

ntc industries limited

Chairman's Speech

Distinguished Board Members, our esteemed shareholders, Ladies and Gentlemen, a very good morning to you all.

On behalf of the board of directors, it gives me a great pleasure in welcoming you all to the **23rd Annual General Meeting** of your Company.

I, have been informed that the required quorum is present hence declare that the 23rd Annual General Meeting as properly convened, constituted and in order.

Fiscal year 2014 was a year full of challenges comprised of economic instability, financial ups & downs, inflation and sharp increase in taxes like excise and VAT affecting the performance of your company. I am pleased to share with you that amidst all these challenges your company has managed to achieve the turnover of Rs. 2446.53 Lacs and Profit of Rs.124.93. Lacs.

We believe that profits achieved are below the benchmarks we had set for ourselves mainly due to increasing prices of input, high placement cost, harsh pictorial warnings, smoking bans in public place and advertisement bans apart from hostile attitude of big players in market. To get back on the path of the industry leading performance, we have embarked on three strategic initiatives – to increase sales effectiveness, to improve our delivery efficiency and to enhance our cost competitiveness.

There are few realities that we intend to capitalize on to counter the hurdles. One, to capitalize the brand goodwill created among the old and existing users of ntc's products. Two, to capitalized the niche created in the market by strengthening the portfolio with the diversified products. Three, to capitalize huge market of other form of tobacco segment waiting to be transitioned into safer form of segment-cigarettes. Four, our Primary Manufacturing Division (PMD)posses insight into creating diverse blends.

Your Company is expecting to put into operation various diversified strategies during the current financial year.

- To strengthen the portfolio by developing new blends in the King Size category (84 mm) and others.
- To enhance the export of processed tobacco and cigarettes by expanding the geographical area of international market.
- To focus on continuous upgradation of the machineries and use of modern technology to enhance product quality and packaging.
- To strengthen financial position for sustainable future.
- To generate annuity income from the large land bank available with the company.

As we prepare for the future, we strongly believe that the challenges faced in the past will help us stay agile to changing market priorities. With your trust and support, we are confident that we will continue to evolve with the changing times.

At the end, I take this opportunity on behalf of board to thank all the members and other stakeholders of this company for their continued support and faith reposed.

Also, I must acknowledge the tireless efforts, dedication and commitment of our employees who always stand with the Company.

I also want to convey thanks to all those who contributed to the company's growth – customers, associates, partners, suppliers and members. I look forward for the continued and unprecedented support from all.