ntc industries limited

(An ISO 9001-2008 Company)

Annual Report 2015-16

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. Nilotpal Deb
Managing Director

Mr. Ravi Prakash Pincha
Non Executive & Independent Director

Mr. Gaurav Somani
Non Executive & Independent Director

Mr. Dilip Chakraborty
Non Executive & Independent Director

Ms. Vembi Krishnamurthy Radha
Non Executive Director

CHIEF FINANCIAL OFFICER

Mr. Prem Chand Khator

COMPANY SECRETARY & 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
(Firm Registration No.: 303119E)

Internal Auditors:
M/s Garg Narendra & Co.
Martin Burn House,
1, R.N. Mukherjee Road,
3rd Floor, R.No. 305A,
Kolkata-700 001,
(Firm Registration No.: 323694E)

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

149 B. T. ROAD, Kamarhati,
Kolkata - 700 058.
Phone : +91-33-3019 0511 / 12 / 13
E-mail : investors@ntcind.com
website : www.ntcind.com

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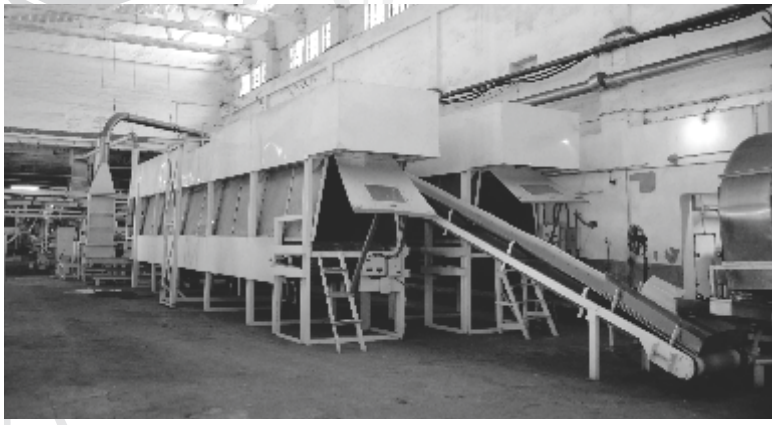


Manufacturer and supplier of cigarettes in India and overseas.

ABOUT US

ntc industries Ltd. *is one of the oldest manufacturer of cigarettes in India. On September 1931 the company was incorporated as National Tobacco Company of India Ltd. In 1994 RDB Industries Ltd. purchased the asset and goodwill of the company and latter become to be known as* ***ntc*** *industries Limited.*

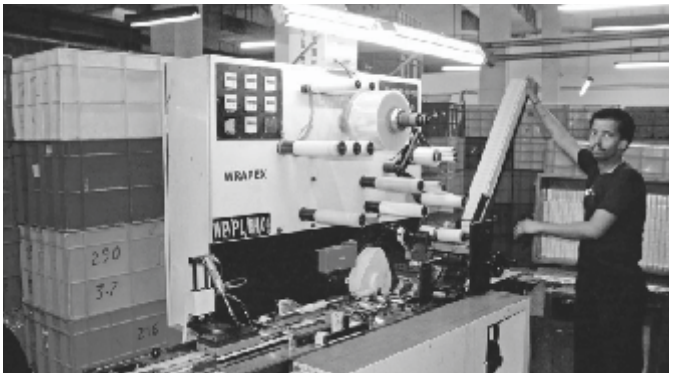
ntc *is one of the few companies in India having license to manufacture cigarettes.*

The company has a solid foundation with visionary Leadership from the Board of Members who are supported by experienced and dedicated professionals, the best talents in their respective fields, who have helped to achieve optimum efficiency in cigarettes manufacturing, marketing & export.

ntc *is prominent among cigarettes manufacturer in India with a wide range of brands.* ***ntc*** *has a presence in all segment of market.* ***ntc's*** *popular portfolio of brands include Regent, Cool, No.10, Maypole, Jaipur, General.* ***ntc*** *is the market leader of 'roll-your-own-tobacco' (Prince Henry) in India. The company pioneered the introduction of 84 mm King Size filter cigarettes, mentholated cigarettes in India.*

ntc *has a modern PMD for tobacco processing of any blend type-Virginia or American. We can make and develop finest blends to suit customer choice.*

ntc's *SMD for making & packing is well equipped with full range of modern machineries to produce quality cigarettes as well as excellent finished packets in conformation to International Standards.*



ntc *exports cigarettes to South America, African Countries and Middle East Countries.*

ntc *also undertakes contract for manufacture and deliver products blended and packaged to very exact specification of the customers.*

ntc *has won recognition for excellence in quality at various forums including the World Tobacco Products Contest in Brussels, Rotterdam, Amsterdam, Paris and Luxemburg.*

ntc, *in the past, produced brands like Rothmans King Size, Oxford King, under license from Rothmans of Pall Mall.*

ntc *had an agreement in past with Samporna Asia pte. of Indonesia to import and distribute Exclusive' brand of clove cigarettes in India.*

The company is working with single minded focus on continuous value creation for customer, through R&D in creating quality blends, maintaining consistent quality with state of the art manufacturing technology. ***ntc*** *has consistently maintained quality parameters with the Product Quality Rating System.*

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasures in presenting the 25th Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

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

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Financial Year 2015-2016	Financial Year 2014-2015	Financial Year 2015-2016	Financial Year 2014-2015
1.a) Income from operations	888.53	2302.95	1831.89	2510.92
b) Other income	320.52	190.88	327.31	191.19
2. Expenses	1177.65	2252.12	1476.98	2256.10
Profit/(Loss) before interest and depreciation	**31.40**	**241.71**	**863.18**	**446.01**
Less: a) Finance Cost	38.15	60.24	427.84	92.10
b) Depreciation	50.03	84.30	180.96	110.90
Profit/ (Loss) before Exceptional Items	**(56.78)**	**97.17**	**254.38**	**243.01**
Add: Exceptional Items	-	-	-	-
Profit/ (Loss) before taxation	**(56.78)**	**97.17**	**254.38**	**243.01**
Less:- Provisions for current tax, deferred tax and tax adjustments for earlier years	(7.04)	(25.60)	81.96	10.40
Profit/ (Loss) After Tax	**(49.74)**	**122.77**	**172.42**	**232.61**
Add: Balance brought forward from last year	1692.12	1569.35	1801.95	1569.34
Less: Amount transferred to Reserves	--	--	--	--
Balance carried to the Balance Sheet	**1642.38**	**1692.12**	**1974.37**	**1801.95**

DIVIDEND

Due to loss incurred during the financial year 2015-16, your directors regret their inability to recommend any dividend.

RESERVES

The Company has not proposed any transfer to its Reserves.

REVIEW OF OPERATIONS

The fiscal year 2015-16 was another tough year for the cigarette industry coupled with various factors affecting sales volume of cigarettes manufacturers in India. Your Company was also influenced by these various factors.

During the year under review, your company has incurred loss of Rs. 56.78 Lacs as compared to PBT of Rs. 97.17 Lacs in the previous year. Your Company's total turnover from cigarettes business has also decreased to Rs. 1781.76 Lacs as compared to Rs. 2607.85 Lacs in the previous year. Export sales also decreased to Rs. 517.57 Lacs from Rs. 1549.55 Lacs. However, domestic sales increased to Rs. 1267.19 Lacs from Rs. 1058.29 Lacs in the previous year. The Consolidated PBT also increased to Rs. 254.38 from Rs. 243.01 Lacs in the previous year.

Change in nature of business, if any

During the year, there was no change in the nature of business of the Company.

Subsidiaries, Joint Ventures And Associate Companies

As on 31st March, 2016, your company has 4 wholly owned subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a Consolidated Financial Statement of the Company and all of its subsidiary, which is forming part of the Annual Report.

The Annual accounts of the subsidiary will be kept at the Registered Office of the Company and also at the Registered Office of the subsidiary companies and will be available to the investors seeking information at any time during the working hours of the Company except Saturday. Further as per section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available at our website at **www.ntcind.com.** The Company does not have any Joint Venture or Associate company.

Pursuant to proviso to Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the consolidated financial statements of the Company.

The Company has also formulated a Policy for determining material subsidiaries as approved which can also be accessed on the Company's website at the link:
http://www.ntcind.com/pdf/STLD/ntc%20Policy%20on%20Material%20Subsidiary.pdf

DIRECTORS:

A. Details of Directors and Key Managerial Personnel

Appointment Of Independent Directors:

At the Annual General Meeting of the Company held on 5th September, 2014, the Members of the Company appointed Mr. Gaurav Somani (DIN: 06368949), Sri Ravi Prakash Pincha (DIN : 00094695) and Sri Dilip Chakraborty (DIN : 01839950) as Independent Directors under the Act for a term of up to 31st March, 2019.

Statement On Declaration Given By Independent Directors Under Sub- Section (6) Of Section 149:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (Listing Regulation).

Key Managerial Personnel:

The Board of Directors have re-appointed Mr. Nilotpal Deb as the Managing Director of the Company w.e.f 14.02.2016 for a period of 1(One) year subject to the approval of members in the ensuing Annual General Meeting of the Company.

Retirement by Rotation:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Ms. Vembi Krishnamurthy Radha, Director of the Company, is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

B. Nomination & Remuneration Policy

The Board of Directors have framed a policy which lays down a framework in relation to appointment, remuneration and other matters provided in Section 178(3) of the Act for Directors, Key Managerial Personnel and senior Management Personnel of the Company. The same has been enclosed as an annexure **"A"**.

C. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Listing Regulations. The performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors held on 31.03.2016, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

The Director expressed their satisfaction over the evaluation process result there after.

D. Familiarisation Programme:

The Company has devised a programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters and the same has been put up on the website of the Company at the link: http://www.ntcind.com/pdf/STLD/ntc%20Familiarisation%20programme.pdf

COMMITTEES:

Audit Committee

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

Share Transfer cum Stakeholders Relationship Committee

The composition and terms of reference of the Share transfer cum Stakeholders Relationship Committee has been furnished in the Corporate Governance Report forming a part of this Annual Report.

AUDITORS AND EXPLANATION TO AUDITOR'S REMARKS

Statutory Auditors

M/s S. M. Daga & Co, Chartered Accountants were appointed as Statutory Auditors of your Company at the 23rd Annual General Meeting held on 5th September, 2014 for a term of three consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting. Accordingly, the Board recommends to the Members of the Company for ratification of the appointment of M/s S. M. Daga & Co, Chartered Accountants as the Statutory Auditors of the Company for the financial year 2016-17. In this regard, M/s S. M. Daga & Co, Chartered

Accountants have submitted their written consent that they are eligible and qualified to be continue as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The Auditors' Report to the shareholders for the year under review does not contain any qualifications or adverse remarks. The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Auditors

The Board has appointed Mr. Ram Mohan Goenka of M/s MR & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as annexure **"B"** to this Report.

Explanation to the Observation raised in the Secretarial Audit Report

The Secretarial Audit Report contains an observation as follows:

Observation:

a) Suit had been filed by shareholders of the Company in Sealdah Civil & Criminal Court against Resolution passed in pursuance of Section 180(1)(a) and 180(1)(b) of the Companies Act, 2013 and the matter is subjudice.

b) The Company has not filed Form MGT-14 for appointment of Internal Auditor for the financial year 2015-16.

Boards' Reply:

a) On 05.01.2015 some minority shareholders have filed a suit against resolution passed by the Company in the court of Learned Fourth Civil Judge (Junior Division) at Sealdah, West Bengal. Company has filled its objection and reply and the matter is still subjudice in the court,

b) The form has been left out inadvertently. The company has taken a note of the same and the same will be complied with in this year.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT-9 as required under section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed hereto as annexure **"C"**.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year 2015-16 Board Meetings were convened and held details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your directors make the following statement in terms of section 134(3)(c) and 134(5) of the companies act, 2013.

(a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(b) 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 the statement of profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes to standalone financial statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered into by the Company during the financial year with Related Parties as defined under the Companies Act, 2013 and Listing Regulations were in the ordinary course of business and on an arm's length basis.

There are no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

The details of the related Party transaction in Form AOC-2 is enclosed and marked as Annexure **"D"**.

All related party transactions are placed before the Audit Committee for its approval. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under Note No2.29 of the Standalone Financial Statements.

Your Company has framed a Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board. The same can be accessible on the Company's website at the link: **http://www.ntcind.com/pdf/STLD/ntc%20Policy%20on%20Material%20Subsidiary.pdf**

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis containing a detailed analysis of the Company's performance as per Regulation 34 of the Listing Regulations is annexed hereto.

CORPORATE GOVERNANCE

A separate report on Corporate Governance along with the Certificate from the Auditors of the Company, as required by Regulation 17(7) of the Listing Regulation 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 Regulation 17(8) of Listing Regulations, *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.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are provided in annexure **"E"** to this Report.

RISK MANAGEMENT POLICY

Your Company has developed and implemented a Risk Management framework which consist of Plan & Policies pursuant to requirement of the provisions of the Companies Act, 2013 read with provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

In this ever changing economic environment, your company is exposed to various risks such as market risk, financial risk, liquidity risk, principally interest rate risk, credit risk and risks associated with the economy, regulations, competition among others. The aforesaid Risk Management framework helps in identifying, assessing, monitoring and mitigation of various risks to key business objectives. The Audit Committee of the company oversee and evaluate overall risk management framework which is periodically reviewed by the Board of Directors to ensure that the executive management controls the risk as per decided policy.

The risk management issues are discussed in detail in the Management Discussion and Analysis.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditor and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

VIGIL MECHANISM

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the Listing Regulations with stock exchanges and it can be accessed at http://www.ntcind.com/pdf/STLD/ntc%20Vigilance%20Mechanism.pdf.

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.

PARTICULARS OF EMPLOYEES

Details pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report and are annexed herewith as annexure **"F".**

None of the employees of the Company is in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has complied with all the laws applicable to the Company. 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.

DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

An Internal Complaints Committee has been constituted under the Anti Sexual Harassment Policy approved by the Board of Directors of the Company, which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal.

Your directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGMENTS

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. Inspired by this vision, driven by values and powered by internal vitality, your Directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

For & on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Place: Kolkata
Date: 30th Day of May, 2016

Annexure "A"

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVES OF THE COMMITTEE

The Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

ii. Formulation of criteria for evaluation of Independent Director and the Board

iii. Devising a policy on Board diversity.

iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

EFFECTIVE DATE

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 13th February, 2015.This policy shall be operational with immediate effect.

DEFINITIONS:

"Board"	:	Board means Board of Directors of the Company.
"Director"	:	Directors means Directors of the Company.
"Committee"	:	Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
"Company"	:	Company means ntc industries limited.
"Independent Director"	:	As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the company:

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

c. apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives —

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the company;

f. who is not less than 21 years of age.

"Key Managerial Personnel":- Key Managerial Personnel (KMP) means-

(i) the Chief Executive Officer or the managing director or the manager;
(ii) the Company Secretary;
(iii) the Whole-Time Director;
(iv) the Chief Financial Officer; and
(v) such other officer as may be prescribed under the applicable statutory provisions / regulations

"Senior Management": The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

APPLICABILITY

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

At present, the Nomination and Remuneration Committee comprises of following Directors:

i. **Mr. Dilip Chakraborty** (Independent Director)
ii. **Mr. Gaurav Somani** (Independent Director)
iii. **Mr. Ravi Prakash Pincha** (Independent Director)

GENERAL APPOINTMENT CRITERIA

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

ADDITIONAL CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time) and Companies Act, 2013.

TERM / TENURE

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTOR AND THE BOARD

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. Executive Directors:
The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

2. Non Executive Director:
The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

(a) act objectively and constructively while exercising their duties;
(b) exercise their responsibilities in a bona fide manner in the interest of the company;
(c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
(d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

(e) *refrain from any action that would lead to loss of his independence*
(f) *inform the Board immediately when they lose their independence,*
(g) *assist the company in implementing the best corporate governance practices.*
(h) *strive to attend all meetings of the Board of Directors and the Committees;*
(i) *participate constructively and actively in the committees of the Board in which they are chairpersons or members;*
(j) *strive to attend the general meetings of the company;*
(k) *keep themselves well informed about the company and the external environment in which it operates;*
(l) *do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;*
(m) *moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.*
(n) *abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.*

COMPENSATION STRUCTURE

1. **Remuneration to Non-Executive Directors:**
The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. **Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel (s) (SMPs):**
The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.
The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

APPROVAL AND PUBLICATION

(i) This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
(ii) This policy shall be hosted on the Company's website.
(iii) The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013

SUPPLEMENTARY PROVISIONS

(i) This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
(ii) Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
(iii) The right to interpret this Policy vests in the Board of Directors of the Company.

Annexure "B"

MR & ASSOCIATES
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332
Email : goenkamohan@hotmail.com

Form No. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]`

To,
The Members,
NTC INDUSTRIES LIMITED
149, B.T.Road, Kamarhati
Kolkata- 700058

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NTC INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March,2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, to the extent applicable, according to the provisions of:

   i) The Companies Act, 2013 (the Act) and the rules made thereunder;

   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time, to the extent applicable.

We further report that having regard to the compliance system prevailing in the Company and as per the representation made by the Management, the Company has complied with the following laws applicable specifically to the Company:

a) Tobacco Board Act, 1975

b) Tobacco Cess Act, 1975

c) Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COPTA)

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

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India, effective w.e.f 1st July' 2015.

(ii) The Listing Agreements entered into by the Company with BSE Limited and Calcutta Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a. Suit has been filed by shareholders of the Company in Sealdah Civil & Criminal Court against Resolution passed in pursuance of Section 180(1) (a) and 180(1) (b) of the Companies Act, 2013 and the matter is subjudice.

b. The Company has not filed Form MGT-14 for appointment of Internal Auditor for the financial year 2015-16.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed **"Annexure A"** and forms an Integral Part of this Report.

For MR & Associates
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Place: Kolkata
Date: 30.05.2016

FORM - MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L70109WB1991PLC053562
2	Registration Date	15/11/1991
3	Name of the Company	NTC INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Company Limited by shares
5	Address of the Registered office & contact details	149, B.T. Road, Kamarthati, Kolkata - 700058, Tele: 033-30190513, e-mail: investors@ntcind.com; Website:www.ntcind.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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,

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of cigarettes, cigarette tobacco	12003	82.01%
2	-		

III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES				
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
1	NTCIL INFRASTRUCTURE PRIVATE LTD	U70102WB2014PTC203292	WHOLLY OWNED SUBSIDIARY	100	2(87)
2	NTCIL REAL ESTATE PRIVATE LTD	U70102WB2014PTC203294	WHOLLY OWNED SUBSIDIARY	100	2(87)
3	NTCIL REALTY PRIVATE LTD	U70102WB2014PTC203293	WHOLLY OWNED SUBSIDIARY	100	2(87)
4	NTCIL SILIGURI ESTATE PRIVATE LTD	U70102WB2014PTC203295	WHOLLY OWNED SUBSIDIARY	100	2(87)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,863,752		4,863,752	45.24	4,863,752		4,863,752	45.24	0.00
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	2,389,447		2,389,447	22.23	2,389,447		2,389,447	22.23	
e) Banks / FI									
f) Any other									
Sub Total (A) (1)	**7,253,199**		**7,253,199**	**67.47**	**7,253,199**		**7,253,199**	**67.47**	**0.00**
(2) Foreign									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Any other									
Sub Total (A) (2)									
TOTAL (A)	**7,253,199**		**7,253,199**	**67.47**	**7,253,199**		**7,253,199**	**67.47**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	500	1,900	2,400	0.02		1,900	1,900	0.02	(0.21)
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital									
i) Others (specify)									
Sub-total (B)(1):-	**500**	**1,900**	**2,400**	**0.02**		**1,900**	**1,900**	**0.02**	**(0.21)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	996,581	45,500	1,042,081	9.69	897,018	45,500	942,518	8.77	-0.93
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital	1,249,701	275,335	1,525,036	14.19	1,244,953	274,405	1,519,358	14.13	(0.05)
ii) Individual shareholders holding nominal share capital in	733,649	19,500	753,149	7.01	834,212	19,500	853,712	7.94	0.94
c) Others (specify)									
Non Resident Indians	88,623		88,623	0.82	93,045		93,045	0.87	0.04
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	85,512		85,512	0.80	86,268		86,268	0.80	0.01
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	**3,154,066**	**340,335**	**3,494,401**	**32.51**	**3,155,496**	**339,405**	**3,494,901**	**32.51**	**0.00**
Total Public (B)	**3,154,566**	**342,235**	**3,496,801**	**32.53**	**3,155,496**	**341,305**	**3,496,801**	**32.53**	**0.00**
C. Shares held by Custodian for GDRs & ADRs				0.00					
Grand Total (A+B+C)	**10,407,765**	**342,235**	**10,750,000**	**100.00**	**10,408,695**	**341,305**	**10,750,000**	**100.00**	**0.00**

(ii) Shareholding of Promoter

SL NO	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ankur Constructions Pvt. Ltd.	375,000	3.49		375,000	3.49		
2	Khatod Investments And Finance Company Ltd.	921,225	8.57		921,225	8.57		
3	Kusum Devi Dugar	5,000	0.05		5,000	0.05		
4	Loka Properties Pvt Limited	377,100	3.51		377,100	3.51		
5	Pyramid Sales Pvt. Ltd.	716,122	6.66		716,122	6.66		
6	Rekha Jhabak	2,950	0.03		2,950	0.03		
7	Sheetal Dugar	1,933,424	17.99		1,933,424	17.99		
8	Sunder Lal Dugar	620,700	5.77		620,700	5.77		
9	Sunder Lal Dugar	67,200	0.63		67,200	0.63		
10	Vinod Dugar	2,068,023	19.24		2,068,023	19.24		
11	Vinod Dugar	46,400	0.43		46,400	0.43		
12	Yashashwi Dugar	120,055	1.12		120,055	1.12		
	T O T A L	**7,253,199**	**67.47**		**7,253,199**	**67.47**		

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	01.04.2015		7,253,199	67.47%	7,253,199	67.47%
	Changes during the year			[NO CHANGES DURING THE YEAR]			
	At the end of the year					7,253,199	67.47%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
1	**ARTI SHUKLA**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	28/08/2015 Transfer	45600	0.424	45600	0.424
	c) At the End of the Year			45600	0.424
2	**BABITA KISHANGOPAL BANG**				
	a) At the Begining of the Year	122700	1.141		
	b) Changes during the year				
	Date Reason				
	10/04/2015 Transfer	100	0.001	122800	1.142
	17/04/2015 Transfer	-2500	0.023	120300	1.119
	22/05/2015 Transfer	-800	0.007	119500	1.112
	05/06/2015 Transfer	-3000	0.028	116500	1.084
	11/09/2015 Transfer	3603	0.034	120103	1.117
	09/10/2015 Transfer	1000	0.009	121103	1.127
	18/12/2015 Transfer	-1000	0.009	120103	1.117
	c) At the End of the Year			120103	1.117

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
3	**GUNJAN K BANG**				
	a) At the Begining of the Year	50100	0.466		
	b) Changes during the year				
	Date Reason				
	22/05/2015 Transfer	-1100	0.010	49000	0.456
	29/05/2015 Transfer	-2281	0.021	46719	0.435
	05/06/2015 Transfer	-719	0.007	46000	0.428
	28/08/2015 Transfer	67	0.001	46067	0.429
	04/09/2015 Transfer	433	0.004	46500	0.433
	11/09/2015 Transfer	83	0.001	46583	0.433
	18/09/2015 Transfer	667	0.006	47250	0.440
	30/09/2015 Transfer	500	0.005	47750	0.444
	20/11/2015 Transfer	-2450	0.023	45300	0.421
	04/12/2015 Transfer	-1871	0.017	43429	0.404
	18/12/2015 Transfer	-3123	0.029	40306	0.375
	25/12/2015 Transfer	-2806	0.026	37500	0.349
	31/12/2015 Transfer	-6000	0.056	31500	0.293
	08/01/2016 Transfer	-1500	0.014	30000	0.279
	15/01/2016 Transfer	-1042	0.010	28958	0.269
	22/01/2016 Transfer	-1950	0.018	27008	0.251
	29/01/2016 Transfer	-27008	0.251	0	0.000
	25/03/2016 Transfer	27008	0.251	27008	0.251
	c) At the End of the Year			27008	0.251
4	**KARAN K BANG**				
	a) At the Begining of the Year	117600	1.094		
	b) Changes during the year				
	Date Reason				
	22/05/2015 Transfer	-600	0.006	117000	1.088
	29/05/2015 Transfer	-1000	0.009	116000	1.079
	29/01/2016 Transfer	1100	0.010	117100	1.089
	c) At the End of the Year			117100	1.089
5	**MAHESH BABU**				
	a) At the Begining of the Year	23778	0.221		
	b) Changes during the year				
	Date Reason				
	28/08/2015 Transfer	37222	0.346	61000	0.567
	04/09/2015 Transfer	16982	0.158	77982	0.725
	09/10/2015 Transfer	2000	0.019	79982	0.744
	16/10/2015 Transfer	-2000	0.019	77982	0.725
	c) At the End of the Year			77982	0.725

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
6	**MAHESHWARI PLAZA RESORTS LIMITED**				
	a) At the Begining of the Year	336281	3.128		
	b) Changes during the year				
	Date Reason				
	17/04/2015 Transfer	5354	0.050	341635	3.178
	01/05/2015 Transfer	5393	0.050	347028	3.228
	15/05/2015 Transfer	3732	0.035	350760	3.263
	22/05/2015 Transfer	1849	0.017	352609	3.280
	12/06/2015 Transfer	-25	0.000	352584	3.280
	19/06/2015 Transfer	-1000	0.009	351584	3.271
	26/06/2015 Transfer	-25	0.000	351559	3.270
	c) At the End of the Year			351559	3.270
7	**MANJU PAWANKUMAR SONI**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	08/05/2015 Transfer	7798	0.073	7798	0.073
	22/05/2015 Transfer	3409	0.032	11207	0.104
	05/06/2015 Transfer	9793	0.091	21000	0.195
	23/10/2015 Transfer	1729	0.016	22729	0.211
	30/10/2015 Transfer	2000	0.019	24729	0.230
	13/11/2015 Transfer	957	0.009	25686	0.239
	20/11/2015 Transfer	1	0.000	25687	0.239
	04/12/2015 Transfer	3013	0.028	28700	0.267
	c) At the End of the Year			28700	0.267
8	**MULTIPLEX CAPITAL LTD**				
	a) At the Begining of the Year	59730	0.556		
	b) Changes during the year				
	Date Reason				
	10/04/2015 Transfer	-2010	0.019	57720	0.537
	29/05/2015 Transfer	-8607	0.080	49113	0.457
	05/06/2015 Transfer	-10383	0.097	38730	0.360
	12/06/2015 Transfer	-2355	0.022	36375	0.338
	19/06/2015 Transfer	-1500	0.014	34875	0.324
	26/06/2015 Transfer	-525	0.005	34350	0.320
	17/07/2015 Transfer	-86	0.001	34264	0.319
	24/07/2015 Transfer	2	0.000	34266	0.319
	28/08/2015 Transfer	-842	0.008	33424	0.311
	04/09/2015 Transfer	200	0.002	33624	0.313
	11/09/2015 Transfer	2224	0.021	35848	0.333
	18/09/2015 Transfer	8543	0.079	44391	0.413
	25/09/2015 Transfer	233	0.002	44624	0.415
	30/09/2015 Transfer	-200	0.002	44424	0.413
	16/10/2015 Transfer	-11000	0.102	33424	0.311
	29/01/2016 Transfer	850	0.008	34274	0.319
	05/02/2016 Transfer	-400	0.004	33874	0.315
	12/02/2016 Transfer	-450	0.004	33424	0.311
	11/03/2016 Transfer	328	0.003	33752	0.314
	25/03/2016 Transfer	3635	0.034	37387	0.348
	31/03/2016 Transfer	-1579	0.015	35808	0.333
	c) At the End of the Year			35808	0.333

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
9	**NORTH CITY COMMODITIES PRIVATE LIMITED**				
	a) At the Begining of the Year	126817	1.180		
	b) Changes during the year				
	Date Reason				
	17/04/2015 Transfer	56	0.001	126873	1.180
	24/04/2015 Transfer	9487	0.088	136360	1.268
	19/06/2015 Transfer	-136360	1.268	0	0.000
	c) At the End of the Year			0	0.000
10	**RAJIV AGRAWAL**				
	a) At the Begining of the Year	65000	0.605		
	b) Changes during the year				
	Date Reason				
	10/04/2015 Transfer	1	0.000	65001	0.605
	17/04/2015 Transfer	80	0.001	65081	0.605
	24/04/2015 Transfer	605	0.006	65686	0.611
	01/05/2015 Transfer	-306	0.003	65380	0.608
	08/05/2015 Transfer	70	0.001	65450	0.609
	15/05/2015 Transfer	-450	0.004	65000	0.605
	05/06/2015 Transfer	-500	0.005	64500	0.600
	26/06/2015 Transfer	1400	0.013	65900	0.613
	30/06/2015 Transfer	53	0.000	65953	0.614
	03/07/2015 Transfer	149	0.001	66102	0.615
	10/07/2015 Transfer	1	0.000	66103	0.615
	17/07/2015 Transfer	2	0.000	66105	0.615
	07/08/2015 Transfer	8	0.000	66113	0.615
	21/08/2015 Transfer	200	0.002	66313	0.617
	28/08/2015 Transfer	1669	0.016	67982	0.632
	04/09/2015 Transfer	2650	0.025	70632	0.657
	11/09/2015 Transfer	200	0.002	70832	0.659
	25/09/2015 Transfer	200	0.002	71032	0.661
	09/10/2015 Transfer	50	0.000	71082	0.661
	16/10/2015 Transfer	-100	0.001	70982	0.660
	13/11/2015 Transfer	50	0.000	71032	0.661
	20/11/2015 Transfer	50	0.000	71082	0.661
	27/11/2015 Transfer	400	0.004	71482	0.665
	18/12/2015 Transfer	25	0.000	71507	0.665
	25/12/2015 Transfer	-525	0.005	70982	0.660
	31/12/2015 Transfer	-1000	0.009	69982	0.651
	22/01/2016 Transfer	250	0.002	70232	0.653
	29/01/2016 Transfer	250	0.002	70482	0.656
	05/02/2016 Transfer	200	0.002	70682	0.658
	c) At the End of the Year			70682	0.658
11	**SHRUTI KOTHARI**				
	a) At the Begining of the Year	52500	0.488		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			52500	0.488

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the
12	**SPFL SECURITIES LTD.**				
	a) At the Begining of the Year	46222	0.430		
	b) Changes during the year				
	Date Reason				
	10/04/2015 Transfer	10000	0.093	56222	0.523
	29/05/2015 Transfer	-509	0.005	55713	0.518
	05/06/2015 Transfer	16109	0.150	71822	0.668
	12/06/2015 Transfer	11000	0.102	82822	0.770
	19/06/2015 Transfer	5923	0.055	88745	0.826
	26/06/2015 Transfer	4667	0.043	93412	0.869
	30/06/2015 Transfer	1050	0.010	94462	0.879
	28/08/2015 Transfer	-79220	0.737	15242	0.142
	04/09/2015 Transfer	-15242	0.142	0	0.000
	25/09/2015 Transfer	2000	0.019	2000	0.019
	09/10/2015 Transfer	-2000	0.019	0	0.000
	c) At the End of the Year			0	0.000
13	**ULTIMATE INFRABUILD PRIVATE LIMITED**				
	a) At the Begining of the Year	141325	1.315		
	b) Changes during the year				
	Date Reason				
	05/06/2015 Transfer	2550	0.024	143875	1.338
	19/06/2015 Transfer	136360	1.268	280235	2.607
	26/06/2015 Transfer	10000	0.093	290235	2.700
	25/09/2015 Transfer	6500	0.060	296735	2.760
	16/10/2015 Transfer	1500	0.014	298235	2.774
	23/10/2015 Transfer	1500	0.014	299735	2.788
	04/12/2015 Transfer	265	0.002	300000	2.791
	11/12/2015 Transfer	-300000	2.791	0	0.000
	18/03/2016 Transfer	300000	2.791	300000	2.791
	c) At the End of the Year			300000	2.791
	T O T A L	**1142053**	**10.624**	**1227042**	**11.414**

Note: Increase / decrease in shareholding as stated above is based on details of beneficial ownership furnished by the Depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	**NILOTPAL DEB**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0	0.000
2	**RAVI PRAKASH PINCHA**				
	a) At the Begining of the Year	5600	0.052		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5600	0.052
3	**GAURAV SOMANI**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0	0.000
4	**DILIP CHAKRABORTY**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0	0.000
5	**VEMBI K.RADHA**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0	0.000
6	**PREM CHAND KHATOR**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0	0.000
7	**SUNIL KUMAR VARMA**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			0	0.000

V. INDEBTEDNESS					
Indebtedness of the Company including interest outstanding/accrued but not due for payment.					
					(Rs. in Lacs)
SN	**Particulars**	**Secured Loans excluding**	**Unsecured Loans**	**Deposits**	**Total**
1	**Indebtedness at the beginning of the**				
	i) Principal Amount	46,049,553.00	20,000,000.00		66,049,553.00
	ii) Interest due but not paid				
	iii) Interest accrued but not due				
	Total (i+ii+iii)	46,049,553.00	20,000,000.00		66,049,553.00
2	**Change in Indebtedness during the**				
	* Addition	-	-		
	* Reduction	18,799,953.00	-		18,799,953.00
	Net Change	18,799,953.00	-		18,799,953.00
3	**Indebtedness at the end of the financial**				
	i) Principal Amount	27,249,600.00	20,000,000.00		47,249,600.00
	ii) Interest due but not paid				
	iii) Interest accrued but not due				
	Total (i+ii+iii)	27,249,600.00	20,000,000.00		47,249,600.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Nilotpal Deb	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in	574,409.00	574,409.00
	(b) Value of perquisites u/s 17(2) Income-		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	- Contribution to Provident fund	29,376.00	29,376.00
	Total (A)	603,785.00	603,785.00
	Ceiling as per the Act (@ 10% of profits calculated	10% of Net profit for all Executive Directors - Managing and Whole-time Directors;	

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			
1	Independent Directors	**Mr. Gaurav somani**	**Mr. Dilip Chakraborty**	**Mr. Ravi Prakash Pincha**	**Ms. Vembi Krishnamurthy Radha**
	Fee for attending board committee				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors	**Ms. Vembi Krishnamurthy Radha**			
	Fee for attending board committee				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	**Mr. Prem Chand Khator**	**Mr. Sunil Kumar**	**(Rs/Lac)**
	Designation	**CFO**	**CS**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,019,190.00	372,382.00	1,391,572.00
	(b) Value of perquisites u/s 17(2) Income-			
	(c) Profits in lieu of salary under section			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify			
5	Others, please specify			
	- Contribution to Provident fund	57,600.00	-	57,600.00
	Total	1,076,790.00	372,382.00	1,449,172.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]
A. COMPANY				
Penalty	**NIL**			
Punishment				
Compounding				
B. DIRECTORS				
Penalty	**NIL**			
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty	**NIL**			
Punishment				
Compounding				

Annexure "D"

Form - AOC-2

(Pursuant to *clause (h) of sub-section (3)of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1	**Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangements or transactions entered into during the year ended 31st March 2016, which were not at arm's length basis.
2	**Details of material contracts or arrangement or transactions at arm's length basis:** There were no material contracts or arrangements or transactions entered into during the year ended 31st March 2016, which were at arm's length basis.

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Place: Kolkata
Date: 30th Day of May, 2016

Annexure "E"

Disclosure of Particulars under section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of the Companies (Accounts) Rules, 2014, forming part of the Directors' Report for the year ended 31st March, 2016:

A. CONSERVATION OF ENERGY

i)	Steps taken or impact on energy conservation	1. Automation in condenser tube cleaning system for air conditioning plant to enhance efficiency. 2. Automation in controls & sensors in different equipment related to manufacturing processes, air conditioning systems and power generation for better monitoring & control, thereby minimising losses. 3. Lowering down of line losses from steam pipelines by optimizing the network. 4. Recycling of wasted heat into waters to be used in boilers to improve efficiency. 5. Automation in compressed air systems to minimise losses and reduce energy consumption. 6. Continuous upgradation in machineries to enhance productivity so that it will consume less energy and power.
ii)	Steps taken for utilizing alternate sources of energy	The Company is always endeavoring to maintain the optimum combination of energies and always looking for the alternate sources.
iii)	Capital investment on energy conservation equipment	NIL

B. TECHNOLOGY ABSORPTION

(i)	efforts made towards technology absorption	NIL
(ii)	benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii)	Details in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	NIL
	(b) the year of import;	NIL
	(c) whether the technology been fully absorbed	NIL
	(d) if not fully absorbed, areaswhere absorption has not taken place, and the reasons thereof	NIL
(iv)	expenditure incurred on Research and Development	During the year under review, the Company has not incurred any specific and material capital/recurring expenditure on research and development. Research and Development is carried out in-house using the existing manufacturing setup.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign exchange earned in terms of actual inflows during the year & the Foreign Exchange outgo in terms of actual outflows:

(Amount in ₹)

Total Foreign Exchange earned and used	2015-16	2014-15
Foreign Exchange earned	474.02	1028.65
Foreign Exchange used	1.78	30.36

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2014-15.

Name	Remuneration of directors/KMPs for the financial year 2014-15 (`)	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in Remuneration in the financial year 2014-15
Mr. Nilotpal Deb, Managing Director	603,785.00	3.01	(0.35%)
Mr. Prem Chand Khator, Chief Financial Officer	1,076,790.00	5.38	(3.65%)
Mr. Sunil Kumar Varma, Company Secretary Cum Compliance Officer	372,382.00	1.86	(3.32%)

Percentage increase in the median remuneration of employees in the financial year:	Median Remuneration during the year was` 2,00,300.93. The median remuneration was increased by 10.98%.
Number of permanent employees on the rolls of company:	115*
Explanation on the relationship between average increase in remuneration and company performance:	The Profit before Tax for the financial year ended March 31, 2016 decreased by (158.43%) whereas the increase in median remuneration was 10.98%.

Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Name	Remuneration (`)	PBT (`)	As a % of PBT
Mr. Nilotpal Deb	603,785.00	(56,77,922.00)	(10.63%)
Mr. Prem Chand Khator	1,076,790.00	(56,77,922.00)	(18.96%)
Mr. Sunil Kumar Varma	372,382.00	(56,77,922.00)	(6.56%)

Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:	**Particulars**	**2014-15**	**2015-16**
	Market Capitalization (`)	734,225,000.00	324,112,500.00
	PE Ratio	59.91	(65.54)

Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:	The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant.
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	a) Average increase in remuneration of employees other than the Managerial Personnel – (7.18%) b) Average increase in remuneration of Managerial Personnel – 41.98%

The key parameters for any variable component of remuneration availed by the directors:	The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:	Not Applicable
Affirmation that the remuneration is as per the remuneration policy of the Company:	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

** The calculation is made considering only those permanent employees associated with the Company at the end of financial year 2013-14 & 2014-15 respectively.*

MANAGEMENT DISCUSSION AND ANALYSIS

As part of the Director's Report or as an addition thereto, a Management Discussion and Analysis Report forming part of the Annual Report to the Shareholders includes discussion on the following matters within the limits set by the company's Competitive position:

SOCIO ECONOMIC ENVIRONMENT AND INDUSTRY STRUCTURE & MATERIAL DEVELOPMENTS

In Union Budget 2016 the Government has once again felt necessary to increase excise duty on tobacco products. Excise duty on most tobacco products have been raised by 10-15%. However; beedis have been exempted from it. The continuing discriminatory treatment of cigarettes is a matter of deep concern since bidis has once again been spared with no increase in tax after 2012-13. Industry body, The Tobacco Institute of India (TII), in a release said nearly 70% of tobacco consumption in the country is largely produced in the unorganized sector which does not pay any form of tax either due to exemptions or evasion.

Cigarette taxes on a per kg basis are 47 times higher than the other tobacco products consumed in India. States are increasing Value Added Tax (VAT) rates arbitrarily taking it to as high as 40% against the consensus rate of 12.5%. An ad-valorem levy like VAT, on a highly taxed product like cigarettes, (Excise >100% of value of product) is tax on tax resulting in a huge cascading impact. Some states like West Bengal & Assam imposed VAT on cigarettes at higher specific rates based on length of cigarettes like Excise Duty.

Extremely high and constantly increasing tax rates on Cigarettes provide a profitable opportunity for tax evasion thereby encouraging growth in illegal trade. This also impacted cigarettes manufacturing companies' production capacity and they are bound to lower down the same due to decline in consumption level.

The discriminatory taxation policy, increased harsh pictorial warning and availability of cheaper non duty paid cigarettes, impacting your company's performance. Your company's main focus is the affordable segment of 64 mm but the continuous excise & vat hike is making your company's foothold weak in the segment. Above all there is also a huge competition with the other manufacturers.

However, in the above said adverse scenarios, your company is dedicated to its customers and taking all the available efforts to regain its lost place in the industry by improving its portfolio and technologies.

STRENGTHS & OPPORTUNITIES

India is the world's 2nd largest producer of tobacco with an estimated annual production of 800 million kgs and the 3rd largest producer of Flue-Cured Virginia (FCV) tobacco – a variety used in Cigarettes, with an annual production of around 300 million kgs. India is amongst the top tobacco exporters in the world reflecting the tremendous success that Indian tobacco companies achieved. The growth in exports has been remarkable in the recent years. The global leaf tobacco trade is valued at US$ 12 billion per annum; India's share of this trade is just around 7% currently. India is poised to increase its share of leaf tobacco trade, particularly as Indias tobacco production share in the world is more than 12%.

Tobacco & Tobacco Products are a large contributor to the National exchequer by way of Central Excise and State taxes (VAT, Entry Tax etc). The combined tax revenue collected annually from tobacco products is more than Rs. 29,000 crores annually.

Cigarettes which bear the brunt of taxation in India are the major revenue contributor from the Tobacco sector.

Despite just 11% share of tobacco consumption, legal cigarettes contribute 85% of tax revenue.

Tobacco provides direct and indirect employment to more than 45.7 million people, around 70% of whom are in the agricultural sector. Tobacco is a highly remunerative crop providing economic/social benefits to farmers in the tobacco growing regions.

This shows that India has significant opportunity for cigarette industry to extend and consolidate its position in intentional market due to some recent trend like withdrawal/reduction of agricultural subsidy and escalating costing in the traditional cigarette exporting countries.

It is your Company's continuous endeavor to maintain the taste and preferences of its customers while upgrading and developing new brands. Your company will launch new brands in the 64 mm, 69 mm and 84 mm segments in the near-term in new designs across various places in India.

THREATS, RISKS AND CONCERNS

Extreme Regulation

Despite India being the 2nd largest tobacco producer and a major exporter, tobacco control measures in India have always been equally or more stringent than in many developed countries.

Taxation

As a percentage of per capita GDP, Cigarette taxes (Excise Duty & State Taxes) in India, of the most popular price category, are amongst the highest in the world. Consequently, cigarette prices in India, relative to per capita GDP, are also amongst the highest in the world.

Pictorial/Graphic Warning

The Union Ministry of Health & Family Welfare has mandated an increase in the size of pictorial warnings from the current 40% on front of the packs to 85% on both sides with effect from 1st April 2016. Such an extreme position on warnings overlooking the huge livelihood dependency and enormous socio-economic benefits of Tobacco Industry in India.

Illegal Cigarette Trade & Competition

Extremely high tax rates and constantly increasing tax rates on Cigarettes provide a opportunity for tax evasion by illegal trade in both international smuggled and domestic tax evaded cigarettes which are being sold at lower price than tax paid cigarettes giving a stiff competition to industry.

Moreover, in the current market situation there is a stiff competition from big players with regard to marketing of new brands.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

Your Company considers “Manufacturing of Cigarette and Smoking Mixture” as the primary business segment. Therefore segment wise / product wise performance reporting is not applicable to your company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NTC has a robust system of internal financial control, commensurate with the size and complexity of its business operations. The system which comprised of policy, procedure and internal audit processes. It safeguarding its assets, ensuring transactions are in accordance with the policies, and are duly authorised to identify possible risk areas and to prevent possibilities of frauds or other irregularities.

The Company has an external and independent firm of Internal Auditors that scrutinizes the financials and other operations of the Company. Internal Auditors directly report to the Audit Committee. The Audit committee review the adequacy and effectiveness of internal control system of the Company and keeps the Board of Directors informed of its major observations from time to time. Based on the findings of Internal Auditors, process owners undertake corrective actions in their respective areas. During the year and at the year-end,no reportable material weakness or significant deficiency was observed in the design or operations. Your company is also ISO 9001:2008 certified for its internal audit function.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

At NTC, we follow a culture that provides a platform for continuous learning and development to meet the challenges posed by ever-changing market realities. Employees are your Company's most valuable assets and the Management recognizes them 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, in order to create enduring value, has fostered a culture of feeling of being togetherness and attachment amongst ntc employees through participative management practices, open interaction and mutual respect.

Your Company's human resource management systems and processes aim to enhance organizational capability and vitality to seize emerging market opportunities. The strategy of the organization and its ongoing emphasis on developing and nurturing distributed leadership has ensured that each of your Company's business is managed by a team of competent, passionate and inspiring leaders.

Your Company's belief in the mutuality of interests of key stakeholders binds all employees to a shared vision and purpose. 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.

For and on behalf of the Board

Place: Kolkata
Date: 30.05.2016

Nilotpal Deb
Managing Director

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance standards demonstrate inalienable rights vested with various stakeholders and strong commitment to values, ethics and business conduct. 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 (”The Board”) 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 endeavouring 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 Regulation 17 SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 (”Listing Regulation”). of Listing Regulations. The Company has an optimum combination of Executive and Non-Executive Directors.

As on 31st March, 2016, your Company's Board has a strength of 5 (Five) Directors comprising 1 (one) Executive and 4 (Four) Non-Executive Directors, latter including 3 (Three) Independent Directors. The Company has One Woman Director in its Board and as such the company has complied with the provisions of Section 149 of the Companies Act, 2013 (”The Act”) and Part A of Schedule II of Listing Regulation read with regulation 17(7) of the said regulations with regard to information being placed before the Board.

At the time of appointment, every Independent Director signs a Declaration to confirm that they fulfil all the conditions for being an Independent Director as laid down under the law. The Board believes that the current size is appropriate, based on the Company's present circumstances.

Composition and Directorship(s) / Committee Membership(s)/Chairmanship(s) as on 31st March, 2016:

Name of the Director	Designation	Category	No. of Directorship(s) and Committee(s) Membership(s)/ Chairmanship(s) (excluding the Company)		
			Other Directorship(s)*	Committee Membership**	Committee Chairmanship**
Mr. Nilotpal Deb	Managing Director	Executive Director	-	-	-
Mr. Ravi Prakash Pincha	Director	Non-Executive & Independent Director	4	3	1
Mr. Dilip Chakraborty	Additional Director	Non-Executive & Independent Director	-	-	-
Mr. Gaurav Somani	Additional Director	Non-Executive & Independent Director	-	-	-
Ms. Vembi Krishnamurthy Radha	Additional Director	Non-Executive Director	-	-	-

**Excludes Directorships in private limited, foreign companies and government companies*
***Only memberships/chairmanships of the Audit Committee and Stakeholder Relationship Committee in various public limited companies, considered.*

Notes:

1. None of the Directors hold Directorships in more than 20 companies including 10 public limited companies and private companies which are either subsidiary or holding company of a public company pursuant to Section 165 of the Companies Act, 2013.
2. None of the Directors hold Membership and/or Chairmanship of any Committee exceeding 10 Companies and/or 5 Companies respectively as per Regulation 26(1) of the Listing Regulations.
3. The Directorship/Committee membership is based on the Disclosures received from the Directors as on 31.03.2016.

Ms. Vembi Krishnamurthy Radha, retire by rotation and being eligible, seek re-appointment at the ensuing 25th Annual General Meeting (AGM). A brief resume of the directors retiring by rotation seeking re-appointment, 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.

No director has any inter-se relation to other Director.

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 Company Secretary, draft the agenda for each meeting, along with the agenda notes and explanatory statements, which, are distributed well in advance to the directors, in accordance with para 1.3.7of the Secretarial Standard-1. 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, 2016, six (6) meetings of the Board were held, i.e., on 30/05/2015, 14/08/2015, 19/09/2015, 08/10/2015, 14/11/2015, and 13/02/2016. 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 (4th September, 2015)
	Held during directorship	Attended	
Mr. Nilotpal Deb	6	6	Yes
Mr. Ravi Prakash Pincha	6	6	Yes
Mr. Dilip Chakraborty	6	6	No
Mr. Gaurav Somani	6	6	Yes
Ms. Vembi Krishnamurthy Radha	6	6	Yes

MEETING OF INDEPENDENT DIRECTOR

Pursuant to Schedule IV of the Companies Act and the Rules made thereunder, a separate meeting of Independent Directors was held on 31st March, 2016. The meeting was attended by Mr. Gaurav Somani; Mr. Ravi Prakash Pincha; Mr. Dilip Chakraborty. Mr. Ravi Prakash Pincha was elected as the Lead Independent Director. In the meeting, the Directors reviewed the performance of Non-Independent Directors and the Board as a whole and further assessed the quality, quantity and the timeliness of flow of information between the Management and the Board. The Directors discussed the evaluation form for the Evaluation of Directors. They also reviewed the performance of the Chairperson of the Company, taking in to account the views of executive & non-executive directors.

FAMILIARISATION PROGRAMME

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which its operates, business model of the company. The details of familiarasation programme have been posted in the web site of the company and can be accessed at *****.

1. 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.

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.

COMPOSITION OF THE AUDIT COMMITTEE

The constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The Audit Committee comprises of:

Sl. No.	Name	Category	Designation
1	Mr. Gaurav Somani	Non-Executive Independent	Chairman
2	Mr. Dilip Chakraborty	Non-Executive Independent	Member
3	Mr. Ravi Prakash Pincha	Non-Executive Independent	Member

All the members of the Committee are financially literate and the Chairman of the Committee has accounting and financial management expertise. The Chief Financial Officer attends the meeting of the Audit Committee as an invitee and the Company Secretary is the Secretary to the Committee.

TERMS OF REFERENCE

The terms of reference of the Audit Committee are as defined under the relevant provisions of Section 177 of the Actand as specified in Part C of Schedule II of the Listing Regulations . 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.
- have full access to information contained in the records of the Company

The role of the Audit Committee includes the following:

i. 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;
ii. Recommending the appointment/re-appointment and removal of statutory auditors, internal auditors and fixation of their remuneration;
iii. Approval of payment to statutory auditors for any other services rendered by them;
iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Directors' Responsibility Statement, which is to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    - Changes, if any, in accounting policies and practices and reasons for the same.
    - Major accounting entries involving estimates based on exercise of judgment by the management.
    - Qualifications in the draft audit report.
    - Significant adjustments made in the financial statements arising out of audit.
    - Compliance with listing and legal requirements concerning financial statements.
    - Disclosure of any related party transactions.
v. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process
viii. Approval or any subsequent modification of transactions of the company with related parties
ix. Scrutiny of inter-corporate loans and investments
x. Valuation of undertakings or assets of the company, wherever it is necessary
xi. Evaluation of internal financial controls and risk management systems
xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
xiv. Discussion with internal auditors of any significant finding and follow-up thereon;
xv. Reviewing the findings of any internal investigations by the internal auditors into 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;
xvi 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;
xvii 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;

xviii. To review the functioning of the Whistle Blower mechanism;

xix. 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;

xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and such other matters as may be required by the Board.

xxi. Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Regulations and the Companies Act, as and when amended.

The audit committee shall mandatorily review the following information :

1) management discussion and analysis of financial condition and results of operation;
2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
3) management letter / letters of internal control weaknesses issued by the statutory auditors;
4) internal audit reports relating to internal control weaknesses; and
5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
6) statement of deviations;
   a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

DETAILS OF AUDIT COMMITTEE MEETINGS

The Audit Committee met four times during the financial year ended 31st March, 2016 on 30/05/2015, 14/08/2015, 14/11/2015 and 13/02/2016.

DETAILS OF MEMBERS AND THEIR ATTENDANCE AT THE AUDIT COMMITTEE MEETINGS:

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Gaurav Somani	Chairman	4	4
2	Mr. Dilip Chakraborty @	Member	3	3
3	Mr. Ravi Prakash Pincha *	Member	4	4
4	Ms. Vembi Krishnamurthy Radha #	Member	1	1

Note:

@ ceased to be member from 30.05.2015 & appointed as member w.e.f 14.08.2015

** appointed as member on w.e.f.30.05.2015 # ceased to be Committee Members w.e.f 14.08.2015*

B. NOMINATION & REMUNERATION COMMITTEE

The primary function of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation. The Committee reviews and where required, approves the human resource policies, remuneration proposals, succession planning, evaluation of performances and development plans of Key Managerial Personnel, Senior Management and other employees of the Company. It also provides support in handling the nomination and remuneration proposals for the Board members including Independent Directors

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

COMPOSITION OF THE NOMINATION & REMUNERATION COMMITTEE

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

During the financial year ended 31st March, 2016, one meeting of the Remuneration Committee was held on.4th February, 2016.

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

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Gaurav Somani@	Chairman	1	1
2	Mr. Ravi Prakash Pincha	Member	1	1
3	Ms. Vembi Krishnamurthy Radha#	Member	1	1

@ appointed as Chairman w.e.f 30.05.2015 # ceased to be Committee Members w.e.f 30.05.2015

TERMS OF REFERENCE OF THE COMMITTEE, INTER ALIA, INCLUDES THE FOLLOWING:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To formulate criteria for and carry out evaluation of Independent Directors and the Board;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To devise a policy on Board diversity
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable

REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company www.ntcind.com in the investor relation section under 'Secretarial Documents'.

Details of Remuneration of the Directors for the financial year ended 31st March, 2016

Figures in (₹)

Director	Consolidated Salary	Perquisites and other Benefits	Performance bonus/ Commission	Sitting Fees	Total
Mr. Nilotpal Deb	4,81,704/-	1,22,081/-	-	-	6,03,785/-

No remuneration (including sitting fee) has been paid to the Non-Executive Directors in the financial year 2015-16. 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 5600 shares in the Company. The Company has not granted any stock options to its Directors.

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company.

PERFORMANCE EVALUATION OF DIRECTORS

In compliance with the provisions of the Listing regulations 2015, the Nomination and Remuneration committee on the basis of the Board Evaluation policy and framework adopted by the Board carries out the evaluation process of the Independent Directors. The Committee formulates evaluation criteria for the Independent Directors which is broadly based on personal integrity; ethical standards; confidentiality; knowledge of the institution's key activities; deliberations or committee work; understands governance, etc

C. STAKEHOLDER RELATIONSHIP COMMITTEE

The Committee was re-named by the Board of Directors in their meeting held on 29/05/2014 to align with the requirements of Section 178 of the Companies Act, 2013.

The Committee's constitution and terms of reference are in compliance with the provisions of the Act and Regulation 20 and Part D of Schedule II of the Listing Regulations.

COMPOSITION OF STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of Mr. Ravi Prakash Pincha, Mr. Gaurav Somani and Ms. Vembi Krishnamurthy Radha. Mr.Ravi Prakash Pincha, Non Executive-Independent Director acts as a Chairman of the Committee. The Company Secretary of the Company is the Secretary of the Committee.

TERMS OF REFERENCE

The Stakeholder Relationship Committee of the Company oversees the redressal of grievances of Security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, and approves the sub-division, transfer / transmission of shares, issue of duplicate share certificates in lieu of those lost or destroyed, etc.

The Committee has met 8 times on 30/05/2015, 04/06/2015, 07/07/2015, 19/08/2015, 15/09/2015, 27/08/2015, 13/02/2016, and 01/03/2016 during the period from 01/04/2015 to 31/03/2016.

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

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Ravi Prakash Pincha	Chairman	8	8
2	Mr. Dilip Chakraborty*	Member	1	1
3	Mr. Gaurav Somani	Member	8	8
4	Ms. Vembi Krishnamurthy Radha #	Member	7	7

* *ceased to be a member w.e.f 31.05.2015*
\# *appointed to be Committee Members w.e.f 31.05.2015*

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.

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	:	0 (Zero)
(d) Number of complaints pending	:	0 (Zero)

4. SUBSIDIARY COMPANY:

The Company has formulated a Policy on Material Subsidiary and uploaded on the website of the Company. http://www.ntcind.com/pdf/STLD/ntc%20Policy%20on%20Material%20Subsidiary.pdf.

As on 31.03.2016, no other subsidiary other than NCIL Real Estate Private Limited qualifies to be a material subsidiary of ntc industries limited. The Company has complied with the corporate governance requirements with respect to its subsidiaries as required under Regulation 24 of the Listing Regulations.

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 2015-16."

Nilotpal Deb
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
2014-15	24th A.G.M	4th Friday, September, 2015	11.30 a.m	The Aryans School, 149 B.T. Road, Kolkata- 700058	-
2013-14	23rd A.G.M	5th Friday, September, 2014	9.30 a.m	The Aryans School, 149 B .T. Road, Kolkata- 700058	1*
2012-13	22nd A.G.M	8th Thursday, August, 2013	12.30 p.m	The Aryans School, 149 B.T. Road, Kolkata- 700058	-

** Special Resolution for increase in borrowing limit u/s 180(1)(C) of the Companies Act, 2013*

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

(b) During the year under review, no special resolutions were passed by the Shareholders of the Company through Postal Ballot.

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

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 Standalone Financial Statements forming part of the accounts for the year ended 31st March, 2016.

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 has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the Listing Regulations with stock exchanges.
(URL:http://www.ntcind.com/pdf/STLD/ntc%20Vigilance%20Mechanism.pdf).
None of the officials/personnel of the Company has been denied access to the Audit Committee. The Ombudsman has not received any complaint during the financial year ended 31st March, 2015.

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 Annual Report and the same is attached separately in this Annual Report.

f) **Compliance of Mandatory Requirements and Adoption of Non-mandatory requirements of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015.**
The Company duly complied with all the mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

The Company has complied with the discretionary requirements as specified in part E of Schedule II of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 as far as they are applicable to the Company.

g) The Company is no dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities are not applicable.

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. In compliance of listing obligations requirements your company has designated an e-mail id as investors@ntcind.com especially for its investors.

e. No presentation was made to the institutional investors or to the analysts during the year under review.

f. The Company's website does not display any official news releases

g. Annual Report, containing *inter alia*, Director's Report, Auditors' Report, Audited Annual Accounts and other important information were 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 Regulation 17, Schedule V of the Listing Regulations 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 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 SHAREHOLDERS' INFORMATION

Details of Annual General Meeting for F. Y. 2015-16

Date	:	Saturday, 3rd September, 2016
Venue	:	The Aryans School, 149 B.T. Road, Kolkata - 700058
Time	:	10.00 a.m.
Book closure date	:	From Monday, 29th August, 2016 to Saturday 3rd September, 2016 (both days inclusive)

Financial Calendar

Financial year: 1st April, 2015 to 31st March, 2016

For the year ended 31st March, 2016, results were adopted on:

- 13th August, 2015: First quarter (Un-audited)
- 14th November, 2015: Half yearly (Un-audited)
- 13th February, 2016: Third quarter (Un-audited)
- 29th May, 2016: Annual (Audited)

For the year ending 31st March, 2017, the results are likely to be adopted:

- on or before 14th August, 2016 : First quarter (Un-audited)
- on or before 14th November, 2016: Half yearly (Un-audited)
- on or before 14th February, 2017: Third quarter (Un-audited)
- on or before 30th May, 2017: 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	28044
BSE Limited	Phiroz Jeejabhoy Towers , Dalal Street, Mumbai – 400 001,Website: www.bseindia.com	526723

The listing fees for the financial year 2016-17 have been paid to the above Stock Exchanges.

Depositories

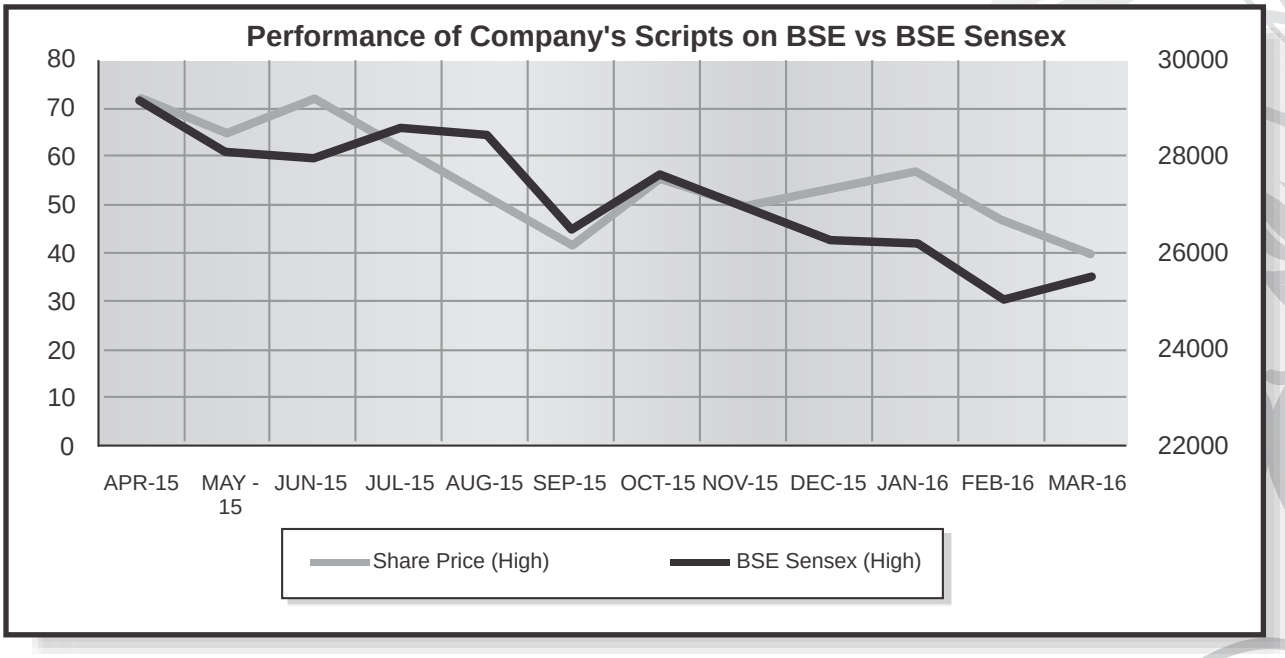
Name of the Depository	Address of the Depository	Website
National Securities Depository Ltd.	Trade World, Kamala Mills Compound, Lower Parel, Mumbai – 400 013	www.nsdl.co.in
Central Depository Services (India) Limited	P J Towers, 17th Floor, Dalal Street, Fort, Mumbai – 400 001	www.cdslindia.com

The International Securities Identification Number (ISIN) allotted to Company's securities under the Depository system is INE920C01017.

Market price data

The monthly high and low share price data at the BSE Limited for the financial year 2015-16:

Month	Share Price (High)	Share Price (Low)	BSE Sensex (High)	BSE Sensex (Low)
Apr-15	72.05	45.75	22939.31	22197.51
May-15	64.95	38.10	25375.63	22277.04
Jun-15	71.95	56.50	25725.12	24270.20
Jul-15	62.90	45.80	26300.17	24892.00
Aug-15	52.25	34.20	26674.38	25232.82
Sep-15	41.65	30.00	27354.99	26220.49
Oct-15	55.30	34.10	27894.32	25910.77
Nov-15	49.70	34.05	28822.37	27739.56
Dec-15	53.90	35.00	28809.64	26469.42
Jan-16	57.00	36.00	29844.16	26776.12
Feb-16	46.90	30.00	29560.32	28044.49
Mar-16	39.95	28.60	30024.74	27248.45



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, 2235-7271
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 and 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.

Pursuant to the provisions of regulation 40(9) of SEBI (LODR) Regulations, 2015, a certificate on a half-yearly basis confirming the compliance of share transfer formalities, quarterly certificate for timely dematerialization of the shares as per SEBI (Depositories & Participants) Regulation, 1996 are sent to the Exchanges by the Registrar & Transfer Agent.

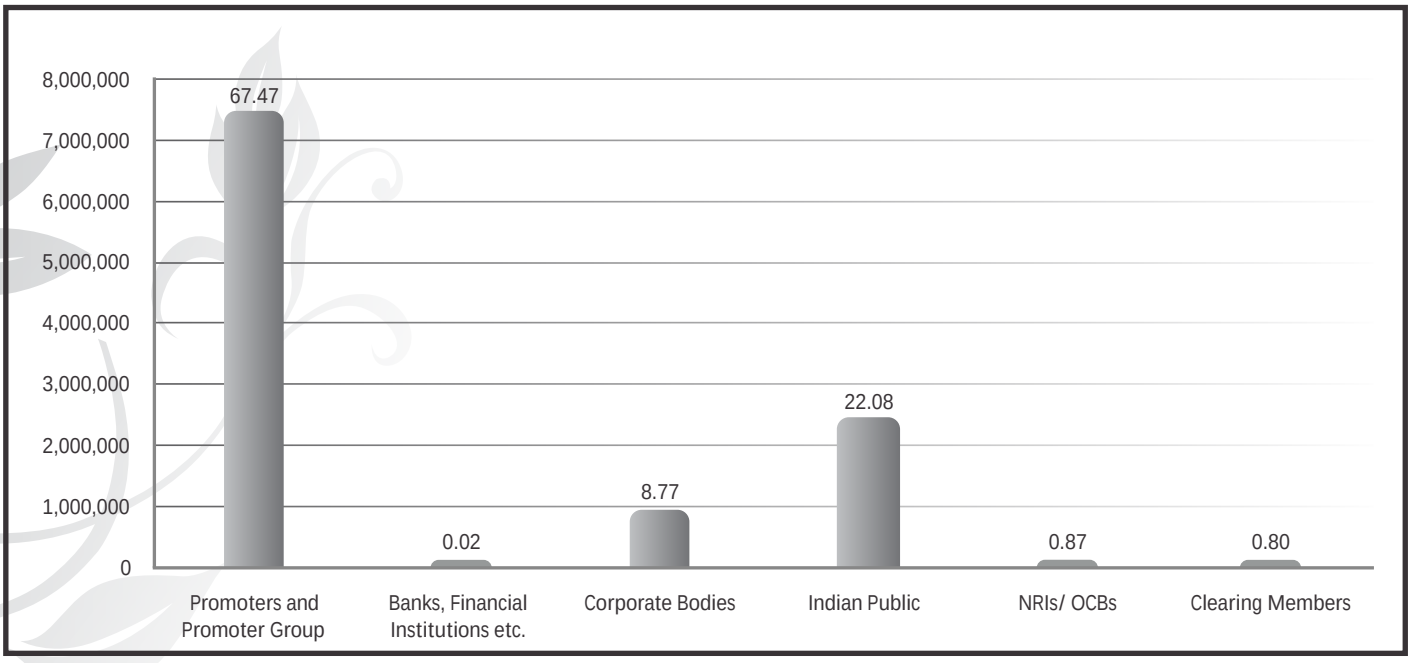
DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding by size as on 31st March, 2016

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	4841	87.92	6,39,560	5.94
501 – 1000	340	6.18	2,78,242	2.59
1001 – 5000	236	4.28	5,39,018	5.01
5001 – 10000	35	0.64	2,65,126	2.47
10001 – 50000	38	0.69	7,39,279	6.88
50001 – 100000	4	0.07	2,68,364	2.50
100001 and above	12	0.22	80,20,411	74.61
Total	**6516**	**100.00**	**1,07,50,000**	**100.00**

Category	Number of Shares	% to Total
Promoters and Promoter Group	7,253,199	67.47
Banks, Financial Institutions etc.	1,900	0.02
Corporate Bodies	942,518	8.77
Indian Public	2,373,070	22.08
NRIs/ OCBs	93,045	0.87
Clearing Members	86,268	0.80
Total	**10,750,000**	**100.0000**

Distribution of share holding by category as on 31st March, 2016



List of Top Ten Shareholders as on 31st March, 2016

Sl. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1	Vinod Dugar	2114423*	19.66
2	Sheetal Dugar	1933424	17.99
3	Khatod Investments & Finance Company Limited	921225	8.57
4	Pyramid Sales Private Limited	716122	6.66
5	Sunder Lal Dugar	687900**	6.40
6	Loka Properties Private Limited	377100	3.51
7	Ankur Constructions Private Limited	375000	3.49
8	Maheswari Plaza Resorts Limited	336281	3.13
9	Ultimate Infrabuild Private Limited	141325	1.32
10	North City Commodities Private Limited	126817	1.18

** includes 46400 shares as Trustee of Rekha Benefit Trust*

*** includes 67200 shares held as Karta of Moti Lal Dugar (HUF)*

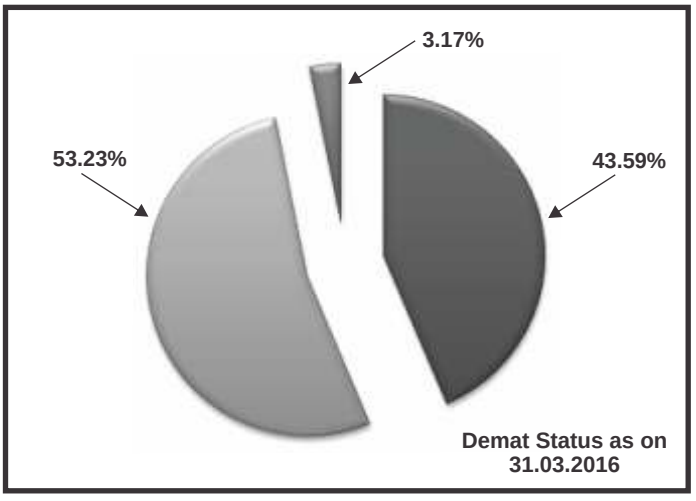
Details of shares held by Directors as on 31st March, 2016

Name of Director	No. of Equity Shares	% of Total holding
Mr. Nilotpal Deb	Nil	Nil
Mr. Ravi Prakash Pincha	5,600	0.052
Mr. Dilip Chakraborty	Nil	Nil
Mr Gaurav Somani	Nil	Nil
Total	**5,600**	**0.052**

Dematerialisation of shares and liquidity

Shares held in dematerialised and physical form as on 31st March, 2016

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	4686237	43.59%
Shares held in CDSL	5722458	53.23%
Shares held in physical form	341305	3.17%



Transfer of Unclaimed amounts to Investor Education and Protection Fund

Pursuant to section 124 of the Companies Act, 2013, dividends that are unpaid/unclaimed for a period of seven years from the date they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

During the year under review, Unclaimed Dividend for the Financial Year 2007-08 amounting to Rs.1,67,590.50 was transferred into Investors Education & Protection Fund on December 16, 2015 in compliance with section 124 of the Companies Act, 2013. The particulars of unpaid dividend for the previous seven years are uploaded on the Company's website and filed with the Ministry of Corporate Affairs.

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.

Commodity price risk or foreign exchange risk and hedging activities

The Company is not dealing in commodity and hence disclosure relating to commodity price risks and commodity hedging activities are not applicable.

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 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016

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 above–mentioned Listing Agreement/Listing Regulations as applicable.

On the basis of records maintained by the Company, we state that as on 31st March, 2016, 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

Place: Kolkata
Date: 30th May, 2016

Deepak Kumar Daga
Partner
Membership No. 059205

CEO / CFO CERTIFICATION

To,
The Board of Directors,
ntc industries limited

We, Nilotpal deb, Managing Director appointed in terms of the Companies Act, 2013 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, 2016 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, 2016 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 and

   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, 2016

Nilotpal Deb
Managing Director

Prem Chand Khator
Chief Financial Officer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

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, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, and also a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its **Loss** and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matter in the Notes to the following financial statements:

a) *Note 2.31 to the financial statements, which describe the uncertainty related to the outcome of pending dispute in the matter of provision of interest unsecured loan.*

b) *Note 2.32 to the financial statements which describe the uncertainty related to the outcome of pending dispute in the matter of Excise duty with Central Excise Department.*

c) *Note 2.33 to the financial statements which describe the uncertainty related to the outcome of pending dispute with West Bengal Government in the matter of Entry Tax.*

d) *Note 2.35 to the financial statements which describe the uncertainty related to the outcome of suit filed by the group of minority shareholders in the matter of disposal of land and building appurtenant thereto.*

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we set out a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

   b) As explained to us, Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) With respect to immovable properties of acquired land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the court orders provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date except as stated below:

Description of Property	*Cost of Property*
Land at Siliguri	*Rs.6,55,372/*

2. a) The inventory (excluding stock lying with third parties) has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories 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 examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

3.) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence clause is not applicable.

4.) According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has given loans to parties covered under the provisions of section 185 and 186 of the Companies Act, 2013. The loan so granted has been granted in compliance with the provisions of section 185 and 186 of the companies Act, 2013.

5.) The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

6.) The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

7.) a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except as stated below:

Nature of Due	*Amount (Rs in Lacs)*	*Period*
Municipal Tax	*3.84*	*14-15*
Municipal Tax	*0.59*	*Q2-15-16*

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute except as stated below:

Nature of Statute	*Nature of Dues*	*Amount (Rs in Lacs)*	*Period*	*Forum where pending*
West Bengal Tax on Entry of Goods into Local Areas Act, 2013	*Entry Tax*	*0.16* *2.00*	*2014-15* *2015-16*	*Hon'bleHigh Court of Calcutta*
Central Excise Act, 1944	*Excise Duty, Interest and Penalty*	*9100.74*	*1994-96* *2000-01* *2001-02*	*Assistant/Additional/Deputy Commissioner, Commissioner(Appeal) Appellate Tribunal and High Court*

8.) According to the records of the Company examined by us and the information and explanations given to us, the Company has neither defaulted in repayment of loans or borrowing to any financial institution, bank and government nor has it any outstanding debenture; hence the clause is not applicable.

9.) According to the information and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and term loan has been applied, on an overall basis, for the purpose for which they were obtained.

10.) According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

11.) As examined by us, the company has paid remuneration to managerial personnel during the period in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12.) The company is not a nidhi company. Hence clause is not applicable.

13.) According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

14.) According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

15.) According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

16.) According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143 (3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

4. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

5. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

6. With respect to the adequacy of the internal financial controls over financials reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) (i) *Note 2.31 to the financial statements, which describes the uncertainty related to the outcome of pending dispute in the matter of provision of interest unsecured loan.*

   (ii) *Note 2.32 to the financial statements which describes the uncertainty related to the outcome of pending dispute in the matter of Excise duty against Central Excise Department.*

   (iii) *Note 2.33 to the financial statements which describes the uncertainty related to the outcome of pending dispute against West Bengal Government in the matter of Entry Tax.*

(iv) Note 2.35 to the financial statements which describes the uncertainty related to the outcome of suit filed by the group of minority shareholders in the matter of disposal of land and building appurtenant thereto.

b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Deepak Kumar Daga
(Partner)
Membership No. 059205

Date: 30th day of May, 2016
Place: Kolkata – 700 001.

ANNEXURE A TO THE AUDITOR REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

TO THE MEMBERS OF NTC INDUSTRIES LIMITED

We have audited the internal financial controls over financial reporting of **NTC INDUSTRIES LIMITED** as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.

iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Deepak Kumar Daga
(Partner)
Membership No. 059205

Date: 30th day of May, 2016
Place: Kolkata – 700 001.

BALANCE SHEET
as at 31st March 2016

(Amount in ₹)

Sl. No.	Particulars	Note	As at 31st March, 2016		As at 31st March, 2015	
I.	**EQUITY AND LIABILITIES**					
	1. **Shareholders' funds**					
	(a) Share capital	2.1	107,500,000		107,500,000	
	(b) Reserves and surplus	2.2	205,928,838	313,428,838	210,902,301	318,402,301
	2. **Non-current liabilities**					
	(a) Long - term borrowings	2.3	20,000,000		20,000,000	
	(b) Long - term provisions	2.4	30,581,134	50,581,134	22,881,316	42,881,316
	3. **Current liabilities**					
	(a) Short - term borrowings	2.5	27,249,600		46,049,553	
	Trade payables	2.6	18,845,784		20,849,415	
	Other current liabilities	2.7	54,715,140		62,730,459	
	Short - term provisions	2.8	6,146,410	106,956,934	6,317,995	135,947,422
	Total			**470,966,906**		**497,231,038**
II.	**ASSETS**					
	1. **Non-current assets**					
	(a) Fixed assets	2.9				
	(i) Tangible assets		68,726,650		70,827,537	
	(ii) Capital work - in - progress		-		117,324	
			68,726,650		70,944,861	
	(b) Non current investments	2.10	6,414,997		6,414,997	
	(c) Deferred tax assets (net)	2.11	7,716,848		6,511,522	
	(d) Long - term loans and advances	2.12	51,909,280	134,767,775	51,909,280	135,780,660
	2. **Current assets**					
	(a) Inventories	2.13	45,495,422		38,392,305	
	(b) Trade receivables	2.14	8,694,254		15,898,068	
	(c) Cash and bank balances	2.15	4,424,421		12,511,459	
	(d) Short - term loans and advances	2.16	277,585,034	336,199,131	294,648,547	361,450,379
	Total			**470,966,906**		**497,231,039**
	Significant accounting policies and Notes to and forming parts of Financial Statements	1 2				

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

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, 2016

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

STATEMENT OF
PROFIT & LOSS
for the year ended 31st March 2016

(Amount in ₹)

Sl No.	Particulars	Note	As at 31st March, 2016		As at 31st March, 2015	
	REVENUE					
	Revenue from operations :	2.17	185,185,991		300,204,523	
	Less : Excise duty		96,332,768	88,853,223	69,909,757	230,294,766
	Other income	2.18		32,052,753		19,088,535
	Total revenue			**120,905,975**		**249,383,301**
	EXPENSES					
	Cost of materials consumed	2.19		44,388,416		108,347,692
	Purchase of stock in trade	2.20		1,122,578		-
	Changes in inventories of finished goods & stock in trade	2.21		(12,895,357)		208,591
	Employee benefits expense	2.22		41,711,713		37,881,977
	Finance costs	2.23		3,815,917		6,024,332
	Depreciation	2.9		5,002,708		8,430,014
	Other expenses	2.24		43,437,913		78,773,254
	Total expenses			**126,583,887**		**239,665,860**
	Profit/(Loss) before exceptional items			(5,677,912)		9,717,441
	Add / (Less) : Exceptional items			-		-
	Profit/(Loss) before Tax (PBT)			(5,677,912)		9,717,441
	Tax expenses :					
	(a) Current tax		500,877		1,943,488	
	(b) Tax adjustments for earlier years				1,114,781	
	(c) Deferred tax		(1,205,326)	(704,449)	(5,617,806)	(2,559,537)
	Profit/ (loss) for the period after Tax (PAT)			(4,973,463)		12,276,978
	Earnings per share: (Refere note no.2.26)			(0.46)		1.14
	Significant accounting policies and	1				
	Notes to and forming parts of Financial Statements	2				

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

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, 2016

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

CASH FLOW

statement for the year ended
31st March 2016

(Amount in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
A.	**Cash flow from operating activities :**				
	Net profit before tax as per Statement of Profit & Loss		**(5,677,922)**		**9,717,441**
	Adjustments for :				
	Depreciation	5,002,708		8,430,014	
	Interest paid	2,767,311		4,688,226	
	Sundry balances written off /(liabilities written back)	-		1,308,029	
	Doubtfull Debt Recovered	-		(2,613,335)	
	Bad Debts	1,441,373		446,259	
	Provision for rental income AS-19			7,021,845	
	Loss on Dmage Inputs and Rep of Finished Goods	-		1,080,289	
	(Profit) / Loss on sale of fixed assets	154,529		(6,768,479)	
	Interest received	(28,751,509)		(6,744,344)	
	Dividend received	(1,260,000)		(1,260,000)	
	Foreign Exchage (gain) / loss on trade receivable	(154,348)		(1,270,415)	
	Provision of Employees' retirement & current benefits	10,669,176	**(10,130,760)**	2,430,969	**6,749,058**
	Operating profit before working capital changes		**(15,808,682)**		**16,466,499**
	(Increase) / Decrease in inventories	(7,103,117)		(1,986,334)	
	(Increase) / Decrease in trade and other receivables	27,886,111		(180,688,118)	
	Increase / (Decrease) in trade payables	(15,303,606)	**5,479,388**	(43,757,058)	**(226,431,509)**
	Cash generated from operations		**(10,329,284)**		**(209,965,010)**
	Less: Direct taxes (paid) / refunds including interest (net)		(2,964,242)		(6,592,057)
	Net cash generated/(used) from operating activities		**(13,293,526)**		**(216,557,067)**
B.	**Cash flow from investing activities :**				
	Investment in Equity Shares of Subsidiary	-		(400,000)	
	Sale / (Purchase) of fixed Assets	(2,939,026)		233,545,684	
	(Deposit) / Refund in Fixed Deposits	-		1,002,322	
	Dividend received	1,260,000		1,260,000	
	Interest received	28,751,509		6,744,344	
	Net cash from investing activities		**27,072,483**		**242,152,350**
C.	**Cash flow from financing activities :**				
	Proceeds / (repayment) of long term borrowings	-		(33,144,890)	
	Proceeds / (repayment) of short term borrowings	(18,799,953)		20,081,007	
	Interest paid	(2,767,311)		(4,825,573)	
	Net cash generated/(used) in financing activities		**(21,567,264)**		**(17,889,456)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(7,788,307)		7,705,827
	Cash and cash equivalents -Opening balance		8,689,051		983,224
	Cash and cash equivalents -Closing balance		**900,744**		**8,689,051**
	CASH AND CASH EQUIVALENTS COMPRISE:				
	Balances with bank		800,698		8,225,358
	Cash on hand		100,046		463,693
			900,744		**8,689,051**

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

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, 2016

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

NOTE 1-SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

i. These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

ii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

B. SYSTEM OF ACCOUNTING

i. The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.

ii. Financial statements are prepared under the historical cost convention.

iii. Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

C. REVENUE RECOGNITION

I. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales represent invoice value of finished goods sold inclusive of excise duty and VAT/CST but exclude sales returns, claims, rate difference etc.

ii. Revenue from services are recognised on rendering of services to customers except otherwise stated.

iii. Rental income (exclusive of Service Tax) from assets given on licence is recognised on rendering of services to tenants. This policy is not applicable for variable rental income based on turnover of the tenant.

iv. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

v. Dividend income is recognised when the right to receive is established.

D. 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.

iii. **Intangible assets** are capitalised, where it is expected to provide future enduring economic benefits.

iv. **Depreciation** is provided on depreciable value (which is cost minus residual value) under written down value method in the manner that the assets is depreciated over the useful life stated in Schedule II of the Companies Act, 2013.

v. **Impairment -** An asset is treated as impaired when the carrying cost of the same exceeds its recoverable amount. Such impairment loss is charged to the Statement of Profit and Loss in the year

in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

E. **INVESTMENTS**

Investments are bifurcated into non-currentand 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 noncurrent. Current investments are carried at lower of cost or fair market value, determined on an individual investment basis. Noncurrent investments are carried at cost. Provision for diminution in the value of noncurrent investments is made, only if such a diminution is other than temporary.

F. **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: At lower of weighted average cost or net realisable value.

G. **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".

H. **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.

I. **EXCISE DUTY**

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

J. **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, employees state insurance etc. are considered as defined contribution plan and the contributions are charged to the statement of profit and loss for the year when the contributions to the respective funds are due.
   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.

K. **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.

L. **PROVISIONS/CONTINGENCIES**

i. The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

ii. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

M. **CONTINGENT LIABILITY**

Liabilities which are contingent in nature are not provided for in the accounts and the same are separately disclosed by way of notes to account.

N. **EARNINGS PER SHARE**

Earnings per Share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O. **PRIOR PERIOD ADJUSTMENTS**

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

SCHEDULE

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*

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

Note 2.1- Share capital		
a. Authorised share capital :		
16,500,000 (Previous year 16,500,000) Equity Shares of Rs.10/- each	165,000,000	165,000,000
3,500,000 (Previous year 3,500,000) Preference Shares of Rs.10/- each	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	107,500,000	107,500,000
Total	**107,500,000**	**107,500,000**
c. Reconciliation of number of equity shares outstanding :		
As at the beginning of the year	10,750,000	10,750,000
As at the end of the year	10,750,000	10,750,000

d. Rights, preferences & restrictions to shares & restrictions on distribution of dividend and repayment of capital

The Company has issued only class of equity shares. 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. In the event of Liquidation, the shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

e. Shareholders holding more than 5% shares:	**% Holding**	**% Holding**
	Shares held (No.)	**Shares held (No.)**
1. Vinod Dugar	19.24%	19.24%
	2,068,023	2,068,023
2. Sheetal Dugar	17.99%	17.99%
	1,933,424	1,933,424
3. YMS Finance Private Limited (Formerly Pyramid Sales Private Limited)	6.66%	6.66%
	716,122	716,122
4. Khatod Investments & Finance Company Limited	8.57%	8.57%
	921,225	921,225
5. Sunder Lal Dugar	5.77%	5.77%
	620,700	620,700

f. Share Reserved for issue:-

No Equity Shares have been reserved for issue under option & contracts/commitments for sale of shares/ disinvestment as at Balance Sheet date.

Note 2.2- Reserves and surplus		
a. Capital reserve		
As per last Financial Statements	15,250,000	15,250,000
b. Capital redemption reserve		
As per last Financial Statements	26,440,000	26,440,000
c. Surplus, i.e., balance of statement of profit and loss		
As per last Financial Statements	169,212,301	156,935,323
Add : Profit for the year	(4,973,463)	12,276,978
Surplus - As at the end of the year	164,238,838	169,212,301
Total	**205,928,838**	**210,902,301**

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.3- Long - term borrowings		
From other parties (Unsecured) (refer note no:2.33)	20,000,000	20,000,000
Total	**20,000,000**	**20,000,000**
Note 2.4- Long - term provisions		
Provision for Employee Benefits	30,581,134	22,881,316
Total	**30,581,134**	**22,881,316**
Note 2.5- Short - term borrowings		
Working capital loan from bank (Secured, repayable on demand)	27,249,600	46,049,553
For General Business Purpose. Secured by corporate guarantee of group companies & by personal guarantee of promoter. The applicable Interest rate is base rate plus 3%.		
Total	**27,249,600**	**46,049,553**
Note 2.6- Trade Payables		
To Micro, Small & Medium Enterprises	-	-
To others	18,845,784	20,849,415
[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.]		
Total	**18,845,784**	**20,849,415**
Note 2.7- Other current liabilities		
Excise duty payable (BDR) (refer note 2.32)	21,548,160	21,548,160
Statutory liabilities	800,298	2,195,200
Advance from other than related party	8,628,355	9,599,029
Other payables	21,664,818	28,957,396
Advance taken from subsidiary	1,941,567	-
Unclaimed dividend (Refer Note 2.38)	131,943	430,674
Total	**54,715,140**	**62,730,459**
Note 2.8- Short-term provisions		
Income tax	2,444,365	1,943,488
Provision for Employee Benefits	3,702,045	4,374,507
Total	**6,146,410**	**6,317,995**
Note 2.10- Non-Current Investments		
Investment in Equity Instruments, Trade Investments (at cost, fully paid)		
Quoted		
RDB Realty & Infrastructure Ltd. (12,60,000 shares of Rs 10 each)	6,014,997	6,014,997
Aggregate Book Value of Quoted Investment	6,014,997	6,014,997
Unquoted: Wholly owned Subsidiary (w.e.f 27th August, 2014)		
NTCIL Real Estate Private Limited (10000 shares of Rs 10 each)	100,000	100,000
NTCIL Infrastructure Private Limited (10000 shares of Rs 10 each)	100,000	100,000
NTCIL Realty Private Limited (10000 shares of Rs 10 each)	100,000	100,000
NTCIL Siliguri Estate Private Limited (10000 shares of Rs 10 each)	100,000	100,000
Total	**6,414,997**	**6,414,997**
Aggregate Book Value of Quoted Investment	**6,014,997**	**6,014,997**
Aggregate Book Value of Unquoted Investment	**400,000**	**400,000**
Aggregate Market Value of Quoted Investment	**35,973,000**	**34,398,000**

Notes to and forming part of Financial Statements

Note 2.9- Fixed assets

(Amount in ₹)

Nature of Tangible assets	Gross Block				Depreciation				Net Block	
	As at 01.04.15	Addition during the period	Deductions during the period	As at 31.03.16	Up to 31.03.15	For the Period	Deduction during the period	Up to 31.03.16	As at 31.03.16	As at 31.03.15
Land	19,653,064			19,653,064	-	-	-	-	19,653,064	19,653,064
Factory Building	39,302,635			39,302,635	31,321,224	589,260	-	31,910,484	7,392,151	7,981,411
Other Building	2,258,532	550,000		2,808,532	1,286,454	95,250		1,381,704	1,426,828	972,078
Plant & Machinery	108,810,197	2,557,746	453,338	110,914,605	68,179,713	3,949,472	170,238	71,958,947	38,955,658	40,630,484
Furniture & fixture	301,806	-	-	301,806	257,554	4,655	-	262,209	39,597	44,252
Office Equipments	939,997	26,000	-	965,997	422,707	170,751	-	593,458	372,539	517,290
Computers	1,306,641	41,175		1,347,816	1,196,667	44,472	-	1,241,139	106,677	109,974
Vehicles	1,286,931	10,000		1,296,931	367,947	148,848		516,795	780,136	918,984
Total	**173,859,803**	**3,184,921**	**453,338**	**176,591,386**	**103,032,266**	**5,002,708**	**170,238**	**107,864,736**	**68,726,650**	**70,827,537**
Previous Year	353,392,026	6,502,977	186,035,200	173,859,803	133,553,765	8,430,014	38,951,513	103,032,266	70,827,537	219,838,261

Nature of Capital work-in-progress	As on 01.04.2015	Addition	Transfer	As on 31.03.2016	As on 31.03.2015
Plant & Machinery	117,324	-	117,324	-	117,324
Total	117,324	-	117,324	-	117,324

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.11- Deferred Tax Liabilities / (Assets) (net)		
a. Deferred tax assets :		
- Provision for Employee Benefits	12,792,402	11,418,290
Sub Total - Deferred tax Assets	12,792,402	11,418,290
b. Deferred tax liabilities :		
- Depreciation allowance on fixed assets	5,075,554	4,906,768
Sub Total - Deferred tax liabilities	5,075,554	4,906,768
Total (a-b)	**7,716,848**	**6,511,522**
Note 2.12- Long - term loans and advances		
(Unsecured, considered good)		
Deposit with Excise Authority	11,416,000	11,416,000
Refund receivable from Excise Authority (BDR) (refer note no. 2.32)	40,493,280	40,493,280
Total	**51,909,280**	**51,909,280**
Note 2.13- Inventories		
(As taken, valued & certified by the Management)		
{for valuation refer note no.1(F)}		
Raw materials	15,388,239	22,368,443
Finished goods	26,576,301	13,970,259
Stock-in-trade	289,315	-
Stores and spares	3,241,567	2,053,603
Total	**45,495,422**	**38,392,305**
Note 2.14- Trade receivables		
(Unsecured, considered good)		
Outstanding for more than six months	4,533,360	6,927,471
Others	4,160,894	8,970,597
Sub Total	8,694,254	15,898,068
(Unsecured, considered doubtfull)		
Outstanding for more than six months	-	820,386
Less:Provision for bad and doubtfull debt	-	(820,386)
Sub Total	-	-
Total	**8,694,254**	**15,898,068**
Note 2.15- Cash and bank balances		
Cash and cash equivalents :		
- Balances with bank	800,698	8,225,358
- Cash on hand (As certified by the management)	100,046	463,693
Sub Total	900,744	8,689,051
Other bank balances :		
- Unpaid Dividend	131,943	299,533
- Draft in Hand	-	131,141
- Fixed Deposits (For lien against guarantees and letter of credit)	3,391,735	3,391,735
Sub Total	3,523,678	3,822,409
Total	**4,424,421**	**12,511,459**

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.16- Short-term loans and advances		
(Unsecured, considered good)		
Loan to Body Corporate (other than related)	209,856,795	230,609,456
Advance to directors & officers of the company	655,866	42,710
Balance with revenue authorities	742,509	825,184
Advance Income Tax & TDS	20,036,293	17,072,051
Other advances	38,532,743	38,807,471
Interest accrued but not due	295,879	-
Deposits	7,181,220	6,885,992
Prepaid Expenses	283,728	405,683
Total	**277,585,034**	**294,648,547**
Note 2.17- Revenue from operations		
Sale of Goods		
- Sale of manufactured goods :		
- Domestic	125,343,177	105,829,425
- Export	51,456,905	154,955,178
- Sale of stock in trade	1,376,197	
Sub Total (a)	178,176,279	260,784,603
Other operating incomes		
- Rental Income	2,320,975	39,296,653
- Sale of Manufacturing Waste	139,190	123,268
- Income from Management Consultancy	1,500,000	-
- Sale of Export Benefit License	3,049,547	-
Sub Total (b)	7,009,712	39,419,921
Total (a+b)	**185,185,991**	**300,204,523**
Note 2.18- Other income		
Profit / (Loss) on sale of fixed asset	(154,529)	6,768,479
Interest income	28,751,509	6,744,344
Dividend (non current, trade investments)	1,260,000	1,260,000
Recovery of bad & doubtfull debt	-	2,613,335
Sundry balances / liabilities written back (net)	398,634	-
Excise refund	1,588,509	-
Foreign currency fluctuation gain	154,348	1,270,415
Other receipts	54,281	431,962
Total	**32,052,753**	**19,088,535**
Note 2.19 (a)- Cost of Material Consumed during the year		
Opening Stock of Raw Material	22,368,443	22,022,943
Add: Purchase of Raw Material	39,142,322	109,901,873
Less: Damage of Raw Material	1,734,110	1,208,681
Less: Closing Stock of Raw Material	15,388,239	22,368,443
Consumption	**44,388,416**	**108,347,692**

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.19 (b)- Cost of materials consumed	**% consumption / value-consumption**	**% consumption / value-consumption**
Raw Tobacco	38.63%	34.61%
	17,147,968	37,497,061
Filter Rods	20.07%	24.55%
	8,908,134	26,604,116
Blank	14.98%	12.88%
	6,647,611	13,949,800
Others	26.32%	27.96%
	11,684,713	30,296,715
Total	**100.00%**	**100.00%**
	44,388,426	**108,347,692**
Note 2.19 (c) Particulars of materials consumed (% and value)		
Imported	**2.66%**	**1.93%**
	1,182,074	2,086,140
Indigenous	**97.34%**	**98.07%**
	43,206,352	106,261,552
Total	**100.00%**	**100.00%**
	44,388,426	**108,347,692**
Note 2.20- Purchase of stock in trade		
Match Boxes(100%)	1,122,578	-
Total	**1,122,578**	**-**
Note 2.21- Change in inventories of finished goods and stock - in - trade		
Opening Stock of		
- Finished goods	13,970,259	14,178,850
- Stock - in - trade	-	-
Total (a)	13,970,259	14,178,850
Closing Stock of		
- Finished goods	26,576,301	13,970,259
- Stock - in - trade	289,315	-
Total (b)	26,865,616	13,970,259
(Increase) / Decrease in inventories (a-b)	**(12,895,357)**	**208,591**
Note 2.22- Employee benefits expense		
Salaries , wages, bonus, allowances, etc	27,719,644	31,013,112
Contribution to provident and other fund	2,428,087	2,429,349
Staff welfare expenses	1,657,586	1,782,914
Provision for Gratuity	9,906,396	2,656,602
Total	**41,711,713**	**37,881,977**
Note 2.23- Finance costs		
Interest paid	2,767,311	4,688,226
Finance Charges	1,048,606	1,336,106
Total	3,815,917	6,024,332

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.24 (a)- Other expenses		
a. Manufacturing expenses :		
Stores and spares consumed	3,050,264	4,745,880
Power and fuel consumed	7,549,189	11,726,776
Machine repairs	715,514	895,377
Inward freight, coolie, cartage and other expenses	1,470,341	3,115,502
Other manufacturing expenses	596,457	1,046,212
Total (a)	13,381,765	21,529,747
b. Administration expenses :		
Rent	-	61,314
Rates and Taxes	62,853	54,240
Building Repairs	1,279,836	2,911,120
Other Maintenance	201,432	194,988
Vehicle maintenance expenses	587,419	593,975
Insurance Premium	354,593	610,972
Sundry balances / liabilities written off (net)		1,308,029
Travelling and conveyance	320,268	552,478
Postage, telegraph and telephones	327,543	587,255
Printing and stationery	321,705	975,233
Legal & Professional Charges	3,815,736	8,914,417
Bad Debt	1,441,373	446,259
Electricity charges	720,403	841,021
Land revenue and municipal taxes (net)	523,815	759,176
Loss on Damage Inputs and Rep of FG	-	1,080,289
Miscellaneous expenses	516,794	1,553,895
Auditors' remuneration :		
- Audit fee	75,000	75,000
- Tax audit fee	25,000	25,000
Total (b)	**10,573,770**	**21,544,661**
c.Selling and distribution expenses :		
Advertisement and publicity expenses	2,313,772	7,295,822
Distribution Expenses & Sales Promotion Expenses	4,171,602	8,127,933
Sales tax	3,247,709	5,688,838
Outward freight and forwarding charges	4,978,977	12,747,713
Brokerage, commission and discounts	4,770,318	1,838,540
Total (c)	19,482,378	35,698,846
Total (a+b+c)	**43,437,913**	**78,773,254**

Note 2.24(b) Particulars of stores and spares consumed (% and value)	**% consumption / value-consumption**	**% consumption / value-consumption**
Imported	0.00%	6.34%
	-	301,072
Indigenous	100.00%	93.66%
	3,050,264	4,444,808
Total	**100.00%**	**100.00%**
	3,050,264	**4,745,880**

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.

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 129 of Companies Act, 2013 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.

2.26 **Earnings Per Share in accordance with AS-20:-**

Earnings per share is computed as under:-		**2015-16**	**2014-15**
Profit after tax available for equity shareholders	(A) (₹)	4,976,468	12,276,978
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)	(₹)	(0.46)	1.14

2.27 **In terms of AS - 19 on "Leases"**, disclosures for operating lease arrangements are as under:-

(Amount in ₹)

Sl. No.	**PARTICULARS**	**2015-16**	**2014-15**
I	Asset under leasing arrangement Building *		
	a) Gross Block	Nil	Nil
	b) Less: Accumulated Depreciation	Nil	Nil
	c) Net Block	Nil	Nil
II	Depreciation for the year.	Nil	147,843
III	Total contingent rents recognised as income / (expense) in the statement of profit and loss for the year.	Nil	(7,021,845)
IV	General Description: Not Applicable		

* 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.

2.28 **Post Employment Benefits**

a) **Defined Contribution Plans:** The Company has recognised an expense of Rs.24,28,087/- (Previous Year Rs.24,29,349/-) towards the defined contribution plans.

b) **Defined Benefit Plans**: As per actuarial valuation as on March 31, 2016 and recognised in the financial statements in respect of employee benefit schemes:

(₹ in Lacs)

PARTICULARS			2015-16		2014-15	
			Gratuity	Leave	Gratuity	Leave
I	**Components of employer expense**					
	1	Current service cost	11.77	2.53	9.31	0.18
	2	Interest cost	24.31	0.37	22.54	0.55
	3	Expected return on plan assets	-	-	-	-
	4	Curtailment cost/ (credit)	-	-	-	-
	5	Settlement cost/ (credit)	-	-	-	-
	6	Past service cost	-	-	-	-
	7	Actuarial losses/ (gains)	62.09	1.55	(5.29)	(6.68)
	8	Total employer expense recognise d in the statement of profit & loss	98.18	4.45	26.57	(5.95)
	Gratuity expense is recognised in "Gratuity" and "Leave Encashment" in "Salary, Wages and Bonus" under Note – 2.21.					
II	**Net Asset/ (Liability) recognised in balance sheet**					
	1	Present value of defined benefit obligation	336.21	6.62	269.99	2.57
	2	Fair value of plan assets	-	-	-	-
	3	Funded status [Surplus/ (Deficit)]	(336.21)	(6.62)	(269.99)	(2.57)
	4	Unrecognised past service costs	-	-	-	-
	5	Net Asset/ (Liability) recognised in balance she et	(336.21)	(6.62)	(269.99)	(2.57)
III	**Change in Defined Benefit Obligation (DBO)**					
	1	Present value of DBO at the beginning of period	269.99	2.57	293.62	11.29
	2	Current service cost	11.77	2.53	9.31	0.18
	3	Interest cost	24.31	0.37	22.54	0.55
	4	Curtailment cost / (credit)	-	-	-	-
	5	Settlement cost / (credit)	-	-	-	-
	6	Plan amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial losses / (Gains)	62.09	1.55	(5.29)	(6.68)
	9	Benefit payments	(31.95)	(0.39)	(50.20)	(2.78)
	10	Present value of DBO at the end of period	336.21	6.62	269.99	2.57
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	31.95	(0.39)	50.20	2.78
	5	Actuarial Gain / (Loss)	-	-	-	-
	6	Benefit payments	(31.95)	(0.39)	(50.20)	(2.78)
	7	Plan assets at the end of period	-	-	-	-
V	**Actuarial Assumptions**					
	1	Discount rate	8.00%	8.00%	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	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) 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				

2.29 **Related party disclosures:-**

(A) Key Management Personnel and their relatives:-

Sl. No.	Name	Designation /Relationship
1.	Nilotpal Deb	Managing Director

(B) Enterprises where control exists (wholly owned subsidiaries):-

Sl. No.	Name of Enterprise	Sl. No.	Name of Enterprise
1	NTCIL Siliguri Estate Private Limited	2	NTCIL Realty Private Limited
3	NTCIL Infrastructure Private Limited	4	NTCIL Real Estate Private Limited

Disclosure of transactions with related parties and outstanding balances:-

Particulars	KMP and their relatives	Subsidiaries
Electricity Income	--- (---)	520,162 (---)
Remuneration Paid	603,785 (605,906)	--- (---)
Advance given against Gratuity	450,000 (---)	--- (---)
Advance taken	--- (---)	4,558,433 (---)
Advance taken repaid	--- (---)	6,500,000 (---)
Advance given	219,000 (---)	--- (---)
Advance given against Salary adjusted	72,000 (---)	--- (---)
Investments in Equity Shares	--- (---)	--- (400,000)
Sale of Fixed Assets	--- (---)	--- (230,168,609)
Balances outstanding		
Investment in Equity Shares	--- (---)	400,000 (400,000)
Advance given against Gratuity	450,000 (---)	--- (---)
Advance given against Salary	160,000 (13,000)	--- (---)
Advance taken	--- (---)	4,558,433 (---)
Trade Receivable	--- (---)	129,770 (---)

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.

2.30 In terms of confirmation of sale of assets of New Tobacco Co. Ltd. (In Liquidation) in favour of the Company vide order dated 19th April, 2006 of Calcutta High Court,. Conveyance deed of Siliguri Property is yet to be executed for transfer of title in favour of the Company.

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

2.32 In view of the amendment made in the Union Budget 2003 with retrospective effect, the Company is liable to refund excise duty amounting to Rs.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 Rs.13,51,65,973 (PY Rs 12,56,93,128 /-) upto 31st March, 2016. The Company had challenged the amendment in Hon'ble High Court at 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 High court at Guwahati but failed to get any relief against the order dated 19.04.2012, the company has again filled the appeal before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India vide order dated 07.02.2014 set aside the order of the Hon'ble High court at Guwahati and requested to deal with the questions of law set aside in its previous order. In terms of this the Hon'ble High Court at Guwahati vide its order dated 19.11.2014 remanded the matter to CESTAT at Kolkata for consideration of the matter in accordance of law. The said appeal is still pending to be decided. 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 Rs. 40,493,280/- as excise duty refund receivable (Badarpur) and Rs.21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification.

2.33 The company has during the year under review has filed an appeal before the Calcutta High court against the entry tax imposed by state government on the import of input from other states and accordingly not paid the entry tax to the tune of Rs.2,16,626 (P.Y. Rs. 24,757/-) till the date of financial statements. But the same has been provided for in the financial statements.

2.34 Contingent Liability in previous year includes Assessed VAT of Rs 110.24 lakhs for the Financial Year 2011-12. Company has preferred appeal before the appellate authority against this order. This demand of VAT is due to wrong treatment of the VAT deducted at source by the government contractee from the transferee company at the time of demerger in 2010-11 and wrongly deposited in the name of the company. The said appeal is decided in favour of Company.

2.35 In the preceding financial year a group of minority shareholders had filed a suit against the company in the court of Learned Fourth Civil Judge (Junior Division) at Sealdah, West Bengal. Since the matter is subjudice in the court, any disclosures given at this moment would be prejudicial to the interest of the company and that of the stakeholders.

2.36 **Contingent liabilities :**

(₹ in Lacs)

Particulars	As at 31.03.16	As at 31.03.15
Claims against the company not acknowledged as debt	144.54	144.54
Disputed Liabilities relating to Central Excise Demand	9100.74	9006.02
Disputed Liabilities relating to VAT	-	110.24
Disputed Liabilities relating to Entry Tax	2.17	0.25

2.37 **Foreign exchange earnings and outgo:**

(₹ in Lacs)

Description	Year Ended 31.03.16	Year Ended 31.03.15
F.O.B Value of Export	474.02	1028.65

(₹ in Lacs)

Description	Year Ended 31.03.16	Year Ended 31.03.15
- Raw materials	1.78	30.36
Total	1.78	30.36

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

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

For and on behalf of the Board

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

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Deepak Kumar Daga
Partner
Membership No. 059205

Place : Kolkata.
Date : 30th day of May, 2016

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

Form - AOC1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	1	2	3	4
Name of the subsidiary	NTCIL Infrastructure Pvt. Ltd.	NTCIL Real Estate Pvt. Ltd.	NTCIL Realty Pvt. Ltd.	NTCIL Siliguri Estate Pvt. Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR
Share capital	100,000.00	100,000.00	100,000.00	100,000.00
Reserves & surplus	(298,298.00)	33,558,901.00	(30,291.00)	(30,234.00)
Total assets	159,173,840.00	218,250,408.00	75,709.00	75,766.00
Total Liabilities	159,173,840.00	218,250,408.00	75,709.00	75,766.00
Investments	-	-	-	-
Turnover	25,958,842.00	68,382,438.00	-	-
Profit before taxation	(130,1827.00)	32,423,614.00	(3,057.00)	(3,000.00)
Provision for taxation	550,000.00	8,350,000.00	-	-
Profit after taxation	1,851,827.00	24,073,614.00	(3,057.00)	(3,000.00)
Proposed Dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%

Notes: 1. **Names of subsidiaries which are yet to commence operations –**NTCIL Realty Pvt. Ltd. and NTCIL Siliguri Estate Pvt. Ltd. are yet to commence operations.

2. **Names of subsidiaries which have been liquidated or sold during the year-** None

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures				
Name of Associates/Joint Ventures	Nil	Nil	Nil	Nil
Latest audited Balance Sheet Date				
Shares of Associate/Joint Ventures held by the company on the year end				
No.				
Amount of Investment in Associates/Joint Venture				
Extend of Holding %				
Description of how there is significant influence				
Reason why the associate/joint venture is notconsolidated				
Net worth attributable to Shareholding as per latest audited Balance Sheet				
Profit / Loss for the year				
i. Considered in Consolidation				
i. Not Considered in Consolidation				

NOT APPLICABLE

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Sunil Kumar Varma
Company Secretary

Prem Chand Khator
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT CONSOLIDATED FINANCIAL STATEMENTS

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, 2016, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, and also a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its **Profit** and its cash flows for the year ended on that date.

EMPHASIS OF MATTER

We draw attention to the following matter in the Notes to the following financial statements:

a) *Note 2.32 to the financial statements, which describes the uncertainty related to the outcome of pending dispute in the matter of provision of interest unsecured loan.*

b) *Note 2.33 to the financial statements which describes the uncertainty related to the outcome of pending dispute in the matter of Excise duty with Central Excise Department.*

c) *Note 2.34 to the financial statements which describes the uncertainty related to the outcome of pending dispute with West Bengal Government in the matter of Entry Tax.*

d) *Note 2.36 to the financial statements which describes the uncertainty related to the outcome of suit filed by the group of minority shareholders in the matter of disposal of land and building appurtenant thereto.*

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we set out a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

   b) As explained to us, Fixed Assets of the company are physically verified by the management according to a phased programme designed to cover all the items which considering the size and nature of operations of the company appears to be reasonable. Pursuant to such program, no material discrepancies between book records and physical inventory have been noticed on physical verification.

   c) With respect to immovable properties of acquired land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the court orders provided to us, we report that, except as stated in Note No. 2.31 regarding non registration of property at siliguri of Rs.6,55,372/- in the name of the company, all other the title deeds of land are held in the name of the Company as at the balance sheet date except as stated below:

2. a) The inventory (excluding stock lying with third parties) has been physically verified by the management at regular intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them.

   b) In our opinion and according to the information's and explanations given to us, the procedures of physical verification of inventories 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 examinations of records of the inventory, in our opinion, the company is maintaining proper records of inventory except in respect of work-in-progress. As in earlier years, work-in-progress has been determined by the management on the basis of physical verification. The discrepancies ascertained on physical verification between the physical stock and the book records of inventory were not material in relation to the operations of the Company.

   The company has not granted any loans, secured or unsecured to companies, firms or others parties covered in the register maintained under section 189 of the Companies Act 2013.Hence clause is not applicable.

3. According to the records of the company examined by us and according to the information and explanations given to us, in our opinion the company has given loans to parties covered under the provisions of section 185 and 186 of the Companies Act, 2013. The loan so granted has been granted in compliance with the provisions of section 185 and 186 of the companies Act, 2013.

4. The company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under are not applicable.

5. The rules regarding maintenance of cost records which have been specified by the central government under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

6. a) The company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable except as stated below:

Nature of Due	*Amount (Rs in Lacs)*	*Period*
Municipal Tax	*3.84*	*14-15*
Municipal Tax	*0.59*	*Q2-15-16*

b) According to the records of the company examined by us and according to information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute except as stated below:

Nature of Statute	*Nature of Dues*	*Amount (Rs in Lacs)*	*Period*	*Forum where pending*
West Bengal Tax on Entry of Goods into Local Areas Act, 2013	*Entry Tax*	*0.16* *2.00*	*2014-15* *2015-16*	*Hon'bleHigh Court of Calcutta*
Central Excise Act, 1944	*Excise Duty, Interest and Penalty*	*9100.74*	*1994-96* *2000-01* *2001-02*	*Assistant/Additional/Deputy Commissioner, Commissioner(Appeal) Appellate Tribunal and High Court*

7. According to the records of the Company examined by us and the information and explanations given to us, the Company has neither defaulted in repayment of loans or borrowing to any financial institution, bank and government nor has it any outstanding debenture; hence the clause is not applicable.

8. According to the information and explanations given to us, there was no money raised by way of initial public offer or further public offer (including debt instruments) and term loan has been applied, on an overall basis, for the purpose for which they were obtained.

9. According to the information and explanations given to us, we report that neither any fraud by the company nor on the company by its officers / employees has been noticed or reported during the year.

10. As examined by us, the company has paid remuneration to managerial personnel during the period in accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

11. The company is not a nidhi company. Hence clause is not applicable.

12. According to the information and explanations given to us, we are of the opinion that all the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

13. According to the information and explanations given to us, we report that the company has neither made any preferential allotment or private placement of shares nor fully or partly convertible debentures during the year under review. Hence clause is not applicable.

14. According to the information and explanations given to us, we report that the company has not entered into any non-cash transactions with directors or persons connected with them. Hence clause is not applicable.

15. According to the information and explanations given to us, we report that company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143 (3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

4. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

5. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

6. With respect to the adequacy of the internal financial controls over financials reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) (i) *Note 2.32 to the financial statements, which describes the uncertainty related to the outcome of pending dispute in the matter of provision of interest unsecured loan.*

   (ii) *Note 2.33 to the financial statements which describes the uncertainty related to the outcome of pending dispute in the matter of Excise duty with Central Excise Department.*

   (iii) *Note 2.34 to the financial statements which describes the uncertainty related to the outcome of pending dispute with West Bengal Government in the matter of Entry Tax.*

(iv) Note 2.36 to the financial statements which describes the uncertainty related to the outcome of suit filed by the group of minority shareholders in the matter of disposal of land and building appurtenant thereto.

a) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Deepak Kumar Daga
(Partner)
Membership No. 059205

Date: 30th day of May, 2016
Place: Kolkata – 700 001.

ANNEXURE A TO THE AUDITOR REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

TO THE MEMBERS OF NTC INDUSTRIES LIMITED

We have audited the internal financial controls over financial reporting of **NTC INDUSTRIES LIMITED** as of 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company.

iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Deepak Kumar Daga
(Partner)
Membership No. 059205

Date: 30th day of May, 2016
Place: Kolkata – 700 001.

CONSOLIDATED

BALANCE SHEET

as at 31st March 2016

(Amount in ₹)

Sl. No.	Particulars	Note	As at 31st March, 2016		As at 31st March, 2015	
I.	**EQUITY AND LIABILITIES**					
	1. **Shareholders' funds**					
	(a) Share capital	2.1	107,500,000		107,500,000	
	(b) Reserves and surplus	2.2	239,128,912	346,628,912	221,886,649	329,386,649
	2. **Non-current liabilities**					
	(a) Long - term borrowings	2.3	101,627,759		20,000,000	
	(b) Long - term provisions	2.4	30,581,134	132,208,893	22,881,316	42,881,316
	3. **Current liabilities**					
	(a) Short - term borrowings	2.5	180,118,795		278,936,758	
	Trade payables	2.6	19,916,593		20,849,415	
	Other current liabilities	2.7	103,647,500		134,079,586	
	Short - term provisions	2.8	16,736,660	320,419,548	9,917,995	443,783,754
	Total			**799,257,352**		**816,051,719**
II.	**ASSETS**					
	1. **Non-current assets**					
	(a) Fixed assets	2.9				
	(i) Tangible assets		345,040,422		298,336,342	
	(ii) Capital work - in - progress		29,761,971		63,488,106	
			374,802,393		361,824,448	
	(b) Non current investments	2.10	6,014,997		6,014,997	
	(c) Deferred tax assets (net)	2.11	7,716,848		6,511,522	
	(d) Long - term loans and advances	2.12	51,909,280	440,443,518	51,909,280	426,260,247
	2. **Current assets**					
	(a) Inventories	2.13	45,495,422		38,392,305	
	(b) Trade receivables	2.14	13,481,099		36,693,589	
	(c) Cash and bank balances	2.15	6,313,353		13,234,380	
	(d) Short - term loans and advances	2.16	293,523,961	358,813,834	301,471,198	389,791,472
	Total			**799,257,352**		**816,051,719**
	Significant accounting policies and	1				
	Notes to and forming parts of Financial Statements	2				

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

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

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Deepak Kumar Daga
Partner
Membership No. 059205

Place : Kolkata.
Date : 30th day of May, 2016

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

CONSOLIDATED STATEMENT OF

PROFIT AND LOSS

for the year ended 31st March 2016

(Amount in ₹)

Particulars	Note	As at 31st March, 2016		As at 31st March, 2015	
REVENUE					
Revenue from operations :	2.17	279,521,486		321,002,092	
Less : Excise duty		96,332,768	183,188,718	69,909,757	251,092,335
Other income	2.18		32,731,336		19,119,045
Total revenue			**215,920,053**		**270,211,380**
EXPENSES					
Cost of materials consumed	2.19		44,388,416		108,347,692
Purchase of stock in trade	2.20		1,122,578		-
Changes in inventories of finished goods & stock in trade	2.21		(12,895,357)		208,591
Employee benefits expense	2.22		44,011,428		37,881,977
Finance costs	2.23		42,784,014		9,210,115
Depreciation	2.9		18,096,175		11,089,816
Other expenses	2.24		52,974,986		79,171,400
Total expenses			**190,482,240**		**245,909,591**
Profit/(Loss) before exceptional items			**25,437,814**		**24,301,789**
Add / (Less) : Exceptional items			-		-
Profit/(Loss) before Tax (PBT)			**25,437,814**		**24,301,789**
Tax expenses :					
(a) Current tax		9,400,877		5,543,488	
(b) Tax adjustments for earlier years				1,114,781	
(c) Deferred tax		(1,205,326)	8,195,551	(5,617,806)	1,040,463
Profit/ (loss) for the period after Tax (PAT)			**17,242,263**		**23,261,326**
Earnings per share: (Refere note no.2.26)			1.60		2.16
Significant accounting policies and	1				
Notes to and forming parts of Financial Statements	2				

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

For and on behalf of the Board

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

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Deepak Kumar Daga
Partner
Membership No. 059205

Place : Kolkata.
Date : 30th day of May, 2016

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

CASH FLOW

statement for the year ended
31st March 2016

(Amount in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
A.	**Cash flow from operating activities :**				
	Net profit before tax as per Statement of Profit & Loss		**25,437,814**		**24,301,790**
	Adjustments for :				
	Depreciation	18,096,175		11,089,816	
	Interest paid	41,279,408		7,874,009	
	Sundry balances written off /(liabilities written back)	(388,358)		1,308,029	
	Doubtfull Debt Recovered	-		(2,613,335)	
	Bad Debts	1,441,373		446,259	
	Provision for rental income AS-19	-		7,021,845	
	Loss on Dmage Inputs and Rep of Finished Goods	-		1,080,289	
	(Profit) / Loss on sale of fixed assets	154,529		(6,768,479)	
	Interest received	(28,967,733)		(6,774,854)	
	Dividend received	(1,260,000)		(1,260,000)	
	Foreign Exchage (gain) / loss on trade receivable	(154,348)		(1,270,415)	
	Provision of Employees' retirement & current benefits	10,669,176	**40,870,221**	2,430,969	**12,564,133**
	Operating profit before working capital changes		**66,308,035**		**36,865,923**
	(Increase) / Decrease in inventories	(7,103,117)		(1,986,334)	
	(Increase) / Decrease in trade and other receivables	31,657,640		(206,442,751)	
	Increase / (Decrease) in trade payables	(48,028,983)	**(23,474,461)**	(27,592,072)	**(180,837,013)**
	Cash generated from operations		**42,833,574**		**(143,971,090)**
	Less: Direct taxes (paid) / refunds including interest (net)		(3,010,451)		(8,455,599)
	Net cash generated/(used) from operating activities		**39,823,123**		**(152,426,689)**
B.	**Cash flow from investing activities :**				
	Sale / (Purchase) of fixed Assets	(31,228,649)		(59,993,705)	
	(Deposit) / Refund in Fixed Deposits	-		1,002,322	
	Dividend received	1,260,000		1,260,000	
	Interest received	28,671,854		6,774,854	
	Net cash from investing activities		**(1,296,795)**		**(50,956,529)**
C.	**Cash flow from financing activities :**				
	Proceeds / (repayment) of long term borrowings	94,776,155		(33,144,890)	
	Proceeds / (repayment) of short term borrowings	(98,817,963)		252,968,212	
	Interest paid	(41,106,817)		(8,011,356)	
	Net cash generated/(used) in financing activities		**(45,148,625)**		**211,811,966**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		(6,622,297)		8,428,748
	Cash and cash equivalents -Opening balance		9,411,972		983,224
	Cash and cash equivalents -Closing balance		**(2,789,675)**		**9,411,972**
	CASH AND CASH EQUIVALENTS COMPRISE:				
	Balances with bank		2,622,276		8,871,446
	Cash on hand		167,399		540,526
			2,789,675		**9,411,972**

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

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, 2016

For and on behalf of the Board

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of ntc industries limited, the parent company, and its subsidiaries (Refer Note No. 1(II)A) (collectively referred to as "Group) on the following basis:

A. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21 on "Consolidated Financial Statements", notified by the Central Government as Companies (Accounting Standards), Rules 2006, in exercise of powers conferred u/s 129 of Companies Act, 2013.

B. The financial statement of the parent company and its subsidiaries as on 31st March, 2016 are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after adjustments / elimination of inter-company transactions, balances including unrealized profit etc.

C. The surplus/deficit of cost of investment in the subsidiary over the proportionate share in equity of subsidiary as at the date of investment is recognised as goodwill/ capital reserve.

D. Capital Reserve (net of goodwill) arising out of consolidation is stated at cost.

E. Minority interest in the net assets of consolidated subsidiaries consists of:

I. The amount of equity attributable to minorities at the date on which the control in a subsidiary is transferred; and

II. Minorities share of movement in equity since the date the parent-subsidiary relationship came into existence.

F. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the parent company's standalone financial statements.

G. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company i.e. 31st March, 2016.

II) BASIS OF PRESENTATION

A. The subsidiaries (which along with ntc industries limited, the parent company, constitute the Group) considered in preparation of these consolidated financial statements are:

Sl. No.	Name	Country of Incorporation	Percentage of ownership interest as at 31.03.16
1	NTCIL Real Estate Private Limited	India	100.00
2	NTCIL Infrastructure Private Limited	India	100.00
3	NTCIL Siliguri Estate Private Limited	India	100.00
4	NTCIL Realty Private Limited	India	100.00

*Entire holding of the company was purchased on 27th August 2014.

A. Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding of the consolidated position of the Group. Recognising, this purpose, only such notes from the individual financial statements are disclosed which fairly present the required disclosures.

B. The subsidiaries of the parent Company are those entities in which the parent company directly or indirectly owns more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors/ Governing Body of such entities.

C. The financial statements of subsidiaries are consolidated from the date on which the control is transferred to the Parent Company.

I) OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the notes to the accounts in the stand alone financial statements of parent company and its subsidiaries.

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, 2013 and in compliance with Companies (Accounting Standard) Rules, 2006, (as amended) as notified u/s 129 of Companies Act, 2013 except those with significant uncertainty. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles.

As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The operating cycle has been considered as 12 months.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affects 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 contract costs expected to be incurred to complete construction contracts, provision for doubtful debts, income taxes and future obligations under employee retirement benefit plans. Actual results could differ from those estimates. The effects of adjustment arising from revisions made to the estimates are included in the Statement of Profit and Loss in the year in which such revisions are materialised.

C. REVENUE RECOGNITION

a) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales represent invoice value of finished goods sold inclusive of excise duty and VAT/CST but exclude 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.

D. 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.

iii) Software is capitalised, where it is expected to provide future enduring economic benefits.

E. DEPRECIATION AND AMORTISATION

Depreciation is provided on depreciable value (cost minus residual value) using straight line method in the manner that the assets is depreciated over the useful life stated in "Schedule - II" of Companies Act, 2013.

F. 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.

G. INVESTMENTS

Investments are bifurcated into noncurrent 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 noncurrent. Current investments are carried at lower of cost or fair market value, determined on an individual investment basis. Noncurrent investments are carried at cost. Provision for diminution in the value of noncurrent investments is made, only if such a diminution is other than temporary.

H. 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: At lower of weighted average cost or net realisable value.

I. 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**".

J. 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.

K. EXCISE DUTY

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

L. 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, employees state insurance etc. are considered as defined contribution plan and the contributions are charged to the statement of profit and loss for the year when the contributions to the respective funds are due.

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".

c) Actuarial gains/losses, if any, are immediately recognised in the statement of profit and loss.

M. 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.

N. PROVISIONS/CONTINGENCIES

i. The Company creates a provision when there is a present obligation as a result of past events and it is probable that there will be outflow of resources and a reliable estimate of the obligation can be made of the amount of the obligation. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

ii. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

O. CONTINGENT LIABILITY

Liabilities which are contingent in nature are not provided for in the accounts and the same are separately disclosed by way of notes to account.

P. EARNINGS PER SHARE

Earnings per Share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Q. PRIOR PERIOD ADJUSTMENTS

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

SCHEDULE

Particulars	31st March 2016	31st March 2015

Notes to Financial Statements contd….

(Amount in Rs..)

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

Note 2.1- Share capital		
a. Authorised share capital :		
16,500,000 (Previous year 16,500,000) Equity Shares of Rs.10/- each	165,000,000	165,000,000
3,500,000 (Previous year 3,500,000) Preference Shares of Rs.10/- each	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	107,500,000	107,500,000
Total	**107,500,000**	**107,500,000**
c. Reconciliation of number of equity shares outstanding :		
As at the beginning of the year	10,750,000	10,750,000
As at the end of the year	10,750,000	10,750,000

d. Rights, preferences & restrictions to shares & restrictions on distribution of dividend and repayment of capital

The Company has issued only class of equity shares. 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. In the event of Liquidation, the shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

e. Shareholders holding more than 5% shares:	**% Holding**	**% Holding**
	Shares held (No.)	**Shares held (No.)**
1. Vinod Dugar	19.24%	19.24%
	2,068,023	2,068,023
2. Sheetal Dugar	17.99%	17.99%
	1,933,424	1,933,424
3. YMS Finance Private Limited (Formerly Pyramid Sales Private Limited)	6.66%	6.66%
	716,122	716,122
4. Khatod Investments & Finance Company Limited	8.57%	8.57%
	921,225	921,225
5. Sunder Lal Dugar	5.77%	5.77%
	620,700	620,700

f. Share Reserved for issue:-

No Equity Shares have been reserved for issue under option & contracts/commitments for sale of shares/ disinvestment as at Balance Sheet date.

Note 2.2- Reserves and surplus		
a. Capital reserve		
As per last Financial Statements	15,250,000	15,250,000
b. Capital redemption reserve		
As per last Financial Statements	26,440,000	26,440,000
c. Surplus, i.e., balance of statement of profit and loss		
As per last Financial Statements	180,196,649	156,935,323
Add : Profit for the year	17,242,263	23,261,326
Surplus - As at the end of the year	197,438,912	180,196,649
Total	**239,128,912**	**221,886,649**

Particulars	31st March 2016	31st March 2015

Notes to Financial Statements contd….

(Amount in ₹)

Note 2.3- Long - term borrowings		
From Banks (Secured)		
Term Loan from Kotak Mahindra Bank	81,627,759	-
Nature of Security Secured by way assignments of Lease Rentals and corporate and personal guarantee of holding company and promoters respectively		
Payment Details: [The Loans are Repayable in 72 Monthly Intstallments of Rs. 18.91 lacs (including interest) starting from 25.11.2015 and last falling due on 25.10.2021.		
Remarks The applicable rate of interest is Base Rate plus 2.60%		
From other parties (Unsecured)		
From other parties (Unsecured) (refer note no:2.33)	20,000,000	20,000,000
Total	**101,627,759**	**20,000,000**
Note 2.4- Long - term provisions		
Provision for Employee Benefits	30,581,134	22,881,316
Total	**30,581,134**	**22,881,316**
Note 2.5- Short - term borrowings		
Working capital loan from bank (Secured, repayable on demand)	27,249,600	46,049,553
For General Business Purpose. Secured by corporate guarantee of group companies & by personal guarantee of promoter. The applicable Interest rate is base rate plus 3%.		
Genral Business purpose Loan from NBFC (Unsecured, repayable on demand)	-	232,887,205
From other parties (Unsecured)	152,869,195	
Total	**180,118,795**	**278,936,758**
Note 2.6- Trade Payables		
To Micro, Small & Medium Enterprises	-	-
To others	19,916,593	20,849,415
[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.]		
Total	**19,916,593**	**20,849,415**
Note 2.7- Other current liabilities		
Current maturities of long term debt	13,148,396	
Interest accrued but not due on Long Term Borrowings	172,591	
Excise duty payable (BDR) (refer note 2.32)	21,548,160	21,548,160
Statutory liabilities	1,470,342	7,054,045
Advance from Licensee	1,130,634	
Advance from other than related party	8,628,355	79,227,209
Security Deposit Received-Godown	23,679,230	
Other payables	33,737,850	25,819,498
Advance taken from subsidiary		-
Unclaimed dividend (Refer Note 2.38)	131,943	430,674
Total	**103,647,500**	**134,079,586**
Note 2.8- Short-term provisions		
Income tax	13,034,615	5,543,488
Provision for Employee Benefits	3,702,045	4,374,507
Total	**16,736,660**	**9,917,995**

Notes to and forming part of Financial Statements

Note 2.9- Fixed assets

(Amount in ₹)

Nature of Tangible assets	Gross Block				Depreciation				Net Block	
	As at 01.04.15	Addition during the period	Deductions during the period	As at 31.03.16	Up to 31.03.15	For the Period	Deduction during the period	Up to 31.03.16	As at 31.03.16	As at 31.03.15
Land	59,705,437	472,000	-	60,177,437	-	-	-	-	60,177,437	59,705,437
Factory Building	39,302,635			39,302,635	31,321,224	589,260	-	31,910,484	7,392,151	7,981,411
Other Building	192,374,767	61,976,435		254,351,202	3,946,256	13,188,717		17,134,973	237,216,229	188,428,509
Plant & Machinery	108,810,197	2,557,745	453,339	110,914,603	68,179,713	3,949,472	170,238	71,958,947	38,955,656	40,630,484
Furniture & fixture	301,806	-	-	301,806	257,554	4,655	-	262,209	39,597	44,252
Office Equipments	939,997	26,000	-	965,997	422,707	170,751	-	593,458	372,539	517,290
Computers	1,306,641	41,175		1,347,816	1,196,667	44,472	-	1,241,139	106,677	109,974
Vehicles	1,286,931	10,000		1,296,931	367,947	148,848		516,795	780,136	918,984
Total	**404,028,411**	**65,083,355**	**453,339**	**468,658,427**	**105,692,068**	**18,096,175**	**170,238**	**123,618,005**	**345,040,422**	**298,336,341**
Previous Year	353,392,026	105,907,262	55,270,878	404,028,410	133,553,765	11,089,816	38,951,513	105,692,068	298,336,342	219,838,261

Nature of Capital work-in-progress	As on 01.04.2015	Addition	Capitalised	Transfer	As on 31.03.2016	As on 31.03.2015
R Center	10,547,946	9,876,000	-	-	**20,423,946**	
WIP-Royal Enfield	-	1,034,900	-	-	**1,034,900**	
WIP-OLD PL	52,822,836	8,303,125	52,822,836	-	**8,303,125**	
Plant & Machinery	117,324	-	-	117,324	**-**	
Total	**63,488,106**	**19,214,025**	**52,822,836**	**117,324**	**29,761,971**	

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.10- Non-Current Investments		
Investment in Equity Instruments, Trade Investments (at cost, fully paid)		
Quoted		
RDB Realty & Infrastructure Ltd. (12,60,000 shares of Rs 10 each)	6,014,997	6,014,997
Total	**6,014,997**	**6,014,997**
Aggregate Book Value of Quoted Investment	**6,014,997**	**6,014,997**
Aggregate Market Value of Quoted Investment	**35,973,000**	**34,398,000**
Note 2.11- Deferred Tax Liabilities / (Assets) (net)		
a. Deferred tax assets :		
- Provision for Employee Benefits	12,792,402	11,418,290
Sub Total - Deferred tax Assets	12,792,402	11,418,290
b. Deferred tax liabilities :		
- Depreciation allowance on fixed assets	5,075,554	4,906,768
Sub Total - Deferred tax liabilities	5,075,554	4,906,768
Total (a-b)	**7,716,848**	**6,511,522**
Note 2.12- Long - term loans and advances		
(Unsecured, considered good)		
Deposit with Excise Authority	11,416,000	11,416,000
Refund receivable from Excise Authority (BDR) (refer note no. 2.32)	40,493,280	40,493,280
Total	**51,909,280**	**51,909,280**
Note 2.13- Inventories		
(As taken, valued & certified by the Management)		
{for valuation refer note no.1(F)}		
Raw materials	15,388,239	20,798,078
Finished goods	26,576,301	13,970,259
Stock-in-trade	289,315	1,570,365
Stores and spares	3,241,567	2,053,603
Total	**45,495,422**	**38,392,305**
Note 2.14- Trade receivables		
(Unsecured, considered good)		
Outstanding for more than six months	4,533,360	6,927,471
Others	8,947,739	29,766,118
Sub Total	13,481,099	36,693,589
(Unsecured, considered doubtfull)		
Outstanding for more than six months	-	820,386
Less:Provision for bad and doubtfull debt	-	(820,386)
Sub Total	**-**	**-**
Total	**13,481,099**	**36,693,589**

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.15- Cash and bank balances		
Cash and cash equivalents :		
- Balances with bank	2,622,276	8,871,446
- Cash on hand (As certified by the management)	167,399	540,526
Sub Total	2,789,675	9,411,972
Other bank balances :		
- Unpaid Dividend (Refer Note 2.38)	131,943	299,533
- Draft in Hand (Refer Note 2.38)	-	131,141
- Fixed Deposits (For lien against guarantees and letter of credit)	3,391,735	3,391,735
Sub Total	3,523,678	3,822,409
Total	**6,313,353**	**13,234,380**
Note 2.16- Short-term loans and advances		
(Unsecured, considered good)		
Loan to Body Corporate (other than related)	209,856,795	230,609,456
Advance to directors & officers of the company	655,866	42,710
Balance with revenue authorities	742,509	825,184
Advance Income Tax & TDS	20,036,293	18,935,592
Other advances	54,471,670	51,058,256
Interest accrued but not due	295,879	-
Deposits	7,181,220	-
Prepaid Expenses	283,728	-
Total	**293,523,961**	**301,471,198**
Note 2.17- Revenue from operations		
Sale of Goods		
- Sale of manufactured goods :		
- Domestic	125,343,177	105,829,425
- Export	51,456,905	154,955,178
- Sale of stock in trade	1,376,197	
Sub Total (a)	178,176,279	260,784,603
Other operating incomes		
- Rental Income	96,656,470	60,064,222
- Sale of Manufacturing Waste	139,190	30,000
- Income from Management Consultancy	1,500,000	123,268
- Sale of Export Benefit License	3,049,547	-
Sub Total (b)	101,345,207	60,217,490
Total (a+b)	**279,521,486**	**321,002,092**
Note 2.18- Other income		
Profit / (Loss) on sale of fixed asset	(154,529)	6,768,479
Interest income	28,967,733	6,774,854
Dividend (non current, trade investments)	1,260,000	1,260,000
Recovery of bad & doubtfull debt	-	2,613,335
Sundry balances / liabilities written back (net)	398,634	-
Excise refund	1,588,509	-
Foreign currency fluctuation gain	154,348	1,270,415
Other receipts	516,640	431,962
Total	**32,731,336**	**19,119,045**

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.19 (a)- Cost of Material Consumed during the year		
Opening Stock of Raw Material	22,368,443	22,022,943
Add: Purchase of Raw Material	39,142,322	109,901,873
Less: Damage of Raw Material	1,734,100	1,208,681
Less: Closing Stock of Raw Material	15,388,243	22,368,443
Consumption	**44,388,422**	**108,347,692**
Note 2.19 (b)- Cost of materials consumed	**% consumption / value-consumption**	**% consumption / value-consumption**
Raw Tobacco	38.63%	34.61%
	17,147,968	37,497,061
Filter Rods	20.07%	24.55%
	8,908,134	26,604,116
Blank	14.98%	12.88%
	6,647,611	13,949,800
Others	26.32%	27.96%
	11,684,713	30,296,715
Total	**100.00%**	**100.00%**
	44,388,426	**108,347,692**
Note 2.19 (c) Particulars of materials consumed (% and value)		
Imported	**2.66%**	**1.93%**
	1,182,074	2,086,140
Indigenous	**97.34%**	**98.07%**
	43,206,352	106,261,552
Total	**100.00%**	**100.00%**
	44,388,426	**108,347,692**
Note 2.20- Purchase of stock in trade		
Match Boxes(100%)	1,122,578	-
Total	**1,122,578**	**-**
Note 2.21- Change in inventories of finished goods and stock - in - trade		
Opening Stock of		
- Finished goods	13,970,259	14,178,850
- Stock - in - trade	-	-
Total (a)	13,970,259	14,178,850
Closing Stock of		
- Finished goods	26,576,301	13,970,259
- Stock - in - trade	289,315	-
Total (b)	26,865,616	13,970,259
(Increase) / Decrease in inventories (a-b)	**(12,895,357)**	**208,591**
Note 2.22- Employee benefits expense		
Salaries , wages, bonus, allowances, etc	29,784,192	31,013,112
Contribution to provident and other fund	2,494,798	2,429,349
Staff welfare expenses	1,826,042	1,782,914
Provision for Gratuity	9,906,396	2,656,602
Total	**44,011,428**	**37,881,977**
Note 2.23- Finance costs		
Interest paid	41,279,408	7,874,009
Finance Charges	1,504,606	1,336,106
Total	42,784,014	9,210,115

Particulars	31st March 2016	31st March 2015
Notes to Financial Statements contd….		*(Amount in ₹)*
Note 2.24 (a)- Other expenses		
a. Manufacturing expenses :		
Stores and spares consumed	3,050,264	4,745,880
Power and fuel consumed	7,549,189	11,726,776
Machine repairs	715,514	895,377
Inward freight, coolie, cartage and other expenses	1,470,341	3,115,502
Other manufacturing expenses	596,457	1,046,212
Total (a)	13,381,765	21,529,747
b. Administration expenses :		
Rent	-	61,314
Rates and Taxes	78,373	54,240
Building Repairs	5,345,788	3,010,351
Other Maintenance	201,592	194,988
Vehicle maintenance expenses	587,419	593,975
Insurance Premium	413,028	610,972
Sundry balances / liabilities written off (net)	10,276	1,308,029
Travelling and conveyance	431,887	552,478
Postage, telegraph and telephones	397,591	587,405
Printing and stationery	325,025	975,233
Filing Fees	6,455	-
Penalty & Interest	294,140	
Legal & Professional Charges	3,965,736	8,914,417
Bad Debt	1,441,373	446,259
Electricity charges	720,403	841,021
Land revenue and municipal taxes (net)	999,138	759,176
Loss on Damage Inputs and Rep of FG	-	1,080,289
Miscellaneous expenses	1,683,584	1,686,592
Auditors' remuneration :		
- Audit fee	88,000	88,000
- Tax audit fee	25,000	25,000
Total (b)	**17,014,808**	**21,789,739**
c.Selling and distribution expenses :		
Advertisement and publicity expenses	2,333,772	7,295,822
Distribution Expenses & Sales Promotion Expenses	4,171,602	8,127,933
Sales tax	3,247,709	5,688,838
Outward freight and forwarding charges	4,980,977	12,747,713
Brokerage, commission and discounts	7,844,348	1,991,608
Total (c)	22,578,408	35,851,914
Total (a+b+c)	**52,974,980**	**79,171,400**

Note 2.24(b) Particulars of stores and spares consumed (% and value)	**% consumption / value-consumption**	**% consumption / value-consumption**
Imported	0.00%	6.34%
	-	301,072
Indigenous	100.00%	93.66%
	3,050,264	4,444,808
Total	**100.00%**	**100.00%**
	3,050,264	**4,745,880**

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.

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 129 of Companies Act, 2013 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.

2.26. **Earnings Per Share in accordance with AS-20:-**

Earnings per share is computed as under:		**2015-16**
Profit after tax available for equity shareholders	(A) (`)	17,242,263/-
Weighted average number of equity shares outstanding	(B)	10,750,000/-
Face value per equity share	(`)	10/-
Earnings per share- Basic & Diluted	(A/B) (`)	1.60/-

2.27. **Employee Defined Benefits:-**

a) **Defined Contribution Plans:** The Company has recognised an expense of Rs. 24,28,087/- (Previous Year Rs. 24,29,349/-) towards the defined contribution plans.

b) **Defined Benefit Plans**: As per actuarial valuation as on March 31, 2016 and recognised in the financial statements in respect of employee benefit schemes:

(₹. in Lacs)

PARTICULARS			**2015-16**		**2014-15**	
			Gratuity	**Leave**	**Gratuity**	**Leave**
I	**Components of employer expense**					
	1	Current service cost	11.77	2.53	9.31	0.18
	2	Interest cost	24.31	0.37	22.54	0.55
	3	Expected return on plan assets	-	-	-	-
	4	Curtailment cost/ (credit)	-	-	-	-
	5	Settlement cost/ (credit)	-	-	-	-
	6	Past service cost	-	-	-	-
	7	Actuarial losses/ (gains)	62.09	1.55	(5.29)	(6.68)
	8	Total employer expense recognised in the statement of profit & loss	98.18	4.45	26.57	(5.95)
	Gratuity expense is recognised in "Gratuity" and "Leave Encashment" in "Salary, Wages and Bonus" under Note – 2.21.					
II	**Net Asset/ (Liability) recognised in balance sheet**					
	1	Present value of defined benefit obligation	336.21	6.62	269.99	2.57
	2	Fair value of plan assets	-	-	-	-
	3	Funded status [Surplus/ (Deficit)]	(336.21)	(6.62)	(269.99)	(2.57)
	4	Unrecognised past service costs	-	-	-	-
	5	Net Asset/ (Liability) recognised in balance sheet	(336.21)	(6.62)	(269.99)	(2.57)

(₹ in Lacs)

PARTICULARS			2015-16		2014-15	
			Gratuity	Leave	Gratuity	Leave
III	**Change in Defined Benefit Obligation (DBO)**					
	1	Present value of DBO at the beginning of period	269.99	2.57	293.62	11.29
	2	Current service cost	11.77	2.53	9.31	0.18
	3	Interest cost	24.31	0.37	22.54	0.55
	4	Curtailment cost / (credit)	-	-	-	-
	5	Settlement cost / (credit)	-	-	-	-
	6	Plan amendments	-	-	-	-
	7	Acquisitions	-	-	-	-
	8	Actuarial losses / (Gains)	62.09	1.55	(5.29)	(6.68)
	9	Benefit payments	(31.95)	(0.39)	(50.20)	(2.78)
	10	Present value of DBO at the end of period	336.21	6.62	269.99	2.57
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	31.95	(0.39)	50.20	2.78
	5	Actuarial Gain / (Loss)	-	-	-	-
	6	Benefit payments	(31.95)	(0.39)	(50.20)	(2.78)
	7	Plan assets at the end of period	-	-	-	-
V	**Actuarial Assumption**					
	1	Discount rate	8.00%	8.00%	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	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) 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				

2.29. **Related party disclosures:-**

In terms of AS-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.	Nilotpal Deb	Managing Director

(B) Enterprises over which KMP/major shareholders/ relatives have significant influence:-

Sl. No.	Name of Enterprise	Sl. No.	Name of Enterprise
1	NTCIL Siliguri Estate Private Limited	2	NTCIL Realty Private Limited
3	NTCIL Infrastructure Private Limited	4	NTCIL Real Estate Private Limited

(I) Disclosure of transactions with related parties and outstanding balances:-

(Amount in ₹)

Particulars	KMP and their relatives	Subsidiaries
Electricity Income	--- (---)	520,162 (---)
Remuneration Paid	603,785 (605,906)	--- (---)
Advance given against Gratuity	450,000 (---)	--- (---)
Advance taken	--- (---)	4,558,433 (---)
Advance taken repaid	--- (---)	6,500,000 (---)
Advance given	219,000 (---)	--- (---)
Advance given against Salary adjusted	72,000 (---)	--- (---)
Investments in Equity Shares	--- (---)	--- (400,000)
Sale of Fixed Assets	--- (---)	--- (230,168,609)
Balances outstanding		
Investment in Equity Shares	--- (---)	400,000 (400,000)
Advance given against Gratuity	450,000 (---)	--- (---)
Advance given against Salary	160,000 (13,000)	--- (---)
Advance taken	--- (---)	4,558,433 (---)
Trade Receivable	--- (---)	129,770 (---)

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.

2.30. **Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures:**

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (` in lacs)	As % of consolidated profit or loss	Amount (` in lacs)
Parent:				
ntc industries limited	90.42%	3,134.29	(28.84%)	(49.73)
Subsidiaries:				
Indian:				
NTCIL Real Estate Private Limited	(0.06%)	(1.98)	(10.74%)	(18.52)
NTCIL Infrastructure Private Limited	9.71%	336.59	139.62%	240.74
NTCIL Realty Estate Private Limited	(0.02%)	(0.70)	(0.02%)	(0.03)
NTCIL Siliguri Private Limited	(0.02%)	(0.70)	(0.02%)	(0.03)
Foreign				
Minority Interests in all subsidiaries				
Indian:	-	-	-	-
Foreign:	-	-	-	-
Associates (Investments as per the equity method)				
Indian:	-	-	-	-
Foreign:	-	-	-	-
Joint Venture				
Indian:	-	-	-	-
Foreign:	-	-	-	-

2.31 In terms of confirmation of sale of assets of New Tobacco Co. Ltd. (In Liquidation) in favour of the Company vide order dated 19th April, 2006 of Calcutta High Court,. Conveyance deed of Siliguri Property is yet to be executed for transfer of title in favour of the Company.

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

2.33 In view of the amendment made in the Union Budget 2003 with retrospective effect, the Company is liable to refund excise duty amounting to Rs. 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 Rs 13,51,65,973 (PY Rs 12,56,93,128 /-) upto 31st March, 2016. The Company had challenged the amendment in Hon'ble High Court at 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 High court at Guwahati but failed to get any relief against the order dated 19.04.2012, the company has again filled the appeal before the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India vide order dated 07.02.2014 set aside the order of the Hon'ble High court at Guwahati and requested to deal with the questions of law set aside in its previous order. In terms of this the hon'ble High Court at Guwahati vide its order dated 19.11.2014 remanded the matter to CESTAT at Kolkata for consideration of the matter in accordance of law. The said appeal is still pending to be decided. 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 Rs. 40,493,280/- as excise duty refund receivable (Badarpur) and Rs.21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification.

2.34 The company has during the year under review has filed an appeal before the Calcutta High court against the entry tax imposed by state government on the import of input from other states and accordingly not paid the entry tax to the tune of Rs.2,16,626 (P.Y. Rs. 24,757/-) till the date of financial statements. But the same has been provided for in the financial statements.

2.35 Contingent Liability in previous year includes Assessed VAT of Rs 110.24 lakhs for the Financial Year 2011-12. Company has preferred appeal before the appellate authority against this order. This demand of VAT is due to wrong treatment of the VAT deducted at source by the government contractee from the transferee company at the time of demerger in 2010-11 and wrongly deposited in the name of the company. The said appeal is decided in favour of Company.

2.36 In the preceding financial year a group of minority shareholders had filed a suit against the company in the court of Learned Fourth Civil Judge (Junior Division) at Sealdah, West Bengal. Since the matter is subjudice in the court, any disclosures given at this moment would be prejudicial to the interest of the company and that of the stakeholders.

2.37. Contingent liabilities & Guarantee given : (` in Lacs)

Particulars	As at 31.03.16	As at 31.03.15
a) Claims against the company not acknowledged as debt	144.54	144.54
b) Disputed Liabilities relating to Central Excise Demand	9100.74	9,006.02
c) Disputed Liabilities relating to VAT.	-	110.24
d) Disputed Liabilities relating to Entry Tax	2.17	0.25
e) Corporate Guarantee given to bank for loan taken (by subsidiary)	-	20,000.00

2.38. **Foreign exchange earnings and outgo:**

a) Earnings in foreign exchange:

(₹ in Lacs)

Description	Year Ended 31.03.16	Year Ended 31.03.15
F.O.B Value of Export	474.02	1028.65

b) Outgo in foreign exchange:

(₹ in Lacs)

Description	Year Ended 31.03.16	Year Ended 31.03.15
- Raw materials	1.78	30.36
Total	1.78	30.36

2.39 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 the Board

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

Nilotpal Deb
Managing Director

Ravi Prakash Pincha
Director

Deepak Kumar Daga
Partner
Membership No. 059205

Place : Kolkata.
Date : 30th day of May, 2016

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

NOTES

ntc industries limited
149 B. T. Road, Kamarhati, Kolkata - 700 058.
+91-3019 0512 / 0513 / 0504
info@ntcind.com
www.ntcind.com