expenses :					
(a) Current Tax			7,349,404		900,662
(b) Tax adjustments for earlier years			2,684,658		–
(c) Deferred Tax			(4,415,520)		(769,299)
Profit/(loss) for the period after Tax (PAT)			17,033,341		2,783,404
Earnings Per Share (refer note no. 2.26)			1.58		0.26
Significant accounting policies and notes to accounts	1 & 2				

This is the Statement of Profit & Loss referred to in our report of even date

For and on behalf of Board

For **S. M. DAGA & CO.**

Chartered Accountants

Firm Registration No. 303119E

Deepak Kumar Daga

Partner

Membership No. 059205

Sunil Kumar Varma

Company Secretary

Naresh Chandra Chakraborty

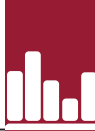
Managing Director

Ravi Prakash Pincha

Director

Place : Kolkata

Date : 30th day of May, 2013



CASH FLOW STATEMENT

for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Note	For the year ended March 31, 2013	For the year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net profit before tax as per Statement of Profit & Loss		22,651,883	2,914,767
Adjustments for :			
Depreciation		10,966,020	9,810,581
Bad Debts expenses written off		4,406,884	-
(Profit) / Loss on sale of fixed assets		(27,358)	632,065
Foreign Exchange (gain) / loss on trade receivable		(1,951,714)	(262,549)
Interest paid		14,305,597	5,817,744
Sundry balances / (liabilities) written back		(73,731)	(275,007)
Interest received		(11,756,022)	(1,568,344)
Dividend received		(50,000)	-
Provision for rental income AS-19		(408,212)	(975,238)
Provision of Employees' retirement & current benefits		6,690,359	13,471,267
Operating profit before working capital changes		44,753,706	29,565,286
(Increase) / Decrease in inventories		(309,266)	(30,738,948)
(Increase) / Decrease in trade and other receivables		(45,923,155)	(4,027,289)
Increase / (Decrease) in trade payables		56,713,583	26,707,482
Cash generated from operations		55,853,400	21,506,531
Less: Direct taxes paid/ (refunds) including interest (net)		(3,268,001)	5,017,870
Cash Flow before exceptional items		52,585,399	16,488,661
Exceptional items		-	-
Net cash generated/(used) from operating activities		52,585,399	16,488,661
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of fixed assets		(17,424,492)	(17,069,420)
Proceeds from sale of fixed assets		361,310	1,647,560
(Payment) / refund for long-term advance		(100,000)	(88,780,490)
(Deposit) / Refund in Fixed Deposits		(68,539)	3,070,160
(Purchase)/Sale of Investment		-	(5,513,750)
Interest received		11,756,022	1,568,344
Dividend received		50,000	-
Net cash from investing activities		(5,425,699)	(105,077,596)
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Proceeds / (repayment) of long term borrowings		(29,577,232)	81,670,051
Proceeds / (repayment) of short term borrowings		(1,900,872)	(1,541,499)
Interest paid		(14,305,597)	(5,500,420)
Net cash generated/(used) in financing activities		(45,783,701)	74,628,132
Net increase/(decrease) in cash and cash equivalents (A+B+C)		1,375,999	(13,960,803)
Cash and cash equivalents - Opening balance		3,232,540	17,193,343
Cash and cash equivalents - Closing balance		4,608,539	3,232,540
CASH AND CASH EQUIVALENTS COMPRISE :			
Balances with bank		2,506,513	1,581,923
Cash on hand		2,102,026	1,650,617
		4,608,539	3,232,540

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of Board

For **S. M. DAGA & CO.**

Chartered Accountants

Firm Registration No. 303119E

Deepak Kumar Daga

Partner

Membership No. 059205

Sunil Kumar Varma

Company Secretary

Naresh Chandra Chakraborty

Managing Director

Ravi Prakash Pincha

Director

Place : Kolkata

Date : 30th day of May, 2013

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31st March, 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under historical cost convention on accrual basis as a going concern and in accordance with the Generally Accepted Accounting Principles (GAAP), the Companies Act, 1956 and in compliance with Companies (Accounting Standard) Rules, 2006, (as amended) as notified u/s 211(3C) of Companies Act, 1956 except those with significant uncertainty. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles.

B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the balance sheet date and amounts of income and expenses during the year. Examples of such estimates include income taxes and future obligation under employee retirement benefit plans. Actual results could differ from those estimated. The effects of adjustment arising from revisions made to the estimates are included in the statement of profit and loss of the year in which such revisions are made.

C. Current and Non-Current

All the assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

D. Revenue Recognition

- a) Revenue from sale of goods are recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales represents invoice value of finished goods sold inclusive of excise duty and value added tax but excludes sales returns, claims, rate difference etc.
- b) Revenue from services are recognised on rendering of services to customers except otherwise stated.
- c) Rental income (exclusive of Service Tax) from assets given on operating lease is recognised using straight line method. Contingent rent is recognised as income to reflect systematic allocation of earnings over the lease period. This policy is not applicable for variable rental income based on turnover of the tenant.

Other Income

- d) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- e) Dividend income is recognised when the right to receive is established.
- f) Excise, insurance and other claims/refunds are accounted for on acceptance/actual receipt/ payment basis.

E. Fixed Assets

- i) Tangible assets, including those given on operating lease, are stated at cost of acquisition inclusive of freight incurred, duties and taxes (net of CENVAT/VAT) and incidental expenses less accumulated depreciation.
- ii) Capital work in progress, cost incurred on construction of fixed assets consists of all directly attributable expenditure.

F. Depreciation

Depreciation is provided on fixed assets including those given on operating lease on written down value method at the rates and in the manner specified in Schedule - XIV of the Companies Act, 1956.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31st March, 2013

G. Impairment of Assets

An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Impairment is charged to statement of profit and loss in the year in which an asset is identified as impaired. The impairment losses recognised in prior accounting period are reversed if there has been a change in the estimate of the recoverable amount.

H. Investments

Investments are bifurcated into non current and current on the basis of intention of holding. Investments that are readily realisable and intended to be held for not more than a year from the date of balance sheet are classified as current investments. All other investments are classified as non current. Current Investments are carried at lower of cost or fair market value, determined on an individual investment basis. Non current investments are carried at cost. Provision for diminution in the value of non current investments is made, only if such a diminution is other than temporary.

I. Inventories

- a) Raw materials : At lower of weighted average cost or net realisable value.
- b) Work in progress : At lower of cost or net realisable value.
- c) Finished goods and Stock in trade : At lower of cost or net realisable value.
- d) Stores and spares, packing and printing materials : At lower of weighted average cost or net realisable value.

J. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments without significant risk and with original maturities of three months or less as per the AS – 3 “CASH FLOW STATEMENT”.

K. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transactions or that approximates the actual rate at the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the year.

L. Excise Duty

Excise Duty has been accounted for at the time of manufacture of goods, accordingly excise duty on finished goods lying as stock in factory has been considered for valuation.

M. Employee Benefits

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, the expected cost of ex-gratia, etc are recognised in the period in which the employee renders the related service.

b) Post-employment benefits

- i) Defined Contribution Plan : Employee benefits in the form of Provident Fund etc. are considered as defined contribution plan and the contributions are charged to the statement of profit & loss for the year when the contributions to the respective funds are due.

SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31st March, 2013

- ii) Defined Benefit Plan : Employee benefits in the form of gratuity and leave encashment are considered as defined benefit plan and are provided for on the basis of an independent actuarial valuation, using the projected unit credit method, as at the balance sheet date as per requirements of Accounting Standard- 15 (Revised 2005) on "Employee Benefits". Actuarial gains/losses, if any, are immediately recognised in the statement of profit and loss.

N. Taxation

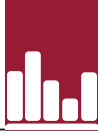
- a) Current Tax : Current Tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternative Tax credit available under Section 115JB of the Income Tax Act, 1961 are accounted in the year in which the benefits are claimed.
- b) Deferred Tax : Deferred Tax is recognised subject to consideration of prudence on the basis of timing differences being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent there is reasonable certainty that the asset will be realised in future.

O. Provisions/Contingencies

A provision is recognised for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation as at the balance sheet date. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent liability and are disclosed by way of notes to accounts.

P. Prior Period Adjustments

Adjustment of identifiable items of income and expenditure pertaining to prior period are accounted for as prior period adjustments.



NOTES TO ACCOUNTS

for the year ended 31st March, 2013

2. Amounts in the financial statements are presented in Rupees and rounded off to the nearest decimals thereof. Previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

Note 2.1 SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Authorised share capital :		
16,500,000 (Previous year 16,500,000) equity shares	165,000,000	165,000,000
3,500,000 (Previous year 3,500,000) preference shares	35,000,000	35,000,000
Total	200,000,000	200,000,000
b. Issued, subscribed and paid-up share capital :		
10,750,000 (Previous year 10,750,000) equity shares each fully paid-up	107,500,000	107,500,000
Total	107,500,000	107,500,000
c. Par value per share :		
Class of share :		
Equity shares	10	10
Preference Shares	10	10

d. Reconciliation of number of equity shares outstanding as at the beginning and as at the end of the year :

Particulars	31st March 2013 Nos.	31st March 2012 Nos.
Equity Shares		
Number of shares outstanding as at the beginning of the year	10,750,000	10,750,000
Add : Number of shares issued during the year		
Less : Number of shares bought back during the year		
Number of shares outstanding as at the end of the year	10,750,000	10,750,000

e. The rights, preferences and restrictions attaching to shares and restrictions on distribution of dividend and repayment of capital :

The Company has only class of equity shares having par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. Dividend proposed (if any) by the Board of Directors, is subject to the approval of shareholders, except in case of interim dividend.

f. Details of shareholders holding more than 5% shares :

Name of shareholders	31st March 2013 % holding / No. of Shares	31st March 2012 % holding / No. of Shares
1. Vinod Dugar (As individual = 20,68,023 shares + Guardian of Yashaswi Dugar = 1,20,055 shares + Trustee of Rekha Benefit Trust = 46,400 shares)	21% 2,234,478	21% 2,234,478
2. Sheetal Dugar	17% 1,803,180	12% 1,299,174
3. Pyramid Sales Private Limited	7% 716,122	7% 716,122
4. Khatod Investments and Finance Company Limited	9% 921,225	9% 921,225
5. Sunder Lal Dugar (As individual = 6,20,700 shares + Karta of Sundar Lal Dugar (HUF) = 67,200 shares)	6% 687,900	6% 687,900
Total	59% 6,362,905	55% 5,858,899

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

- g. Share reserved for issue under options and contracts
h. Commitments for sale of shares/disinvestment

Note 2.2 RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Capital Reserve	15,250,000	15,250,000
b. Capital Redemption Reserve	26,440,000	26,440,000
c. Surplus, i.e., balance of statement of profit & loss		
As at the beginning of the year	127,408,166	124,624,762
Add : Profit for the year	17,033,341	2,783,404
Surplus - As at the end of the year	144,441,507	127,408,166
Total (a+b+c)	186,131,507	169,098,166

Note 2.3 LONG-TERM BORROWINGS

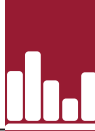
Term loan from bank (Secured)	33,509,010	67,362,997
(i) Secured by way of assignment of lease rentals charge and by personal guarantee of promoters.		
(ii) The Loan is repayable in 36 monthly instalments of ₹ 34,05,633 (including interest) starting from 20.03.2012 and last instalment falling due on 20.03.2015.		
(iii) The applicable rate of interest is base rate plus 3.75%.		
From other parties (Unsecured) (refer note no: 2.32)	20,000,000	20,000,000
Total	53,509,010	87,362,997

Note 2.4 DEFERRED TAX LIABILITIES (ASSET) (NET)

a. Deferred Tax Assets :		
- Provision for Bonus	243,338	216,300
- Provision for Leave Salary	405,758	109,956
- Provision for Gratuity	10,405,964	7,263,303
- Provision for Bad Debt	1,114,071	–
	12,169,131	7,589,559
b. Deferred Tax Liabilities :		
- Opening balance	–	1,305,523
- Depreciation allowance on Fixed Assets	8,157,391	6,518,912
- Rental Income	132,444	301,349
	8,289,835	8,125,784
Total (b-a)	(3,879,296)	536,225

Note 2.5 LONG-TERM PROVISIONS

Gratuity	22,616,911	22,346,492
Leave Encashment	975,674	1,067,369
Total	23,592,585	23,413,861



NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.6 SHORT-TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
Working Capital Loan from Bank (Secured, repayable on demand)	21,489,955	23,390,827
(i) Secured by corporate guarantee of group company and by personal guarantee of promoter.		
(ii) The applicable rate of interest is base rate plus 4%.		
Total	21,489,955	23,390,827

Note 2.7 OTHER CURRENT LIABILITIES

Current Maturities of Long Term Debt	33,658,397	29,381,642
Interest accrued but not due on borrowings	298,113	399,798
Excise Duty payable (BDR) (refer note 2.31)	21,548,160	21,548,160
Advance from Party	9,350,858	–
Advance from Related Party	12,600,000	11,900,000
Other Payables	48,670,000	38,528,598
Unclaimed Dividend *	559,091	559,091
Total	126,684,619	102,317,289

* There is no amount due and outstanding as on 31st March, 2013 to be credited to Investor Education and Protection Fund.

Note 2.8 SHORT-TERM PROVISIONS

Income Tax	7,713,230	1,264,488
Gratuity	7,083,114	6,127,124
Leave Encashment	274,929	120,957
Total	15,071,273	7,512,569

Note 2.9 FIXED ASSETS - Tangible assets and capital work-in-progress

(Amount in ₹)

Sl. No.	Description of assets	Gross Block				Depreciation			Net Block		
		As at 01.04.12	Addition during the period	Deductions during the period	As at 31.03.13	Up to 31.03.12	For the period	Deductions during the period	Upto 31.03.13	As at 31.03.13	As at 31.03.12
(i)	Tangible assets										
1	Land	70,446,307	–	–	70,446,307	–	–	–	–	70,446,307	70,446,307
2	Factory Building	39,302,635	–	–	39,302,635	28,745,564	1,045,998	–	29,791,562	9,511,073	10,557,071
3	Other Building	78,960,164	13,404,744	–	92,364,908	31,493,808	3,043,555	–	34,537,363	57,827,545	47,466,356
4	Plant & Machinery	89,377,100	1,772,396	632,637	90,516,859	49,483,108	6,635,810	543,547	55,575,372	34,941,487	39,893,992
5	Furniture & fixture	156,220	145,586	–	301,806	129,184	4,844	–	134,029	167,777	27,036
6	Vehicles	487,678	1,907,200	375,478	2,019,400	104,781	80,277	147,044	38,014	1,981,386	382,897
7	Office Equipments	201,031	655,559	–	856,590	112,917	18,354	–	131,271	725,318	88,114
8	Computers	1,076,390	148,460	–	1,224,850	675,016	137,183	–	812,199	412,651	401,374
	Total	280,007,525	18,033,944	1,008,115	297,033,354	110,744,380	1,096,021	690,589	121,019,811	176,013,545	169,263,146
	Previous Year	283,742,114	5,998,804	9,733,393	280,007,525	108,387,567	9,810,581	7,453,769	110,744,380	–	175,354,543

(ii) Capital work-in-progress

Sl. No.	Particular	As on 01.04.2012	Addition	Transfer	As on 31.03.2013	As on 31.03.2012
1	NTC - Residency	36,948,172	–	–	36,948,172	36,948,172
2	Regent Mart	1,122,679	95,263	–	1,217,942	1,122,679
3	Alu Godown Phase II	–	6,157,305	–	6,157,305	–
4	Aryans School	–	4,931,554	–	4,931,554	–
5	Hyundai Site	16,465,332	2,132,882	–	18,598,214	16,465,332
6	R Center	10,547,946	–	–	10,547,946	10,547,946
7	R Castle	96,000	–	–	96,000	96,000
8	Building	15,423,516	–	14,038,816	1,384,700	15,423,516
9	WIP - Multiplex	–	112,360	–	112,360	–
	Total	80,603,645	13,429,364	14,038,816	79,994,193	80,603,645

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.10 NON CURRENT INVESTMENTS	(Amount in ₹)	
Particulars	As at 31st March 2013	As at 31st March 2012
Trade Investments (at Cost) fully paid up		
Investment in Equity Instruments		
Quoted		
RDB Realty & Infrastructure Ltd. (50,000 Equity Shares of ₹ 10/- each)	501,247	501,247
RDB Realty & Infrastructure Ltd. (12,10,000 Equity Shares of ₹ 10/- each) ***	5,513,750	–
Unquoted		
Pincha Home Builders Private Limited (5,50,000 Equity Shares of ₹ 10/- each)***	–	5,513,750
Total	6,014,997	6,014,997
*** Shares of RDB Realty & Infrastructure Ltd. have been allotted in pursuance to scheme of amalgamation of Pincha Home Builders Private Limited with RDB Realty & Infrastructure Ltd.		
Aggregate Book Value of Quoted Investment	6,014,997	501,247
Aggregate Book Value of Unquoted Investment	–	5,513,750
Aggregate Market Value of Quoted Investment	21,546,000	1,200,000
Note 2.11 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Deposit with Excise Authority	11,416,000	11,316,000
Refund receivable from Excise Authority (BDR) (refer note no. 2.31)	40,493,280	40,493,280
Total	51,909,280	51,809,280
Note 2.12 INVENTORIES		
(As taken, valued & certified by the Management) {for valuation refer note no.1(I)}		
Raw Materials	22,435,996	14,741,582
Finished Goods	16,329,910	12,036,057
Stock-in-Trade	14,533,484	27,937,593
Packing and Printing Materials	1,194,672	413,128
Stores and Spares	2,513,754	2,188,722
Total	57,007,816	57,317,082
Note 2.13 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for more than six months	20,718,780	8,117,809
Others	68,241,648	26,043,073
Total	88,960,428	34,160,882

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.14 CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
a. Cash and Cash Equivalents :		
Balances with Bank	2,506,513	1,581,923
Cash on Hand (As certified by the management)	2,102,026	1,650,617
	4,608,539	3,232,540
b. Other Bank Balances :		
Unpaid Dividend	559,091	559,091
Fixed Deposits :		
- For lien against guarantees and letter of credit	3,195,544	3,166,255
- For joint special officer	439,250	400,000
	4,193,885	4,125,346
Total (a+b)	8,802,424	7,357,886

Note 2.15 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Loan to Related Party	61,426,168	92,637,361
Other Advances	62,679,969	42,695,642
Advances to Officers	43,500	—
Total	124,149,637	135,333,003

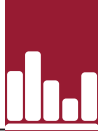
NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.16 REVENUE FROM OPERATIONS		(Amount in ₹)	
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	
a. Sale of Goods and Services			
Sale of manufactured goods :			
- Domestic	136,880,881	119,765,236	
- Export	173,937,133	46,391,353	
	310,818,014	166,156,589	
- Sale of Sock-in-Trade	171,412,169	251,552,147	
- Sale of Services	–	134,145	
	482,230,183	417,842,881	
b. Other Operating Incomes			
- Rental Income	59,957,670	54,498,580	
- Sale of Manufacturing Scrap	101,441	94,671	
	60,059,111	54,593,251	
Total (a+b)	542,289,294	472,436,132	

Note 2.17 OTHER INCOME			
Interest Received	11,756,022	1,568,343	
Dividend Received (Non Current Trade Investments)	50,000	30,000	
Sundry Balances/Liabilities written back (net)	73,731	275,007	
Foreign Currency Fluctuation Gain	1,951,714	251,646	
Other Receipts	890,809	1,911,647	
Profit on Sale of Fixed Asset	27,358	–	
Total	14,749,634	4,036,643	

Note 2.18 (a) COST OF MATERIALS CONSUMED			
Raw Tobacco	39%	56%	
	48,498,172	27,499,311	
Filter Rods	22%	12%	
	27,598,005	5,787,578	
Blank	15%	13%	
	18,285,890	6,382,665	
Others	25%	20%	
	31,581,977	9,707,981	
Total	100.00%	100.00%	
	125,964,044	49,377,535	



NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.18 (b) PARTICULARS OF MATERIALS CONSUMED (% AND VALUE)

(Amount in ₹)

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	% consumption/ value- consumption	% consumption/ value- consumption
Imported	16%	16%
	19,760,743	8,080,365
Indigenous	84%	84%
	106,203,301	41,297,171
Details of materials consumed during the year		
Opening	14,741,582	11,890,337
Purchase	133,658,458	52,228,780
Closing	22,435,996	14,741,582
Consumption	125,964,044	49,377,535

Note 2.19 CHANGE IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

a. Opening Stock :		
- Finished Goods	12,036,057	11,660,221
- Stock-in-Trade	27,937,593	–
	39,973,650	11,660,221
b. Closing Stock :		
- Finished Goods	16,329,910	12,036,057
- Stock-in-Trade	14,533,484	27,937,593
- WIP	–	–
	30,863,394	39,973,650
(Increase)/Decrease in Inventories (a-b)	9,110,256	(28,313,429)

Note 2.20 EMPLOYEE BENEFITS EXPENSE

Salaries, Wages, Bonus, Allowances, etc	28,749,931	25,371,808
Contribution to Provident and Other Fund	2,681,672	3,528,187
Staff Welfare Expenses	2,008,774	664,393
Gratuity	6,400,874	12,415,423
Total	39,841,251	41,979,811

Note 2.21 FINANCE COSTS

a. Interest paid		
To bank :		
- On term loan	11,188,679	2,130,937
- On working capital loan	3,116,918	3,068,772
To others	–	618,035
	14,305,597	5,817,744
b. Bank Charges	1,215,478	1,379,451
Total	15,521,075	7,197,195

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.22 OTHER EXPENSES		(Amount in ₹)	
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	
A. Manufacturing Expenses :			
Stores and Spares	6,485,153	6,005,759	
Power and Fuel	9,943,255	7,240,076	
Machine Repairs	883,456	359,460	
Inward Freight, Coolie, Cartage and Other Expenses	3,011,309	763,592	
Other Manufacturing Expenses	3,104,088	1,488,608	
	23,427,261	15,857,495	
B. Administration Expenses :			
Rent	308,534	307,970	
Rates and Taxes	28,322	146,707	
Building Repairs	10,966,307	-	
Repair and Maintenance	210,172	153,935	
Vehicle Maintenance Expenses	552,815	523,524	
Insurance Premium	439,620	242,644	
Travelling and Conveyance	1,886,828	1,085,319	
Postage, Telegraph and Telephones	435,258	415,163	
Printing and Stationery	491,914	1,436,488	
Legal and Consultancy Charges	5,323,106	7,387,638	
Bad Debt	4,406,884	-	
Electricity Charges	746,639	20,901	
Land Revenue and Municipal Taxes (Net)	1,114,545	2,411,236	
Loss on Sale of Fixed Assets	-	632,065	
Penalty, Interest	30,838	-	
Miscellaneous Expenses	4,696,680	979,048	
Auditors' Remuneration :			
- Audit Fee	50,000	50,000	
- Tax Audit Fee	25,000	25,000	
	31,713,461	15,817,638	
C. Selling and Distribution Expenses :			
Advertisement and Publicity Expenses	4,922,045	894,423	
Sales Tax and Value Added Tax	11,731,879	10,414,242	
Outward Freight and Forwarding Charges	14,746,964	5,837,387	
Brokerage, Commission and Discounts	1,222,023	929,369	
Distribution Expenses	1,826,961	2,161,152	
	34,449,872	20,236,573	
Total (A+B+C)	89,590,595	51,911,706	
Note 2.22 (a) Particulars of stores and spares consumed (% and value)			
	% consumption/ value- consumption	% consumption/ value- consumption	
Imported	5%	-	
	308,377	-	
Indigenous	95%	100%	
	6,176,776	6,005,759	

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.23

The Company is in communication with its suppliers to ascertain the applicability of "The Micro, Small and Medium Enterprises Development Act, 2006". As at the date of this balance sheet the company has not received any communications from any of its suppliers regarding the applicability of the Act to them. This has been relied upon by the auditors.

Note 2.24

In the opinion of the Board the current assets, loans and advances are not less than the stated value if realised in ordinary course of business. The provisions for all known liabilities are adequate. There are no contingent liabilities except stated, as informed by the management.

Note 2.25

The Business of the company falls under a single segment i.e. Manufacturing of Cigarette and Smoking Mixture. In view of the general classification notified by Central Government in exercise of powers conferred u/s 211(3C) of Companies Act, 1956 for companies operating in single segment, the disclosure requirement as per Accounting Standard - 17 on "Segment Reporting" are not applicable to the Company. The Company's business is mainly concentrated in similar geographical, political and economical conditions; hence disclosure for geographical segment is also not required.

Note 2.26 EARNINGS PER SHARE IN ACCORDANCE WITH AS-20

Particulars	2012-13	2011-12
Earnings per share is computed as under :		
Profit after Tax available for Equity Shareholders (A) (₹)	17,033,341	2,783,404
Weighted Average number of Equity Shares outstanding (B)	10,750,000	10,750,000
Face value Per Equity Share (₹)	10	10
Earnings Per Share - Basic & Diluted (A/B) (₹)	1.58	0.26

Note 2.27 IN TERMS OF AS -19 ON "LEASES", DISCLOSURES FOR OPERATING LEASE ARRANGEMENTS ARE AS UNDER :

Sr. No.	Particulars	2012-13 (₹)	2011-12 (₹)
I	Asset under leasing arrangement - Building *		
	a) Gross Block	20,475,591	20,475,591
	b) Less: Accumulated Depreciation	5,018,095	4,204,543
	c) Net Block	15,457,496	16,271,048
II	Depreciation for the year	813,552	856,371
III	Total contingent rents recognised as income in the statement of profit & loss for the year	408,210	975,238
IV	General Description : The Company has entered into cancellable operating lease arrangements which vary from 11 months to 21 years considering renewals at regular intervals.		

* Detail of assets does not include value of part of a building given on lease since its separate value could not be ascertained from whole block.

Note 2.28 POST EMPLOYMENT BENEFITS

a) **Defined Contribution Plans** : The Company has recognised an expense of ₹ 2,681,672/- (Previous year ₹ 3,528,187/-) towards the defined contribution plans.

NOTES TO ACCOUNTS

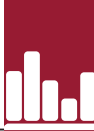
for the year ended 31st March, 2013

Note 2.28 POST EMPLOYMENT BENEFITS

b) **Defined Benefit Plans:** As per actuarial valuation as on March 31, 2013 and recognised in the financial statements in respect of employee benefit schemes:

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	Leave	Gratuity	Leave
I Components of employer expense				
1 Current service cost	9.59	0.34	9.72	0.29
2 Interest cost	26.18	0.98	19.80	0.91
3 Expected return on plan assets	-	-	-	-
4 Curtailment cost/(credit)	-	-	-	-
5 Settlement cost/(credit)	-	-	-	-
6 Past service cost	-	-	-	-
7 Actuarial losses/(gains)	28.24	1.57	94.63	2.36
8 Total employer expense recognised in the statement of profit & loss	64.01	2.89	124.15	3.56
Gratuity expense is recognised in "Gratuity" and "Leave Encashment" in "Salary, Wages and Bonus" under Note – 2.20.				
II Net Asset/(Liability) recognised in balance sheet				
1 Present value of defined benefit obligation	297.00	12.51	284.74	11.88
2 Fair value of plan assets	-	-	-	-
3 Funded status [Surplus/ (Deficit)]	(297.00)	(12.51)	(284.74)	(11.88)
4 Unrecognised past service costs	-	-	-	-
5 Net Asset/(Liability) recognised in balance sheet	(297.00)	(12.51)	(284.74)	(11.88)
III Change in Defined Benefit Obligation (DBO)				
1 Present value of DBO at the beginning of period	284.74	11.88	210.25	10.83
2 Current service cost	9.59	(0.34)	9.72	0.28
3 Interest cost	26.17	0.98	19.80	0.91
4 Curtailment cost/(credit)	-	-	-	-
5 Settlement cost/(credit)	-	-	-	-
6 Plan amendments	-	-	-	-
7 Acquisitions	-	-	-	-
8 Actuarial losses/(gains)	28.24	(1.57)	94.63	2.36
9 Benefit payments	(51.74)	(2.27)	(49.68)	(2.51)
10 Present value of DBO at the end of period	297.00	12.51	284.74	11.88
IV Change in fair value of assets				
1 Plan assets at the beginning of period	-	-	-	-
2 Acquisition adjustment	-	-	-	-
3 Expected return on plan assets	-	-	-	-
4 Actual company contributions	51.74	2.27	49.68	2.51
5 Actuarial gain/(loss)	-	-	-	-
6 Benefit payments	(51.74)	(2.27)	(49.68)	(2.51)
7 Plan assets at the end of period	-	-	-	-



NOTES TO ACCOUNTS

for the year ended 31st March, 2013

(₹ in Lacs)

Particulars	2012-13		2011-12	
	Gratuity	Leave	Gratuity	Leave
V Actuarial Assumptions				
1 Discount rate	8.25%	8.25%	8.00%	8.00%
2 Expected return on assets	N.A	N.A	N.A	N.A
3 Salary escalations:- Tobacco	5.00%	5.00%	5.00%	5.00%
4 Mortality	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

- 5 The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.
- 6 Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches with that of liabilities.

Note 2.29 RELATED PARTY DISCLOSURES

In terms of Accounting Standard-18 on "Related Party Disclosures", related party disclosures are as under :

- (i) Other related parties with whom the company had transactions:

(A) Key Management Personnel and their relatives :

Sl. No.	Name	Designation/Relationship
1	Lawrence Baptist Fernandes	Managing Director (upto 11/11/2012)
2	Naresh Chandra Chakraborty	Managing Director (w.e.f 12/11/2012)

(B) Enterprises over which Key Management Personnel/major shareholders/their relatives have significant influence:

Sl. No.	Name of Enterprise
1	Veekay Appartments (P) Ltd
2	EMC Ltd.
3	Pyramid Sales Private Ltd.
4	RDB Reality & Infrastructure Ltd.
5	RD Motors Private Ltd.
6	RDB Rasayans Ltd.
7	Sri S. L. Dugar Charitable Trust
8	RDB Regent Retail Ltd.

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

(ii) Disclosure of transactions between the Company and related parties and the status of outstanding balances.

(Amount in ₹)

Particulars	Key Management Personnel and their relatives	Enterprises over which KMP and their relatives have significant influence
Rental Income	- (-)	45,634,516 (37,426,662)
Interest Income	- (-)	10,935,285 (878,417)
Remuneration Paid	987,000 (1,306,153)	- (-)
Rent Paid	- (-)	158,085 (158,028)
Interest Paid	- (-)	- (618,035)
Investment in Equity Shares	- (-)	- (5,500,000)
Unsecured Loan Received	- (-)	- (75,800,000)
Unsecured Loan Repaid	- (-)	- (75,800,000)
Advance Received	- (-)	9,700,000 (18,150,000)
Refund of Advance Received	- (-)	9,000,000 (6,250,000)
Loan Given	- (-)	68,736,280 (187,606,546)
Refund of Loan with interest	- (-)	110,882,758 (98,826,056)
Purchases	- (-)	2,833,762 (1,013,775)
Closing Balance		
Trade Receivables	- (-)	6,429,388 (4,093,446)
Advance Received	- (-)	12,600,000 (11,900,000)
Creditors	- (-)	765,727 (751,252)
Loan Given	- (-)	61,426,168 (92,637,361)
Unsecured Loan taken	- (-)	- (-)

Note:

- (i) Previous year figures have been given in brackets.
- (ii) As the liability of gratuity and compensated absence are provided on actuarial basis for the company as a whole, the amount pertaining to the directors are not ascertainable and therefore not included in the above
- (iii) Related party relationships are identified by the company on the basis of available information.



NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.30

The Hon'ble High Court, Calcutta has confirmed sale of assets of New Tobacco Co. Ltd. (In Liquidation) in favour of the Company vide its order dated 19th April, 2006 and directed the Joint Special Officers to execute the deed and/or deeds of conveyance in respect of immovable properties and to issue necessary sale certificates for plant & machineries and all assets and properties in favour of the Company. Conveyance deed of some properties is yet to be executed for transfer of title in favour of the Company.

Note 2.31

In view of the amendment made in the Union Budget 2003 with retrospective effect, the Company is liable to refund excise duty amounting to ₹ 49,238,160/- received/receivable in terms of notification no. 32/99 dated 8th July, 1999 issued by the Central Government, on account of Badarpur unit in Assam and interest thereon amounting to ₹ 1,06,747,438/- upto 31st March, 2013. The Company had challenged the amendment in Hon'ble High Court, Guwahati and subsequently the matter was transferred to Hon'ble Supreme Court of India. The Hon'ble Supreme Court vide its order dated 19th September, 2005 has confirmed such retrospective amendment made by the Central Government through its Budget Notification. However, the company was of the view that the amendment was not applicable to it and a clarification/modification petition to that effect was filed and admitted by the Hon'ble Supreme Court. On 31st October, 2007, the Central Excise Department had passed a fresh adjudication order confirming the demand and the company has appealed before the Appellate Tribunal which was brought to the notice of the Hon'ble Supreme Court. The Hon'ble Supreme Court disposed off the petition on 25th March, 2008 with a direction that appeal shall be decided by appellate authority on merits and in accordance with law. The appeal filed before the Tribunal was disposed off without relief. The Company moved to Hon'ble Guwahati High Court and failed to get any relief. Now Company has filled the appeal before the Hon'ble Supreme Court of India. The Company is confident to get the full relief as the entire benefit was passed on to the consumer and as such the company does not accept any further liability and no provision is considered necessary based on the expert legal advice. Further to this the company has accounted for during financial year 2000-01 a sum of ₹ 40,493,280/- as excise duty refund receivable (Badarpur) and ₹ 21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification.

Note 2.32

A suit has been filed against the company in the year 1999 for recovery of ₹ 20,000,000/- along with interest which is still pending before the Hon'ble High Court, Calcutta. The company disputes the claim of the party and as the matter is subjudice no provision for interest has been made.

Note 2.33 CONTINGENT LIABILITIES

(Amount in ₹)

Particulars	As at 31st March 2013	As at 31st March 2012
a) Claims against the company not acknowledged as debt	14,453,701	14,453,701
b) Disputed Liabilities relating to Central Excise Demand	881,656,000	872,183,000

NOTES TO ACCOUNTS

for the year ended 31st March, 2013

Note 2.34 FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹)

Description	For the year ended 31st March 2013	For the year ended 31st March 2012
a) Earnings in foreign exchange :		
F.O.B. Value of Export	163,317,856	43,355,285
Processing Charge Received	–	134,145
Total	163,317,856	43,489,430
b) Outgo in foreign exchange :		
Value of imports calculated on CIF basis		
C.I.F. Value of Imports		
- Raw materials	18,220,709	8,616,167
- Capital goods	–	4,298,918
- Spares	519,421	44,933
Total	18,740,131	12,960,018

Note 2.35

The figures of previous year have been reclassified and regrouped wherever considered necessary.

Signatories to Note No. 1 & 2 forms part of the financial statement

For and on behalf of Board

For **S. M. DAGA & CO.**

Chartered Accountants

Firm Registration No. 303119E

Deepak Kumar Daga

Partner

Membership No. 059205

Place : Kolkata

Date : 30th day of May, 2013

Sunil Kumar Varma

Company Secretary

Naresh Chandra Chakraborty

Managing Director

Ravi Prakash Pincha

Director



NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of M/s **NTC Industries Limited** will be held on Thursday, 08th August, 2013 at 10.00 a.m. at The Aryans School, 149, B. T. Road, Kolkata - 700 058, to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit and Loss for the year ended as on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Sri Ravi Prakash Pincha who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s S. M. Daga & Co., Chartered Accountants as Statutory Auditors, to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

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

“RESOLVED THAT M/s. S. M. Daga & Co., Chartered Accountants (Firm Registration No. 303119E) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, on such remuneration and reimbursement of out of pocket expenses as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act and Article No. 86 of the Articles of Association of the Company and subject to all the applicable statutory approvals, consent of the Company be and is hereby accorded to the appointment of Sri Naresh Chandra Chakraborty as a Managing Director of the Company for a period of 1 (One) year commencing from 12.11.2012 on such terms and conditions including remuneration and other amenities as set out in the agreement dated

11.11.2012 entered into by the Company with Sri Naresh Chandra Chakraborty and also set out in Explanatory Statement annexed to the Notice convening this Meeting which is attached herewith.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary the terms and conditions including remuneration as specified in the said Agreement as the Board of Directors may consider appropriate subject to the same being in conformity with the provisions of Schedule XIII of the Companies Act, 1956 for the time being in force or any amendments thereto, as may be agreed to between the Board of Directors and Sri Naresh Chandra Chakraborty.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and to delegate all or any of its power herein conferred to a Director and Company Secretary to give effect to the aforesaid resolutions.”

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Sri Dilip Chakraborty, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and Article 83 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

“RESOLVED THAT Sri Gaurav Somani, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 and Article 83 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose

NOTICE

him as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

By order of the Board

Place : Kolkata

Date : 30th Day of May, 2013

Sunil Kumar Varma

Company Secretary

NOTES :

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business set out in the notice is enclosed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE COMPLETED, STAMPED & SIGNED AND MUST BE DEPOSITED AT THE COMPANY’S REGISTRAR AND SHARE TRANSFER AGENT NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 01st August, 2013 to Thursday, 08th August, 2013 (both days inclusive).
5. The information that is required to be given for appointment and / or re-appointment of Directors under Clause 49 of the Listing Agreement are annexed hereto and forms part of this Notice.
6. Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting to enable the management to keep the required information available at the Meeting.
7. For convenience of Members and for proper conduct of the Meeting, entry to the Meeting venue will be regulated by attendance slip, which is enclosed with the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company’s Registrar and Share Transfer Agent (RTA).
9. Non-Resident Indian Members are requested to inform the RTA immediately of :
 - Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number, and address of the Bank with pin code number.
10. Members who hold shares in the physical form and wish to make/change a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit such information in the prescribed form 2B to the Company’s Registrar & Share Transfer Agent.
11. As an austerity measure, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copies of the Annual Report to the meeting.
12. No compliment or gift of any nature will be distributed at the Annual General Meeting.
13. The Company has designated an exclusive e-mail ID investors@ntcind.com which would enable the Members to communicate their grievances. The Members may send their grievances, if any, to this e-mail ID for its quick redressal.
14. Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended 31st March, 2006 and thereafter, which remain unclaimed/unencashed for a period of 7 years from the date of transfer of the same as referred to in sub-section (1) of Section 205A of the Act, will be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Act. According to the explanation to sub-section (2) of Section 205C of the Act, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred nor shall any payment be made in respect of such claims.



NOTICE

15. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by Companies enabling the Members to receive various notices and documents including Annual Report through electronic mode by registering their e-mail addresses with the RTA or with the Company. The Company had supported the said initiative by requesting Members to register their e-mail addresses. To continue with this effort the Company appeals to the Members who have not yet registered their e-mail address with

the Company, to register their e-mail address, in respect of electronic holdings with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with the Company's Registrar & Share Transfer Agent, M/s. Niche Technologies Private Limited at ntc@nichtechpl.com mentioning their Name and Folio No. The Members can also register their e-mail address with the Company by sending an email at investors@ntcind.com mentioning their Name and Folio No.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 4

The Board of Directors of your Company at their meeting held on November 11, 2012 had appointed Sri Naresh Chandra Chakraborty as the Managing Director of the Company for a period of 1 (one) year commencing from November 12, 2012.

The appointment of Sri Naresh Chandra Chakraborty is subject to the provisions of Sections 198, 269, 309 and other applicable provisions (if any) of the Companies Act, 1956 (the Act) read with Schedule XIII of the Act.

The terms and conditions of the appointment and remuneration payable to Sri Naresh Chandra Chakraborty are provided in the agreement entered between the Company and Sri Naresh Chandra Chakraborty, which are briefly stated as follows :

Salary, Remuneration, perquisites and benefits :

1. **Salary:** ₹ 35,000/- (Rupees Thirty five thousand) per month.

Perquisites:

- a. *Exgratia:* ₹ 35,000 per annum.

For Company's business use of car with chauffeur, telephone and other communication facilities at residence/other places, reimbursement of traveling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisite.

2. **Minimum Remuneration:** The above salary will be payable to the Managing Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule

XIII to the Companies Act, 1956.

3. **Sitting Fees:** The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment.

As per the provisions of Companies Act, 1956 appointment of such Managerial Personnel requires approval of the shareholders in the general meeting.

Hence the Board recommends the resolution as set out in item No.4 of the Notice for your approval.

This may also be treated as a Abstract and Memorandum of Interest of the Directors pursuant to the provisions of Section 302 of the Companies Act, 1956.

None of the Directors except Sri Naresh Chandra Chakraborty is interested or concerned in the aforesaid resolution

Item No.5

Sri Dilip Chandra Chakraborty was appointed as an Additional Director by the Board of Director w.e.f. 8th August, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 83 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956. The Board feels that presence of Sri Dilip

ANNEXURE TO THE NOTICE

Chakraborty on the Board is desirable and would be beneficial to the Company.

None of the Directors, except Sri Dilip Chandra Chakraborty is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 5 to be passed as ordinary resolution.

ITEM NO. 6

Sri Gaurav Somani was appointed as an Additional Director by the Board of Director w.e.f. 15th November, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 83 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has

received request in writing from a member of the Company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956. The Board feels that presence of Sri Gaurav Somani on the Board is desirable and would be beneficial to the Company.

None of the Directors, except Sri Gaurav Somani is concerned or interested in this resolution.

The Board recommends resolutions under Item No. 6 to be passed as ordinary resolution.

By order of the Board

Place : Kolkata
Date : 30th Day of May, 2013

Sunil Kumar Varma
Company Secretary

DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT 22ND ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT WITH STOCK EXCHANGE

Name of the Director	Sri Naresh Chandra Chakraborty	Sri Ravi Prakash Pincha	Sri Dilip Chakraborty	Sri Gaurav Somani
Date of birth	24/12/1945	12/08/1978	01/01/1961	14/07/1979
Relationship with other director	None	None	None	None
Date of appointment	01/08/2010	02/01/2001	08/08/2012	04/01/2013
Expertise in specific functional area	Cigarette Industry	Real Estate Business	Real Estate Business	Finance
Brief profile	Sri Naresh Chandra Chakraborty having diploma in Marketing & Distribution has been associated with the Company since its incorporation. He was appointed on the Board of NTC Industries Ltd. w.e.f. 01st August, 2010. He possesses over 40 years of experience in cigarette industry. Being a visionary team leader, he adorns the Board with his distinctive marketing managerial qualities.	Sri Ravi Prakash Pincha is a man with great experience in real estate business. His innovative ideas, experience and exposures have greatly benefitted the Company and which helped to inculcate a creative culture in the Company.	Mr. Dilip Chakraborty is a Mechanical Engineer by profession. He was associated with the Company in the year 2012. He was appointed as Non Executive Director on the Board of Directors of the Company. He worked with many organizations at different managerial positions. His varied experience and exposure is of immense help to the Board to take appropriate strategic decision in a competitive business era.	Mr. Gaurav Somani was appointed on the Board of ntc industries ltd. on 11th November, 2012. He is a commerce graduate. His young age makes him a very enthusiastic Board member. His experience in the area of finance is of immense help to the Board to take appropriate decision in the company's financial matters.



ANNEXURE TO THE NOTICE

Qualification	Graduate	Under-Graduate	Graduate	Graduate
No. of equity shares held in the Company	Nil	5,600	Nil	1,500
List of other companies* in which directorships are held	Nil	<ol style="list-style-type: none">1. RDB Realty & Infrastructure Limited2. Bhagwati Builders and Development Pvt Ltd3. Kasturi Tie-Up Pvt Ltd4. Baron Suppliers Pvt Ltd5. Headman Merchantile Pvt Ltd6. Bahubali tie-Up Pvt Ltd7. Triton Commercial Pvt Ltd8. RDB Realty Pvt Ltd9. Bhagwati Plastoworks Pvt Ltd10. Khatod Investments & Finance Co Ltd11. Bengal Regent Infrastructure Ltd12. RDB Regent Retail Ltd	Nil	Nil
Committee position held in NTC Industries Limited	<ol style="list-style-type: none">A. Audit Committee : MemberB. Shareholders Committee : Member	<ol style="list-style-type: none">A. Shareholders Committee : ChairmanB. Remuneration Committee : Member	Nil	Nil
Committee positions held in other Public Companies	Nil	<ol style="list-style-type: none">1. RDB Regent Retail Limited<ol style="list-style-type: none">A. Remuneration Committee : MemberB. Audit Committee : Member.2. Khatod Investments & Finance Co Ltd<ol style="list-style-type: none">A. Shareholders Committee : Member	Nil	Nil

* in other companies, Indian public companies and its subsidiaries are considered.

Concept and design by

MANJARI ENTERPRISES (print@manjari.net)

T : (033) 22303495



ntc industries limited

149, B. T. Road, P.O. Kamarhati
Kolkata - 700 058



ntc industries limited

Registered Office : 149, B. T. Road, Kamarhati, Kolkata - 700 058

PROXY FORM

Regd. Folio No./DP Client ID No. of shares held
 I/We of
 being a member/ member(s) of the above named
 Company, hereby appoint of
 or failing him/ her
 of
 as my/ our Proxy to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company
 to be held on Thursday, 8th August, 2013 at 10.00 a.m. at The Aryans School, 149, B. T. Road, Kolkata - 700 058 and at any
 adjournment thereof.

As witness my hand / our hands this day of 2013

Signature.....

Affix
 Revenue
 Stamp

Signed by the said

Note : The proxy must be returned so as to reach the Company’s Registrar and Share Transfer Agent M/s. Niche Technologies Private Limited not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.



ntc industries limited

Registered Office : 149, B. T. Road, Kamarhati, Kolkata - 700 058

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of Meeting Hall)

Regd. Folio No./DP Client ID No. of shares held

I/ We hereby record my/ our presence at the 22nd Annual General Meeting of ntc industries limited being held on Thursday, 8th August, 2013 at 10.00 a.m. at The Aryans School, 149, B. T. Road, Kolkata - 700 058.

.....
Signature of Shareholder(s) or Proxy