



ntc industries limited
(An ISO 9001-2008 Company)

ANNUAL REPORT 2017-18

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. Upmanyu Pathak

Managing Director

Mr. Gaurav Somani

Non Executive & Independent Director

Mr. Amar Chand Baid

Non Executive & Independent Director

Mr. Sumit Banthiya

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 VKR & Associates

(Firm Registration No.: 320323E)

Chartered Accountants

Martin Burn House.

1. R.N. Mukherjee Road

3rd Floor, Suit No. 312

Kolkata -700 001

Internal Auditors

M/s Garg Narendra & Co.

(Firm Registration No.: 323694E)

Martin Burn House,

1, R.N. Mukherjee Road,

3rd Floor, R.No. 305A,

Kolkata-700 001,

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, P.O.-Kamarhati,
Kolkata – 700 058

Ph: +91 7595046813

Email id: investors@ntcind.com

Website: www.ntcind.com

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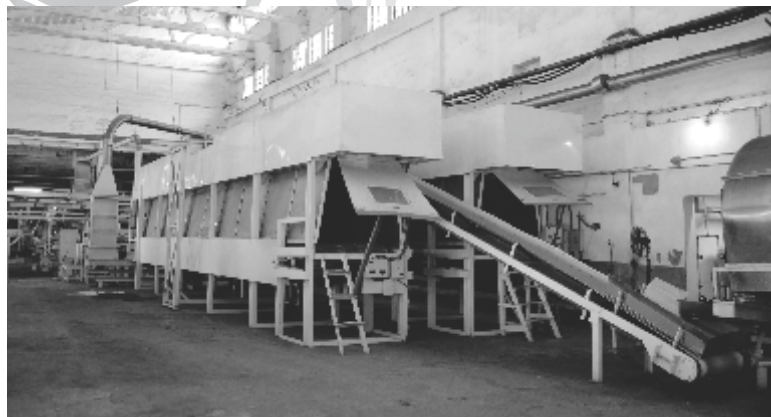
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FINANCIAL SECTION



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.

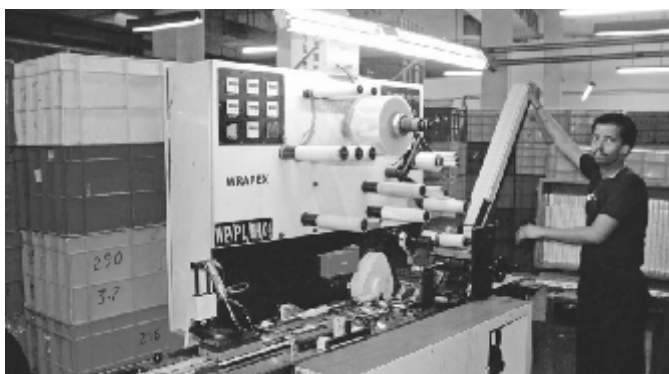
ntc also undertakes contract for manufacture and deliver products blended and packaged to very exact specification of the customers.

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 27th Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March 2018.

Financial Highlights

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

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	Financial Year 2017-2018	Financial Year 2016-2017	Financial Year 2017-2018	Financial Year 2016-2017
1.a) Income from operations	1615.48	21,68.01	2568.96	3127.72
b) Other income	461.36	368.69	463.30	378.96
2. Expenses	1979.11	2392.34	2150.76	2481.59
Profit/(Loss) before interest and depreciation	97.73	144.36	881.50	1025.09
Less: a) Finance Cost	36.54	33.11	225.45	331.93
b) Depreciation	49.57	50.15	188.88	185.22
Profit/ (Loss) before Exceptional Items	11.62	61.10	467.17	507.94
Add: Exceptional Items	-	-	-	-
Profit/ (Loss) before taxation	11.62	61.10	467.17	507.94
Less:- Provisions for current tax, deferred tax and tax adjustments for earlier years	(1.33)	38.30	99.67	126.07
Profit/ (Loss) After Tax	12.95	22.80	367.50	381.87
Add: Balance brought forward from last year	1665.19	1642.39	2356.26	1974.39
Less: Amount transferred to Reserves	--	--	--	--
Balance carried to the Balance Sheet	1678.14	1665.19	2723.76	2356.26

Dividend

In order to conserve existing resources of the Company, your directors do not recommend any dividend for the financial year 2017-18.

Reserves

The Company has not proposed any transfer to its Reserves.

Review of operations

The year witnessed the implementation of GST across the country on 1st July, 2017. Goods and Service tax replaces Excise duty and other input taxes. As per Ind AS 18, the revenue for the year 31st March, 2018 is reported net of GST. During the year under review, your company has PBT of ₹ 11.62 Lacs as compared to Profit of ₹ 61.10 Lacs in the previous year. Your Company's total turnover from business has decreased to ₹1506.48 Lacs as compared to ₹ 2060.07 Lacs in the previous year. This reduction in turnover was much due to the applicability of GST w.e.f 1st of July, 2017 due to which the Company has shown turnover figures net of GST whilst the earlier figures were including of excise duty.

Change in nature of business, if any

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

Changes in Share Capital

The paid-up Equity Share Capital of the Company as at 31st March, 2018 stood at ₹ 1075 Lacs. During the year under review there has been no change in the share capital of the Company.

Subsidiaries, Joint Ventures And Associate Companies

As on 31st March, 2018, your company has 4 wholly owned subsidiaries. During the financial year under review none of the companies have become or ceased to be Subsidiaries, Joint Venture or Associate Company.

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 subsidiaries 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. 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.

Pursuant to Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as "the Listing Regulations") the Company has formulated a Policy on Material Subsidiary and the same is available on the website of the Company at the link: http://www.ntcind.com/pdf/Secretarial-Documents/ntc_Policy_on_Material_Subsiadiary.pdf.

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 the annual audited accounts of each of the subsidiaries are available at our website at www.ntcind.com.

Directors:**A. Details of Directors and Key Managerial Personnel****Appointment of Independent Directors:**

Mr. Gaurav Somani (DIN: 06368949) was appointed as Independent Directors of the Company for a term of five consecutive years w.e.f. 1st April, 2014 to hold office till 31st March, 2019. Further Mr. Amar Chand Baid (DIN: 07741980) was appointed as the Independent Director at the 26th AGM of the Company to hold office till 31st March, 2019 and Mr. Sumit Banthiya (DIN: 06698295) has been inducted as the new Independent Director whose appointment is subject to the approval by the Shareholders in the ensuing AGM.

In terms of Section 149(10) and all other applicable provisions of the Act and the Listing Regulations, the Board of Directors of your Company, pursuant to the recommendation of the Nomination and Remuneration Committee and based on the report of performance evaluation, at their meeting held on 27th July, 2018 decided to place the proposal for re-appointment of Independent Directors for a further term of five consecutive years w.e.f. 1st April, 2019 and appointment of new Independent Director for a term of five consecutive years w.e.f. 06th of Jan, 2018 at the ensuing Annual General Meeting, whose period of office shall not be liable to determination by retirement of Directors by rotation.

The Independent Directors have given their consent to be re-appointed and have furnished necessary declarations to the Board of Directors that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

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 Regulations").

Key Managerial Personnel:

During the year under review, Mr. Nilotpal Deb has resigned from the Board of Directors of the Company w.e.f 09.11.2017. Subsequently, the Board of Directors have appointed Mr. Upmanyu Pathak (DIN: 06563100) as the Managing Director of the Company w.e.f 09.11.2017 for a period of 3 (Three) 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 (DIN: 07141131) is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for re-appointment.

A brief resume of the Director being reappointed as required under Regulation 36(3) of the Listing Regulations forms a part of the Notice convening the ensuing AGM.

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 performance of the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors held on 30.03.2018, 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 Directors expressed their satisfaction over the evaluation process and results thereof.

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.

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. Details relating to number of Audit Committee Meetings held, dates of Meeting indicating the number of meetings attended by each Member are also given in the Corporate Governance 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. Details relating to number of Nomination and Remuneration Committee Meetings held, dates of Meeting indicating the number of meetings attended by each Member are also given in the Corporate Governance 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. Details relating to number of Share Transfer cum Stakeholders Relationship Committee Meetings held, dates of Meeting indicating the number of meetings attended by each Member are also given in the Corporate Governance Report.

Auditors and Explanation to Auditor's Remarks

Statutory Audit

M/s. VKR & Associates, Chartered Accountants (Firm Registration No. 320323E), the Statutory Auditor of your Company have conducted the Statutory audit of the Company for the financial year 2017-18. The Independent Auditors Report for the financial year ended 31st March, 2018 forms a part of this Annual Report.

No frauds were reported by auditors under sub-section (12) of section 143 of the Act.

Statutory Auditors

Your Company's Auditors, M/s VKR & Associates, Chartered Accountants (Firm registration No 320323E), were appointed as the Statutory Auditors from the conclusion of the 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting of the Company subject to ratification by members every year. The Company has received a certificate from the Auditor under section 141 of the Companies Act 2013 to the effect that they are eligible to continue as Statutory Auditors of the Company.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 27th AGM.

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 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 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 the following observations:

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.

Boards' Reply:

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

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 the Companies (Management & Administration) Rules, 2014 is annexed hereto as annexure "C".

Number of meetings of the Board of Directors

During the financial year 2017-18, 8 (Eight) Board Meetings were held, details of which are given in the Corporate Governance Report. Details relating to dates of Board Meeting indicating the number of meetings attended by each Director are also 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, 2018, 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.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions, i.e., there were no transactions exceeding ten percent of the annual turnover as per the last audited financial statements, entered into during the year. Accordingly, the disclosure required under section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to your Company

Further, 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 related party transactions are disclosed and set out in Note No. 34 to the Standalone Financial Statements forming part of this Annual Report

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 http://www.ntcind.com/pdf/Secretarial-Documents/ntc_Policy_on_Related_Party_Transactions.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 34(3) 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 "D" 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 Listing Regulations.

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.

Policy On Prevention Of Insider Trading

Your Company has adopted a "Code of Practice & Procedure for Fair Disclosure" as envisaged under SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to Regulate trading in equity shares of the Company by the Directors and Designated Employees of the Company. The said Code is available on the website of the Company at the link: http://www.ntcind.com/pdf/Secretarial-Documents/ntc_Code_of_Practices.pdf.

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 the website. No personnel has been denied access to the Audit Committee. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use such mechanism and is also available at the Company's website at the link http://www.ntcind.com/pdf/Secretarial-Documents/ntc_Vigilance_Mechanism.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 "E".

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 underreview, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements

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

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Place: Kolkata

Date: 29th May, 2018

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 regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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. Gaurav Somani** (Non Executive Independent Director)
- ii. **Mr. Amar Chand Baid** (Non Executive Independent Director)
- iii. **Ms. Vembi Krishnamurthy Radha** (Non Executive 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 Regulations 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 Regulations 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 Regulation 17 of the Listing Regulations (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.

MR & Associates
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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

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 with statutory compliances and expressing our opinion thereon.

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, 2018 ('the Audit Period') 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:

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, 2018 according to the provisions of:

- a. The Companies Act, 2013 (the Act), amendment and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- d. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

I The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Cont...2

- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- iii. 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.

I further report that, there were no actions/ events in pursuance of:

- a. 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;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e. 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;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and,
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that after considering the Compliance system prevailing in the Company and on the basis of the relevant records and documents as maintained and having relied upon the representation made by the Management, the following laws are specifically applicable 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 (COPPA)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent amended and notified from time to time.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited and BSE Limited.

Cont...3

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 observation:

- i. 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.

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.

**For M R & Associates
Company Secretaries**

Place: Kolkata

Date: 29th Day of May, 2018

**Partner
C P No.:5603**

MR & Associates
Company Secretaries
46, B. B. Ganguly Street,
Kolkata-700012
Moblie No: 9831074332

“ANNEXURE – A”
(TO THE SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018)

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M R & Associates
Company Secretaries

Partner
C P No.:5603

Place : Kolkata
Date : 29th Day of May, 2018

FORM - MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018
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 / Indian Non-Government Company
5	Address of the Registered office & contact details	149, B.T. Road, Kamarthati, Kolkata - 700058, Tele : +91 75950 46813 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	70.07%
2	Other credit granting	64920	19.71%

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	40,01,447	-	40,01,447	37.22	40,01,447	-	40,01,447	37.22	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	32,51,752	-	32,51,752	30.25	32,51,752	-	32,51,752	30.25	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	72,53,199	-	72,53,199	67.47	72,53,199	-	72,53,199	67.47	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	72,53,199	-	72,53,199	67.47	72,53,199	-	72,53,199	67.47	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1,900	1,900	0.02	-	1,900	1,900	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	1,900	1,900	0.02	-	1,900	1,900	0.02	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8,94,114	45,500	9,39,614	8.74	8,11,311	45,500	8,56,811	7.97	(0.77)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	11,83,170	2,72,105	14,55,275	13.54	12,62,741	2,70,395	15,33,136	14.26	0.72
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8,76,572	19,500	8,96,072	8.34	8,95,946	19,500	9,15,446	8.52	0.18
c) Others (specify)									
Non Resident Indians	84,850	-	84,850	0.79	59,820	-	59,820	0.56	(0.23)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1,19,090	-	1,19,090	1.11	1,29,688	-	1,29,688	1.21	0.10
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	31,57,796	3,37,105	34,94,901	32.51	31,59,506	3,35,395	34,94,901	32.51	0.00
Total Public (B)	31,57,796	3,39,005	34,96,801	32.53	31,59,506	3,37,295	34,96,801	32.53	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,04,10,995	3,39,005	1,07,50,000	100.00	1,04,12,705	3,37,295	1,07,50,000	100.00	0.00

(ii) Shareholding of Promoter

SN	Shareholder's 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	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	
1	ANKUR CONSTRUCTIONS PVT LTD.	3,75,000	3.49	-	3,75,000	3.49	-	-
2	KHATOD INVESTMENTS AND FINANCE COMPANY L	9,21,225	8.57	-	9,21,225	8.57	-	-
3	LOKA PROPERTIES PVT LIMITED	12,39,405	11.53	-	12,39,405	11.53	-	-
4	PYRAMID SALES PVT. LTD.	7,16,122	6.66	-	7,16,122	6.66	-	-
5	SHEETAL DUGAR	19,33,424	17.99	-	19,33,424	17.99	-	-
6	VINOD DUGAR	20,68,023	19.24	-	20,68,023	19.24	-	-
	TOTAL	72,53,199	67.47	-	72,53,199	67.47	-	-

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

SN	Particulars	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	ANKUR CONSTRUCTIONS PVT LTD.				
	a) At the Beginning of the Year	375000	3.488		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			375000	3.488
2	KHATOD INVESTMENTS AND FINANCE COMPANY L				
	a) At the Beginning of the Year	921225	8.570		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			921225	8.570
3	LOKA PROPERTIES PVT LIMITED				
	a) At the Beginning of the Year	1239405	11.529		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1239405	11.529
4	SHEETAL DUGAR				
	a) At the Beginning of the Year	1933424	17.985		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1933424	17.985
5	VINOD DUGAR				
	a) At the Beginning of the Year	2068023	19.237		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2068023	19.237
6	YMS FINANCE PRIVATE LIMITED				
	a) At the Beginning of the Year	716122	6.662		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			716122	6.662
	TOTAL	7253199	67.472	7253199	67.472

(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 company	No. of shares	% of total shares of the company
1	ARTI SHUKLA				
	a) At the Beginning of the Year	45600	0.424		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			45600	0.424
2	BABITA KISHANGOPAL BANG				
	a) At the Beginning of the Year	120103	1.117		
	b) Changes during the year				
	Date Reason				
	26/05/2017 Transfer	-20000	0.186	100103	0.931
	09/06/2017 Transfer	-30000	0.279	70103	0.652
	18/08/2017 Transfer	-70103	0.652	0	0.000
	22/09/2017 Transfer	11665	0.109	11665	0.109
	06/10/2017 Transfer	-3103	0.029	8562	0.080
	17/11/2017 Transfer	-8562	0.080	0	0.000
	22/12/2017 Transfer	88103	0.820	88103	0.820
	30/12/2017 Transfer	-10483	0.098	77620	0.722
	12/01/2018 Transfer	-7367	0.069	70253	0.654
	23/03/2018 Transfer	18897	0.176	89150	0.829
	c) At the End of the Year			89150	0.829
3	DEEPJYOT HOLDING AND FINANCE PVT LTD				
	a) At the Beginning of the Year	37224	0.346		
	b) Changes during the year				
	Date Reason				
	04/08/2017 Transfer	-37224	0.346	0	0.000
	c) At the End of the Year			0	0.000
4	DEVYANI DHARMESH RATHOD				
	a) At the Beginning of the Year	0	0.000		

	b) Changes during the year				
	Date Reason				
	17/11/2017 Transfer	2350	0.022	2350	0.022
	24/11/2017 Transfer	4483	0.042	6833	0.064
	16/03/2018 Transfer	11641	0.108	18474	0.172
	23/03/2018 Transfer	24400	0.227	42874	0.399
	31/03/2018 Transfer	24978	0.232	67852	0.631
	c) At the End of the Year			67852	0.631
5	DR RAMESH CHIMANLAL SHAH				
	a) At the Beginning of the Year	46216	0.430		
	b) Changes during the year				
	Date Reason				
	01/09/2017 Transfer	-1778	0.017	44438	0.413
	08/09/2017 Transfer	-10807	0.101	33631	0.313
	06/10/2017 Transfer	-8631	0.080	25000	0.233
	08/12/2017 Transfer	-3000	0.028	22000	0.205
	05/01/2018 Transfer	-7000	0.065	15000	0.140
	12/01/2018 Transfer	-5348	0.050	9652	0.090
	19/01/2018 Transfer	-3652	0.034	6000	0.056
	02/02/2018 Transfer	-1397	0.013	4603	0.043
	16/03/2018 Transfer	-4603	0.043	0	0.000
	c) At the End of the Year			0	0.000
6	FANTASTIC HIRISE PRIVATE LIMITED				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	23/03/2018 Transfer	100000	0.930	100000	0.930
	c) At the End of the Year			100000	0.930
7	KALIMATA INVESTMENT CONSULTANCY PVT. LTD				
	a) At the Beginning of the Year	9116	0.085		
	b) Changes during the year				
	Date Reason				
	04/08/2017 Transfer	-4116	0.038	5000	0.047
	10/11/2017 Transfer	-5000	0.047	0	0.000
	17/11/2017 Transfer	14500	0.135	14500	0.135
	24/11/2017 Transfer	-14500	0.135	0	0.000
	16/03/2018 Transfer	889	0.008	889	0.008
	23/03/2018 Transfer	5611	0.052	6500	0.060
	31/03/2018 Transfer	100000	0.930	106500	0.991
	c) At the End of the Year			106500	0.991
8	KARAN K BANG				
	a) At the Beginning of the Year	117700	1.095		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			117700	1.095
9	MAHESH BABU				
	a) At the Beginning of the Year	84735	0.788		
	b) Changes during the year			[NO CHANGES DURING THE YEAR]	
	c) At the End of the Year			84735	0.788
10	MAHESWARI PLAZA RESORTS LIMITED				
	a) At the Beginning of the Year	339557	3.159		
	b) Changes during the year				
	Date Reason				
	11/08/2017 Transfer	-700	0.007	338857	3.152
	c) At the End of the Year			338857	3.152
11	RAJIV AGRAWAL				
	a) At the Beginning of the Year	62000	0.577		
	b) Changes during the year				
	Date Reason				
	24/11/2017 Transfer	350	0.003	62350	0.580
	01/12/2017 Transfer	300	0.003	62650	0.583
	08/12/2017 Transfer	350	0.003	63000	0.586
	15/12/2017 Transfer	50	0.000	63050	0.587
	29/12/2017 Transfer	-500	0.005	62550	0.582
	12/01/2018 Transfer	-2250	0.021	60300	0.561

	19/01/2018 Transfer	-150	0.001	60150	0.560
	02/02/2018 Transfer	-20150	0.187	40000	0.372
	09/02/2018 Transfer	-9	0.000	39991	0.372
	23/02/2018 Transfer	9	0.000	40000	0.372
	c) At the End of the Year			40000	0.372
12	RAMAKANT KASAT				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	17/11/2017 Transfer	30152	0.280	30152	0.280
	24/11/2017 Transfer	2639	0.025	32791	0.305
	29/12/2017 Transfer	7464	0.069	40255	0.374
	30/12/2017 Transfer	3302	0.031	43557	0.405
	12/01/2018 Transfer	24919	0.232	68476	0.637
	02/02/2018 Transfer	11197	0.104	79673	0.741
	09/02/2018 Transfer	8787	0.082	88460	0.823
	23/02/2018 Transfer	3662	0.034	92122	0.857
	02/03/2018 Transfer	11180	0.104	103302	0.961
	09/03/2018 Transfer	17442	0.162	120744	1.123
	c) At the End of the Year			120744	1.123
13	SHRUTI KOTHARI				
	a) At the Beginning 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
14	SKIPPER INFRABUILDERS PRIVATE LIMITED				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	10/11/2017 Transfer	27500	0.256	27500	0.256
	17/11/2017 Transfer	60500	0.563	88000	0.819
	24/11/2017 Transfer	14500	0.135	102500	0.953
	c) At the End of the Year			102500	0.953
15	ULTIMATE INFRABUILD PRIVATE LIMITED				
	a) At the Beginning of the Year	300000	2.791		
	b) Changes during the year				
	Date Reason				
	10/11/2017 Transfer	-10500	0.098	289500	2.693
	17/11/2017 Transfer	-62580	0.582	226920	2.111
	16/03/2018 Transfer	-6000	0.056	220920	2.055
	23/03/2018 Transfer	-200000	1.860	20920	0.195
	c) At the End of the Year			20920	0.195
	TOTAL	1214751	11.300	1287058	11.973

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	UPMANYU PATHAK				
	a) At the Beginning 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	GAURAV SOMANI				
	a) At the Beginning 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
3	AMAR CHAND BAID				
	a) At the Beginning 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	VEMBI K.RADHA				
	a) At the Beginning 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	SUMIT BANTHIYA				
	a) At the Beginning 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 Beginning 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 Beginning 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.

(Amt. Rs)

SN	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	1,86,04,636.00	2,00,00,000.00	-	3,86,04,636.00
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	1,86,04,636.00	2,00,00,000.00	-	3,86,04,636.00
2	Change in Indebtedness during the financial year				
	* Addition	57,56,040.00	-	-	57,56,040.00
	* Reduction	-	-	-	-
	Net Change	-	-	-	57,56,040.00
3	Indebtedness at the end of the financial year				
	i) Principal Amount	2,43,60,676.00	2,00,00,000.00	-	4,43,60,676.00
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	2,43,60,676.00	2,00,00,000.00	-	4,43,60,676.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. Rs)

SN.	Particulars of Remuneration	Name of MD/MTD/ Manager	Name of MD/MTD/ Manager	Total Amount
	Name	Nilotpal Deb	Upmanyu Pathak	
	Designation	Managing Director upto 09.11.2017	Managing Director w.e.f 09.11.2017	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,34,010.00	5,45,075.00	9,79,085.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(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	-	39,600.00	39,600.00
	Total (A)	4,34,010.00	5,84,675.00	10,18,685.00
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director		

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors		
1	Independent Directors	Mr. Gaurav somani	Mr. Amar Chand Baid	Mr. Sumit Banthiya
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	-	-	-
2	Other Non-Executive Directors	Ms. Vembi Krishnamurthy Radha		
	Fee for attending board committee meetings	-	-	-
	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

(Amt. Rs)

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	Mr. Prem Chand Khator	Mr. Sunil Kumar Varma	(Rs/Lac)
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,29,548.00	4,13,720.00	14,43,268.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(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	57,600.00	-	57,600.00
	Total	10,87,148.00	4,13,720.00	15,00,868.00

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]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

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, 2018:

A. Conservation of energy

i)	Steps taken or impact on energy conservation	<ol style="list-style-type: none"> Automation in condenser tube cleaning system for air conditioning plant to enhance efficiency. Automation in controls & sensors in different equipment related to manufacturing processes, air conditioning systems and power generation for better monitoring & control, thereby minimising losses. Lowering down of line losses from steam pipelines by optimizing the network. Recycling of wasted heat into waters to be used in boilers to improve efficiency. Automation in compressed air systems to minimise losses and reduce energy consumption. 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, areas where 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 :

(Rs. in Lacs)

Total Foreign Exchange earned and used	2017 - 18	2016 - 17
Foreign Exchange earned	697.78	794.48
Foreign Exchange used	16.75	16.03

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 2017-18, ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18.			
Name	Remuneration of directors/KMPs for the financial year 2017-18 (Rs.)	Ratio of the remuneration of each director to the median remuneration of the employees	% increase in Remuneration in the financial year 2017-18
Mr. Nilotpal Deb, Managing Director	434,010.00	1.96	(25.00)
Mr. Upmanyu Pathak, Managing Director	584,675.00	2.64	79.62
Mr. Prem Chand Khator, Chief Financial Officer	1,087,148.00	4.90	1.96
Mr. Sunil Kumar Varma, Company Secretary Cum Compliance Officer	413,720.00	1.87	5.54

Percentage increase in the median remuneration of employees in the financial year:	Median Remuneration during the year was Rs.2,21,715.47. The median remuneration was increased by 0.08%.		
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, 2018 decreased by 80.99% whereas the increase in median remuneration was 0.08%.		
Comparison of the remuneration of the key managerial personnel against the performance of the Company:			
Name	Remuneration (Rs)	PBT (Rs.)	As a % of PBT
Mr. Nilotpal Deb	434,010.00	1,161,910.00	37.35
Mr. Upmanyu Pathak	584,675.00	1,161,910.00	50.32
Mr. Prem Chand Khator	1,087,148.00	1,161,910.00	93.57
Mr. Sunil Kumar Varma	413,720.00	1,161,910.00	35.61
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	2016-17	2017-18
	Market Capitalization (Rs.)	399,362,500.00	455,262,500.00
	PE Ratio	176.90	352.92
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.		

<p>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:</p>	<p>a) Average increase in remuneration of employees other than the Managerial Personnel -: 7.43%.</p> <p>b) Average increase in remuneration of Managerial Personnel -: 6.65%</p>
<p>The key parameters for any variable component of remuneration availed by the directors:</p>	<p>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.</p>
<p>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:</p>	<p>Not Applicable</p>
<p>Affirmation that the remuneration is as per the remuneration policy of the Company:</p>	<p>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.</p>

** The calculation is made considering only those permanent employees associated with the Company at the end of financial year 2016-17 & 2017-18 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

It was yet another difficult year for the company. Domestic demand continued to be sluggish in the first half due to trade disruption followed by GST implementation which has recovered gradually and is improving consistently. Subdued growth and geo-political uncertainties also impacted the global business. The year 2017-18 was therefore marked with volatility and disruptions.

The government has following its trend to continue its discriminatory and punitive taxation policy for the tobacco and tobacco products by increasing excise duty rates in the Union budget 2017. The above is followed by implementation of GST w.e.f 1st of July, 2017. This implementation has further worsen the situation for Cigarette manufacturers. The upward revision in GST Compensation Cess in July, 2017 has strengthened the cumulative impact of steep increase in taxation.

The Cigarette Business also had to contend with additional costs associated with the transition to GST due to non-availability of Additional Duty Surcharge credit on transition stocks and the unanticipated revision of GST Compensation Cess w.e.f. 18th July, 2017 which impacted pipeline stocks.

Even though GST rate of 28% has been fixed for all the tobacco products yet the discriminatory tax incidence continues on account of differential rate of GST Compensation Cess. While the same is not applicable in case of bidis.

Due to the above punitive and discriminatory taxation policy, all the market players are facing margin and volume problems. The increase in tax incidence on cigarettes and other related tobacco products is likely to increase the price of the products in the market. Companies will decide on the actual price increase on cigarettes and other tobacco products after calculating the effect of the tax increase.

Tobacco Institute of India (TII), the association that lobbies for cigarette companies, has long been vocal about high tax structure which it said has created the market for smuggled foreign cigarette impacting the legal cigarette manufacturers. On the other hand, relatively lower taxed tobacco products like bidi, khaini, chewing tobacco, gutkha and smuggled cigarettes constitute for about 89% of total tobacco consumption in India, according to TII.

New pictorial warning covering 85% on both front & back panels replaced 40% warning on front panel in April 2016. The government has made it mandatory to change the graphic every 12 months. Harsh pictorial warning has greater impact on consumers of cigarette inducing them to quit and not to start consuming and also effecting sale of cigarette.

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 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.

With implementation of GST and regularization of formal economy coupled with initiatives taken by the government to improve infrastructure, agriculture and industry across all segments, significant consumer growth is expected in the times to come

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 India's 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 international 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.

Your company has some well recognized brands and started using in other product like Match stick business. and plans to add new products in coming days.

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 & GST) 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 harsh 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 in India.

Illegal Cigarette Trade

Extremely high tax rates and constantly increasing tax rates on Cigarettes provide a profitable opportunity for tax evasion by illegal trade in both international smuggled and domestic tax evaded cigarettes.

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, management 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: 29.05.2018

**Upmanyu Pathak
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 Industries Limited ('the Company'), 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 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 the Company is in conformity with the Code of Corporate Governance as per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company has an optimum combination of Executive and Non-Executive Directors.

As on 31st March, 2018, 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 Regulations 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 fulfill 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, 2018:

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. Upmanyu Pathak	Managing Director	Executive Director	-	-	-
Mr. Gaurav Somani	Director	Non-Executive & Independent Director	-	-	-
Mr. Amar Chand Baid	Director	Non-Executive & Independent Director	-	-	-
Mr. Sumit Banthiya	Director	Non-Executive & Independent Director	-	-	-
Ms. Vembi Krishnamurthy Radha	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 have been considered here.*

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 31.03.2018.
4. All independent directors have confirmed their independence to the Company.

Ms. Vembi Krishnamurthy Radha, retires by rotation and being eligible, seeks re-appointment at the ensuing 27th 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 in the notes/Explanatory Statement annexed to the Notice of the ensuing AGM.

No director has any inter se relations to other Director.

BOARD MEETINGS:

The Board meets at regular intervals to discuss and decide on the Company's business policy and strategy apart from other businesses. 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, drafts 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 1.3.7 of 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, 2018, Eight (8) meetings of the Board were held, i.e., on 30/05/2017, 14/08/2017, 14/09/2017, 09/11/2017, 14/12/2017, 06/01/2018, 08/02/2018 & 07.03.2018. 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 (3 rd September, 2016)
	Held during directorship	Attended	
Mr. Nilotpal Deb	4	4	Yes
Mr. Upmanyu Pathak	4	4	No
Mr. Gaurav Somani	8	8	Yes
Ms. Vembi Krishnamurthy Radha	8	8	Yes
Mr. Amar Chand Baid	8	8	No

INFORMATION PLACED BEFORE BOARD OF DIRECTORS

The Company has complied with Part A of Schedule II of SEBI (LODR) Regulation 2015 read with regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

MEETING OF INDEPENDENT DIRECTOR

Pursuant to Schedule IV of the Act and the Rules made thereunder, a separate meeting of Independent Directors was held on 30th March, 2018. The meeting was attended by Mr. Gaurav Somani; Mr. Sumit Banthiya. & Mr. Amar Chand Baid. Mr. Gaurav Somani 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 into account the views of executive directors and non-executive directors.

FAMILIARISATION PROGRAMME

The Independent Directors have been familiarized with the nature of operations of the Company & the industry in which it operates, business model of the Company. The details of familiarization programme have been posted in the website of the Company and can be accessed at http://www.ntcind.com/pdf/Secretarial-Documents/ntc_Familiarisation_programme.pdf.

3. 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 the Listing Regulations. The Audit Committee comprises of:

Sl. No.	Name	Category	Designation
1	Mr. Gaurav Somani	Non-Executive & Independent	Chairman
2	Mr. Amar Chand Baid	Non-Executive & Independent	Member
3	Miss. Vembi Krishnamurthy Radha	Non-Executive	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 Act and 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.

- i. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- ii. 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;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process
- iv. Approval or any subsequent modification of transactions of the company with related parties
- v. Scrutiny of inter-corporate loans and investments
- vi. Valuation of undertakings or assets of the company, wherever it is necessary
- vii. Evaluation of internal financial controls and risk management systems
- viii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- ix. 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;
- x. Discussion with internal auditors of any significant finding and follow-up thereon;
- xi. 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;
- xii. 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;
- xiii. 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;
- xiv. To review the functioning of the Whistle Blower mechanism;
- xv. 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;
- xvi. 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.
- xvii. 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 operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / 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 five times during the financial year ended 31st March, 2018 on 30/05/2017, 14/08/2017, 14/09/2017, 14/12/2017 & 08/02/2018.

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

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Sumit Banthiya ##	Chairman	0	0
2	Mr. Gaurav Somani	Member	5	5
3	Ms. Vembi Krishnamurthy Radha	Member	5	5
4	Mr. Amar Chand Baid	Member	5	5

appointed as a member w.e.f 08.02.2018

Note:

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, 2018, one meeting of the Remuneration Committee was held on 1st November, 2017.

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

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Sumit Banthiya ##	Chairman	0	0
2	Mr. Gaurav Somani	Member	1	1
3	Ms. Vembi Krishnamurthy Radha	Member	1	1
4	Mr. Amar Chand Baid	Member	1	1

appointed as a member w.e.f 08.02.2018

The Nomination and Remuneration Committee shall act in accordance with the prescribed provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the LODR Regulations, 2015 and shall be responsible for:-

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
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- 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' [http://www.ntcind.com/pdf/Secretarial-Documents/ntc_Nomination_and_Remuneration_Policy.pdf.]

Details of Remuneration of the Directors for the financial year ended 31st March, 2018 Figures in (₹)

Director	Consolidated Salary	Perquisites and other Benefits	Performance bonus/ Commission	Sitting Fees	Total
Mr. Nilotpal Deb	3,83,310/-	50,700/-	-	-	4,34,010/-
Mr. Upmanyu Pathak	5,05,475/-	79,200/-	-	-	5,84,675/-

Nomination and Remuneration Committee recommends the remuneration for the Executive Directors and Key Managerial Personnel and the same is then approved by the Board and Shareholders, where required. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance. No remuneration (including sitting fee) has been paid to the Non-Executive Directors in the financial year 2017-18.

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. The Company has not granted any stock options to its Directors.

The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any Executive and/or Non-Executive Director

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, 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'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. Gaurav Somani, Ms. Vembi Krishnamurthy Radha and Mr. Upmanyu Pathak. Mr. Gaurav Somani, 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 Committee monitors the Company's response to investor complaints like non receipt of dividend, annual reports, notices, etc. It has also been authorized to approve the issue of duplicate share certificates in lieu of those lost or destroyed. The composition and the terms of reference of the Committee meet with the requirements of Regulation 20 of the Listing Regulations and the provisions of Section 178 of the Companies Act, 2013. The Committee shall consider and resolve the grievances of the security holders of the Company.

Functions and Powers:

- To review statutory compliance regarding share and debenture holders (Investors).
- To review various reports related to Investors.
- To review grievances of Investors.
- To review transfer of shares.
- To review transmission of shares.
- To review deletion of names from share certificates.
- To review change of name of member on share certificates.
- To review issue of duplicate share certificates.
- To review dematerialization of shares and
- Any other matter relating to the above mentioned functions incidental to the shareholders/investors of the Company.

In accordance with the provisions of the Listing Regulations, the power to execute transfers, transmissions, etc. of shares in the physical form has been delegated to the Registrar & Share Transfer Agents

The Committee has met 5 times on 30/05/2017, 14/08/2017, 18/10/2017, 08/02/2018, and 16/03/2018 during the period from 01/04/2017 to 31/03/2018.

DETAILS OF MEMBERS AND THEIR ATTENDANCE AT THE MEETINGS ARE AS FOLLOWS:

Sl. No.	Name	Position	No. of Committee Meetings	
			Held	Attended
1	Mr. Sumit Banthiya ##	Chairman	1	1
2	Mr. Gaurav Somani	Member	5	5
3	Ms. Vembi Krishnamurthy Radha	Member	5	5
4	Mr. Nilotpal Deb*	Member	3	3
5	Mr. Upmanyu Pathak #	Member	1	1

* ceased to be a member w.e.f 09.11.2017

appointed as a member w.e.f 09.11.2017

appointed as a member w.e.f 08.02.2018

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/Secretarial-Documents/ntc_Policy_on_Material_Subsubsidiary.pdf.

As on 31.03.2018, no other subsidiary other than NTCIL Real Estate Private Limited qualifies to be a material subsidiary of the Company. 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 2017-18.”

Upmanyu Pathak
Managing Director

Code of Insider Trading: The Board of Directors has also adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price sensitive information. A copy of the Code has been put on the Company's website www.rdbindia.com

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
2016-17	26th A.G.M	Tuesday, 12 th September, 2017	03.00 p.m	The Aryans School, 149 B.T. Road, Kolkata- 700058	
2015-16	25th A.G.M	Saturday, 3 rd September, 2016	11.00 a.m	The Aryans School, 149 B.T. Road, Kolkata- 700058	
2014-15	24th A.G.M	Friday, 4 th September, 2015	11.30 a.m	The Aryans School, 149 B.T. Road, Kolkata- 700058	-

- (b) No extra-ordinary general meeting of the shareholders was held during the year.
- (c) During the year under review, no special resolutions were passed by the Shareholders of the Company through Postal Ballot.
- (d) None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

7. CEO - CFO CERTIFICATION

The CEO and the CFO of the Company have given a certificate on financial reporting and internal controls to the Board in terms of the Listing Regulations and the same is annexed.

2. 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 mandatory disclosure of transactions with related parties, in compliance with the Indian Accounting Standard (IAS-24), forms part of this Annual Report.
- b) Statutory Compliances: The Company regularly complies with the requirements of the Listing Regulations as well as 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.

The Policy is also placed on the website of the Company at the link <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, 2018.

- d) Disclosure of Accounting Treatment: In preparation of Financial Statements, the Company has followed the Indian 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) Subsidiary Monitoring Framework: All the subsidiaries of the Company are managed by their respective Boards having rights and obligations to manage such companies in the best interest of their stakeholders. As the Company holds the majority stake in most of its subsidiaries, the Company notes the workings of its subsidiaries by following means:
 - i. Minutes of the Board Meetings of the Subsidiary Companies are placed before the Board Meeting of the Company.
 - ii. The Audit Committee of the Company reviews the Financial Statements, in particular the investments made by the Subsidiary Companies.
- 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.
- h) 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 SEBI (LODR) Regulation and the same is annexed.

- i) The company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2) (b) to (i) of the LODR Regulations, 2015
- j) Management Discussion and Analysis Report (MDAR): MDAR forms part of the Annual Report and the same is attached separately in this Annual Report.

9. 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.

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. 2017-18

Date	:	Saturday, 15 th September, 2018
Venue	:	The Aryans School, 149 B.T. Road, Kolkata- 700058
Time	:	12.30 P.M.

Financial Calendar

Financial year: 1st April, 2017 to 31st March, 2018

For the year ended 31st March, 2018, results were adopted on:

- 14th September, 2017: First quarter (Un-audited)
- 14th December, 2017: Half yearly (Un-audited)
- 8th February, 2018: Third quarter (Un-audited)
- 29th May, 2018: Annual (Audited)

For the year ending 31st March, 2019, the results are likely to be adopted:

- on or before 14th August, 2018 : First quarter (Un-audited)
- on or before 14th November, 2018: Half yearly (Un-audited)
- on or before 14th February, 2019: Third quarter (Un-audited)
- on or before 30th May, 2019: 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 2018-19 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, 17 th Floor, Dalal Street, Fort, Mumbai – 400 001	www.cdslindia.com

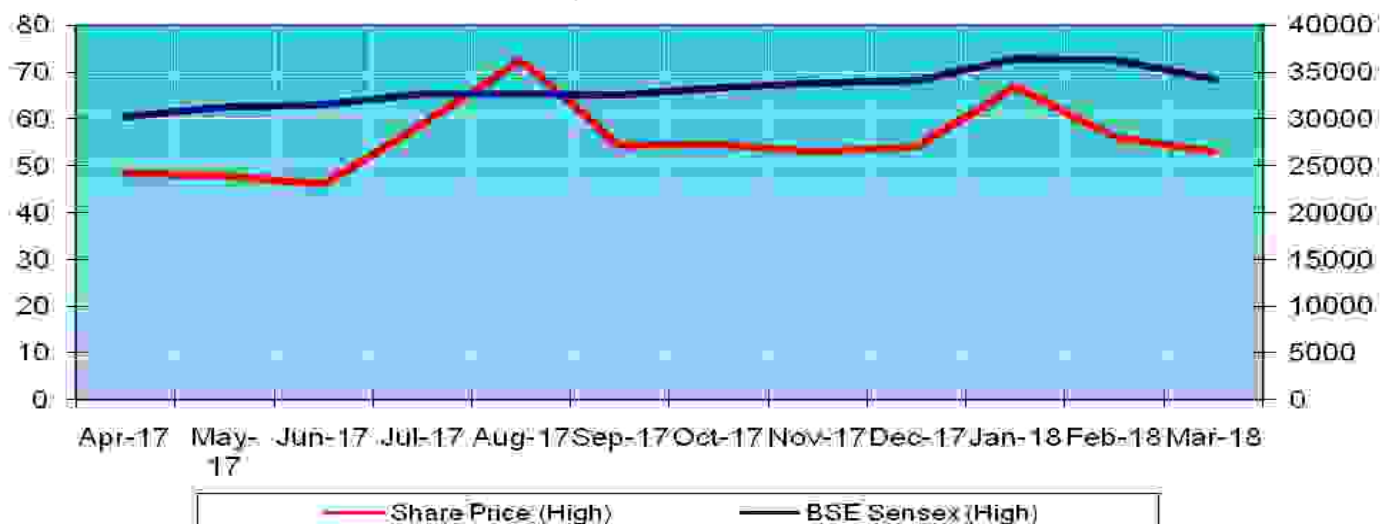
The International Securities Identification Number (ISIN) allotted to Company's securities under the Depository system is INE920C01017.

Market price data

The monthly high and low share price data at the BSE Limited for the financial year 2017-18

Month	Share Price (High)	Share Price (Low)	BSE Sensex (High)	BSE Sensex (Low)
Apr-17	48.40	37.15	30184.22	29241.48
May-17	47.75	35.05	31255.28	29804.12
Jun-17	46.00	34.65	31522.87	30680.66
Jul-17	58.85	38.90	32672.66	31017.11
Aug-17	72.50	44.80	32686.48	31128.02
Sep-17	54.15	37.25	32524.11	31081.83
Oct-17	54.50	44.10	33340.17	31440.48
Nov-17	53.00	46.10	33865.95	32683.59
Dec-17	54.00	44.30	34137.97	32565.16
Jan-18	66.80	45.05	36443.98	33703.37
Feb-18	56.00	41.40	36256.83	33482.81
Mar-18	53.00	41.00	34278.63	32483.84

Performance of Company's Scripts on BSE vs BSE Sensex



Registrar & Share Transfer Agents

M/s Niche Technologies Private Limited
D-511, Bagree Market, 71, B.R.B. Basu Road,
5th Floor, Kolkata – 700 001
Phone No. 033-2234-3576, 2235-7270, 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.

Dividend payment date

The Company has not declared any dividend for the relevant Financial Year.

Distribution of Shareholding

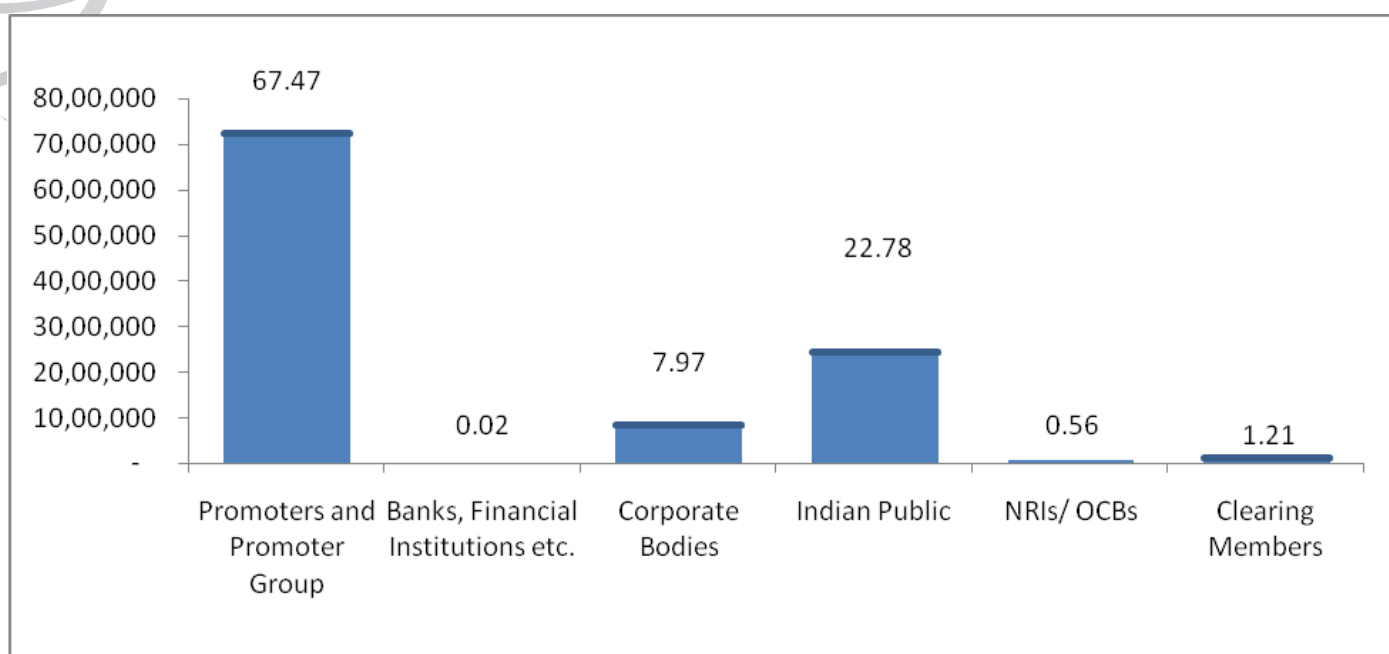
Distribution of shareholding by size as on 31st March, 2018

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	4685	87.77	6,36,057	5.92
501 – 1000	344	6.44	2,82,444	2.63
1001 – 5000	229	4.29	5,23,904	4.87
5001 – 10000	31	0.58	2,31,927	2.15
10001 – 50000	33	0.62	6,41,931	5.97
50001 – 100000	5	0.09	3,94,237	3.67
100001 and above	11	0.21	80,39,500	74.79
Total	5338	100.00	1,07,50,000	100.00

Distribution of share holding by category as on 31st March, 2018

Category	Number of Shares	% to Total
Promoters and Promoter Group	72,53,199	67.47
Banks, Financial Institutions etc.	1,900	0.02
Corporate Bodies	8,56,811	7.97
Indian Public	24,48,582	22.78
NRI's/ OCBs	59,820	0.56
Clearing Members	1,29,688	1.21
Total	1,07,50,000	100.0000

Distribution of share holding by category as on 31st March, 2018



List of Top Ten Shareholders as on 31st March, 2018

Sl. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1	Vinod Dugar	2068023	19.23
2	Sheetal Dugar	1933424	17.99
3	Loka Properties Private Limited	1239405	11.53
4	Khatod Investments & Finance Company Limited	921225	8.57
5	Pyramid Sales Private Limited	716122	6.66
6	Ankur Constructions Private Limited	375000	3.49
7	Maheswari Plaza Resorts Limited	338857	3.15
8	Ramakant Kasat	120744	1.12
9	Karan K Bang	117700	1.10
10	Kalimata Investment Consultancy Private Limited	106500	0.99

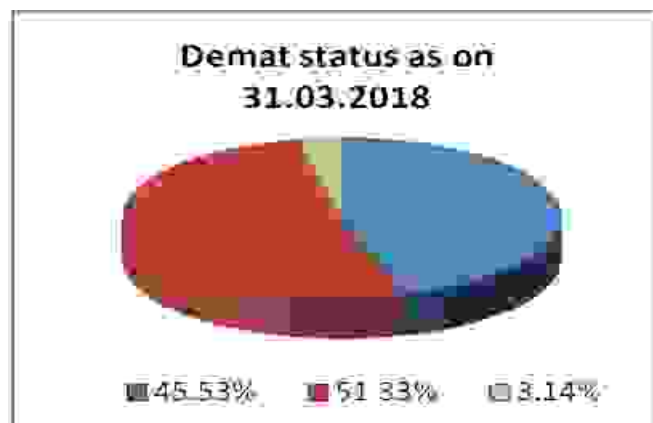
Details of shares held by Directors as on 31st March, 2018

Name of Director	No. of Equity Shares	% of Total holding
Mr. Upmanyu Pathak	Nil	Nil
Mr. Sumit Banthiya	Nil	Nil
Mr. Amar Chand Baid	Nil	Nil
Mr Gaurav Somani	Nil	Nil
Ms. Vembi Krishnamurthy Radha	Nil	Nil
Total	NIL	NIL

Dematerialisation of shares and liquidity

Shares held in dematerialised and physical form as on 31st March, 2018

Status of Dematerialisation	No. of Shares	% of Total Shares
Shares held in NSDL	4894702	45.53%
Shares held in CDSL	5518003	51.33%
Shares held in physical form	337295	3.14%

**Transfer of Unclaimed amounts to Investor Education and Protection Fund**

The Company has transferred to the Investor Education & Protection Fund, as per section 124 of the Companies Act, 2013, all unclaimed/unpaid dividends for more than seven years. Further as per section 124 of the Companies Act, 2013 read with the rules made thereunder, all shares in respect of which dividend is unpaid/unclaimed for a period of seven consecutive years shall also be transferred to IEPF.

As per the requirements of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules 2016'), the Company will be sending intimation to all the shareholders who had not claimed/encashed their dividends consecutively for the last seven years informing them that in the event those shareholders do not claim the same, the Company will be required to transfer the corresponding shares to the IEPF Demat Account prescribed under the IEPF Rules, 2016. The Company will also simultaneously publish notice in the leading newspapers in this regard and also upload the same on the "Investors Section" of the Company's website details of such shareholders and shares which are due for transfer to IEPF Demat Account.

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 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India for the period 1st April 2017 to 31st March 2018.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of 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 Regulations as applicable.

On the basis of records maintained by the Company, we state that as on 31st March, 2018, 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 **VKR & Associates.**
Chartered Accountants
Firm Registration No. 320323E

Place: Kolkata
Date: 29th May, 2018

Santosh Kumar Agrawal
Partner
Membership No. 067092

CEO / CFO CERTIFICATION

To,
The Board of Directors,
ntc industries limited

We, Upmanyu Pathak, 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, 2018 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, 2018 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: 29th May, 2018

Upmanyu Pathak
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

Report on the Financial Statements

We have audited the accompanying standalone Ind AS financial statements of “**NTC Industries Limited**” (‘the Company’) which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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 March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

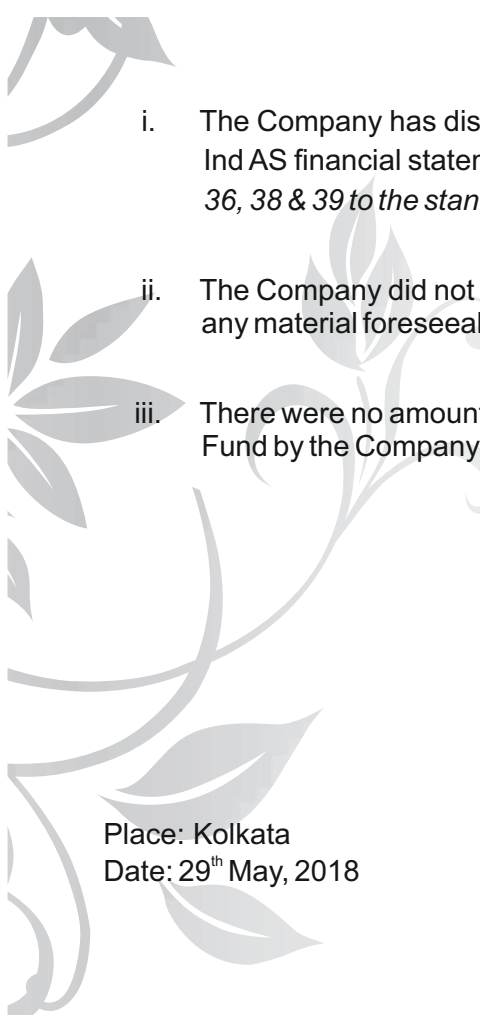
Emphasis on Matter

Without Qualifying our report we would like to draw attention to the following matter in the notes to the financial statements:

- a) *Note 36 to the financial statements, which describe the uncertainty related to the outcome of pending dispute in the matter of provision of interest on unsecured loan.*
- b) *Note 38 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.*
- c) *Note 39 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

1. 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, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) 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.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- 
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements in accordance with the generally accepted accounting principle, *refer note 36, 38 & 39 to the standalone Ind AS financial statements.*
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For VKR & Associates.
Chartered Accountants
ICAI Firm Registration No.: 320323E

Santosh Kumar Agrawal, FCA
(Partner)
Membership No.: 067092

Place: Kolkata
Date: 29th May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As informed to us the fixed assets of the company have been physically verified by the Management at the year end and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its asset. No discrepancies were noticed on such physical verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, except as stated in Note No 35 regarding non registration of property at Silliguri of ` 6,55,372/- in the name of the company, all other title deeds of the immovable properties are held in the name of the Company as at the balance sheet date.
- ii) As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- iii) The company has granted unsecured loans to the parties covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - b) The loans granted to the parties covered in the register maintained under section 189 of the Act, has no stipulated schedule of repayment of principal and payment of interest and are repayable on demand.
 - c) According to the information and explanations given to us, since the loans granted has no stipulated schedule of repayment of principal and payment of interest , the question of overdue amounts does not arise.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) The rules regarding maintenance of cost records which have been specified by the central government under section 148(1) of Companies Act, 2013 are not applicable. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of 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 Other Statutory Dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect to above were in arrears, as at March 31, 2018 for a period of more than six months from the date on which they become payable except as stated below:

Nature of due	Amount (₹ in lacs)	Period
Entry Tax	0.42	2017-18

- b) As at 31st March, 2018, there is no amounts payable in respect of disputed income tax, sales tax, service tax, duty of customs, duty of excise and value added tax except as stated below:

Nature of Statute	Nature of Dues	Amount (₹ in lacs)	Period	Forum where pending
Central Excise Act, 1944	Excise Duty	3.37	September 1994 to October 1995	Customs, Excise & Service Tax Appellate Tribunal

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The company has not taken any loans or borrowings from any financial institution and government or has not issued any debentures..
- ix) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loan has been applied for the purpose for which they were obtained.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the period covered by our audit.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.
- xiii) Based on our examination of the records and the information and explanations given to us, all transactions with the related parties were in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Ind AS Financial Statements etc as required by the applicable accounting standards.
- xiv) Based on our examination of the records and the information and explanations given to us,, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv) Based on our examination of the records and the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi) Based on our examination of the records and the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For VKR & Associates.
Chartered Accountants
ICAI Firm Registration No.: 320323E

Santosh Kumar Agrawal, FCA
(Partner)
Membership No.: 067092

Place: Kolkata
Date: 29th May, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **NTC Industries Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 ('ICAI'). 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 (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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; and (3) 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 March 31, 2018, 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 VKR & Associates.

Chartered Accountants

ICAI Firm Registration No.: 320323E

Santosh Kumar Agrawal, FCA

Place: Kolkata

(Partner)

Membership No.: 067092

Date: 29th May, 2018

BALANCE SHEET

as at 31st March 2018

(Amount in ₹)

Sl. No.	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A	ASSETS				
1.	Non-current assets				
(a)	Property, Plant and equipment	3A	6,19,09,891	6,52,19,281	6,87,26,650
(b)	Capital work-in-progress	3B	9,82,623	9,82,623	-
(c)	Investment property				
(d)	Financial assets				
(i)	Investment	4	4,53,19,000	4,56,97,000	3,63,73,000
(e)	Deferred tax assets (net)	5	93,43,858	96,99,284	77,16,848
(f)	Other non-current assets	6	1,14,16,000	5,19,09,280	5,19,09,280
	Total non-current assets		12,89,71,372	17,35,07,468	16,47,25,778
2.	Current assets				
(a)	Inventories	7	2,62,58,586	3,69,74,475	4,54,95,422
(b)	Financial Assets				
(i)	Other investment				
(ii)	Trade receivable	8	3,01,64,382	1,29,18,966	88,47,695
(iii)	Cash and cash equivalents	9A	94,34,282	9,69,939	9,00,744
(iv)	Bank balance other than (iii) above	9B	41,38,345	37,40,862	35,23,678
(v)	Loans	10	23,90,76,325	21,78,09,258	20,98,56,795
(c)	Current tax assets (net)	11	68,09,211	1,06,94,186	1,75,91,928
(d)	Other current assets	12	5,30,99,740	5,34,82,684	4,76,91,946
	Assets classified as held for sale				
	Total current assets		36,89,80,871	33,65,90,370	33,39,08,207
	Total assets		49,79,52,244	51,00,97,838	49,86,33,985
B	EQUITY AND LIABILITIES				
1.	Equity				
(a)	Equity share capital	13A	10,75,00,000	10,75,00,000	10,75,00,000
(b)	Other equity	13B	24,60,42,010	24,23,31,715	23,58,86,841
	Total equity		35,35,42,010	34,98,31,715	34,33,86,841
2.	Non-current liabilities				
(a)	Financial Liabilities				
(i)	Borrowing	14	2,06,61,938	2,00,00,000	2,00,00,000
(b)	Provisions	15	3,15,36,104	3,28,34,667	3,05,81,134
	Total non-current liabilities		40,57,40,054	40,26,66,382	39,39,67,975
3.	Current liabilities				
(a)	Financial liabilities				
(i)	Borrowing	16	2,45,57,623	1,86,04,636	2,72,49,600
(ii)	Trade payables	17	1,85,06,251	3,13,26,420	1,88,45,784
(b)	Other current liabilities	18	4,28,50,327	5,01,09,080	5,48,68,581
(c)	Provisions	19	62,97,989	73,91,319	37,02,045
	Total current liabilities		9,22,12,190	10,74,31,456	10,46,66,010
	Total equity and liabilities		49,79,52,244	51,00,97,838	49,86,33,985

The accompanying notes 1 to 43 are an integral part of the Financial Statements

In terms of our report attached

For VKR & ASSOCIATES

Chartered Accountants

Firm registration No. 320323E

Santosh Kumar Agrawal

Partner

Membership No. 067092

Place : Kolkata.

Date : 29th May, 2018

For and on behalf of the Board

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

STATEMENT OF PROFIT & LOSS

for the year ended 31st March 2018

(Amount in ₹)

Sl. No.	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I	INCOME			
II	Sales of Product and Services	20A	16,15,48,213	21,68,00,543
III	Other income	21	4,61,35,511	3,68,69,404
	Total Income (I+II)		20,76,83,724	25,36,69,947
IV	EXPENSES			
	Cost of materials consumed	22	6,21,67,922	6,11,62,435
	Purchases of stock-in-Trade	23	64,10,247	19,96,301
	Changes in inventories of finished goods, stock-in-Trade, WIP and Intermediates	24	1,07,57,639	1,02,07,999
	Excise Duty		1,86,12,717	8,25,59,408
	Employee benefits expense	25	3,85,45,253	3,73,83,519
	Finance costs	26	36,53,815	33,11,394
	Depreciation		49,56,581	50,15,201
	Other expenses	27	4,24,72,521	4,59,23,397
	Total Expenses		18,75,76,695	24,75,59,654
V	Profit/(Loss) before exceptional items and taxes (III-IV)		2,01,07,030	61,10,294
VI	Add / (Less) : Exceptional items		1,89,45,120	-
VII	Profit/(Loss) before Tax (V-VI)		11,61,910	61,10,294
VIII	Tax expenses :			
	(a) Current tax	28	7,00,000	18,50,000
	(b) Deferred tax	28	3,55,425	(19,82,436)
	(c) Tax adjustments for earlier years		(11,88,383)	39,62,505
IX	Profit/ (loss) for the period after Tax (PAT)		12,94,868	22,80,224
X	Other Comprehensive Income			
	a. Item that will not be reclassified to profit or loss :			
	(i) Remeasurements of post-employment benefit obligations	29	27,93,428	(51,59,350)
	(ii) Changes in fair value of equity Instruments through other Comprehensive Income		(3,78,000)	93,24,000
	b. Income tax relating to items that will be reclassified to profit or loss		-	-
	Total other comprehensive income (a+b)		24,15,428	41,64,650
XI	Total comprehensive income for the year (IX-X)		37,10,296	64,44,874
XII	Earnings per share: (FV - Rs.10/- Note 2.26)			
	Basic/Diluted (of Rs. 10 each)		0.12	0.21
The accompanying notes 1 to 43 are an integral part of the Financial Statements				

For VKR & ASSOCIATES

Chartered Accountants

Firm registration No. 320323E

Santosh Kumar Agrawal

Partner

Membership No. 067092

Place : Kolkata.

Date : 29th May, 2018

For and on behalf of the Board

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

13. STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

A. Equity Share Capital (Amount in ₹)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting Year
For the year ended 31st March, 2017	10,75,00,000	-	10,75,00,000
For the year ended 31st March, 2018	10,75,00,000	-	10,75,00,000

B. Other Equity (Amount in ₹)

Particulars	Reserve and Surplus				Items of other comprehensive income		Total
	Capital Reserve	Securities premium	Share Options Outstanding Account	Capital Redemption reserve	Retained Earnings	Transfer from Other comprehensive income	
Balance at 1st April 2016	1,52,50,000			2,64,40,000	16,42,38,838		23,58,86,841
Profit for the year					22,80,224	(51,59,350)	64,44,874
other Comprehensive income (net of tax)							-
Total comprehensive income for the year	-	-	-	-	22,80,224	(51,59,350)	64,44,874
Transfer to General Reserve							-
Balance at 31st March 2017	1,52,50,000	-	-	2,64,40,000	16,65,19,062	(51,59,350)	24,23,31,715
Profit for the year					12,94,868		12,94,868
other Comprehensive income/(loss)						27,93,428	24,15,428
Total comprehensive income/(loss)	-	-	-	-	12,94,868	27,93,428	37,10,296
Transfer to General Reserve							-
Balance at 31st March 2018	1,52,50,000	-	-	2,64,40,000	16,78,13,930	(23,65,922)	24,60,42,010
						3,89,04,002	

CASH FLOW

statement for the year ended
31st March 2018

(Amount in ₹)

Sl.No.	Particulars	As at March 31, 2018		As at March 31, 2017	
A.	Cash flow from operating activities :				
	Net profit before tax as per Statement of Profit & Loss		11,61,910		61,10,294
	Adjustments for :				
	Depreciation	49,56,581		50,15,201	
	Interest paid	25,46,472		22,73,283	
	Profit / (Loss) on sale of fixed assets	2,54,526		(1,26,148)	
	Interest received	(4,09,41,709)		(3,44,26,495)	
	Foreign Exchange (gain) / loss on trade receivable	-		(7,03,871)	
	Provision of Employees' retirement & current benefits	42,23,507	(2,89,60,623)	41,72,367	(2,37,95,663)
	Operating profit before working capital changes		(2,77,98,714)		(1,76,85,370)
	(Increase) / Decrease in inventories	1,07,15,889		85,20,947	
	(Increase) / Decrease in trade and other receivables	23,63,741		(83,00,772)	
	Increase / (Decrease) in trade payables & other payables	(2,39,00,892)	(1,08,21,262)	(43,45,662)	(41,25,487)
	Cash generated from operations		(3,86,19,976)		(2,18,10,857)
	Less: Direct taxes (paid) / refunds including interest (net)		43,73,358		10,85,237
	Net cash generated/(used) from operating activities		(3,42,46,618)		(2,07,25,620)
B.	Cash flow from investing activities :				
	Investment in Equity Shares of Subsidiary				
	Sale / (Purchase) of fixed Assets	(19,01,717)		(23,64,307)	
	(Deposit) / Refund in Fixed Deposits	(3,97,483)		(3,49,127)	
	Interest received	4,09,41,709		3,44,26,495	
	Net cash from investing activities		3,86,42,509		3,17,13,061
C.	Cash flow from financing activities :				
	Proceeds / (repayment) of long term borrowings	6,61,938			
	Proceeds / (repayment) of short term borrowings	59,52,987		(86,44,963)	
	Interest paid	(25,46,472)		(22,73,283)	
	Net cash generated/(used) in financing activities		40,68,453		(1,09,18,246)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		84,64,344		69,195
	Cash and cash equivalents -Opening balance		9,69,939		9,00,744
	Cash and cash equivalents -Closing balance		94,34,283		9,69,939
	CASH AND CASH EQUIVALENTS COMPRISE:				
	Balances with bank		93,72,636		6,35,434
	Cash on hand		61,646		3,34,505
			94,34,282		9,69,939

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

For and on behalf of the Board

For VKR & ASSOCIATES

Chartered Accountants

Firm registration No. 320323E

Santosh Kumar Agrawal

Partner

Membership No. 067092

Place : Kolkata.

Date : 29th day of May, 2018

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

1. Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company has adopted Ind AS from 1st April, 2017

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 41 (First-time Adoption).

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Operating Cycle

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 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Depreciation of these

assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property,

Plant, Property & Equipment	Useful life
Vehicles	8 years
Furniture & Fixtures	10 years
Office Equipment	5-15 years
Computer	3 years
Plant & Machinery	15 years
Factory Building	30 years

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially at cost comprising the purchase price (including import duties and non refundable taxes) and directly attributable costs to prepare the asset for its intended use.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite due to the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes). Hence Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

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

Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

Financial Assets

Recognition: Financial assets include Investments, Trade receivables, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as trade receivables, held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from the sale of goods includes excise and other duties which the Company pays as a principal, but excludes amounts collected on behalf of third parties, such as sales tax and value added tax. Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable.

Revenue from services is recognised in the periods in which the services are rendered to the customer except otherwise stated.

Rental Income (exclusive of Taxes) 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.

Interest income is recognised in the Statement of Profit and Loss using the effective interest method.

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 services.

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 statements 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.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period along with the Income Computation and disclosure standards, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets

and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

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 accounts.

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 the equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Prior Period Adjustments

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

2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end.

Key sources of estimation uncertainty

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available.

3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income.

Note 3 - Fixed assets

Particulars	Gross Block					
	As at 1st april, 2016	Additions	Withdrawals and adjustments	As at 31st March, 2017	Additions	Withdrawals and adjustments
3 A. Property, Plant and Equipment						
Land	1,96,53,064			1,96,53,064		1,96,53,064
Factory Buildings	3,93,02,635			3,93,02,635		3,93,02,635
Other Building	28,08,532			28,08,532		28,08,532
Plant and Equipments	11,09,14,605	17,77,254	1,17,671	11,25,74,188	2,83,575	11,28,57,763
Furniture and Fixtures	3,01,806			3,01,806	5,625	3,07,431
Office Equipment	9,65,997	17,490		9,83,487	1,08,109	10,91,596
Computer	13,47,816			13,47,816	4,94,099	18,41,915
Vehicles	12,96,931		5,04,000	7,92,931	10,85,309	11,56,509
TOTAL	17,65,91,386	17,94,744	6,21,671	17,77,64,459	19,76,717	17,90,19,446
3 B. Capital work-in-progress						
Plant & Machinery		9,82,623		9,82,623		9,82,623

Particulars	Depreciation and Amortization						Net Book Value		
	Upto 1st April, 2016	For the Year	On withdrawals and adjustments	Upto 31st March, 2017	For the Year	On withdrawals and adjustments	Upto 31st March, 2018	As at 31st March, 2017	As at 1st april, 2016
3 A. Property, Plant and Equipment									
Land	-	-		-	-			1,96,53,064	1,96,53,064
Factory Buildings	3,19,10,484	5,87,650		3,24,98,134	5,87,650		3,30,85,784	68,04,501	73,92,151
Other Building	13,81,704	1,01,367		14,83,071	1,01,367		15,84,438	13,25,461	14,26,828
Plant and Equipments	7,19,58,947	40,00,672	65,711	7,58,93,908	39,62,930		7,98,56,838	3,66,80,280	3,89,55,658
Furniture and Fixtures	2,62,209	4,656		2,66,865	4,554		2,71,419	34,941	39,597
Office Equipment	5,93,458	1,65,831		7,59,289	1,08,258		8,67,547	2,24,198	3,72,539
Computer	12,41,139	23,164		12,64,303	82,967		13,47,270	83,513	1,06,677
Vehicles	5,16,795	1,31,861	2,69,048	3,79,608	1,08,855	3,92,205	96,258	4,13,323	7,80,136
TOTAL	10,78,64,736	50,15,201	3,34,759	11,25,45,178	49,56,581	3,92,205	11,71,09,555	6,19,09,891	6,87,26,650
3 B. Capital work-in-progress									
Plant & Machinery								9,82,623	-

NOTES TO ACCOUNTS

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)	As at April 1, 2016 (Amount in ₹)
Notes to Financial Statements (Contd..)			
4. Non-current Investment			
Investment in Equity , Trade Investments			
Quoted (at Fair Market Value, fully paid)			
RDB Realty & Infrastructure Ltd.	4,49,19,000	4,52,97,000	3,59,73,000
FY-18 12,60,000, FY-17 12,60,000 shares of Rs 10 each)			
Unquoted: Wholly owned Subsidiary (w.e.f 27th August, 2014)			
(at cost, fully paid)			
NTCIL Real Estate Private Limited (10000 shares of Rs 10 each)	1,00,000	1,00,000	1,00,000
NTCIL Infrastructure Private Limited (10000 shares of Rs 10 each)	1,00,000	1,00,000	1,00,000
NTCIL Realty Private Limited (10000 shares of Rs 10 each)	1,00,000	1,00,000	1,00,000
NTCIL Siliguri Estate Private Limited (10000 shares of Rs 10 each)	1,00,000	1,00,000	1,00,000
Total	4,53,19,000	4,56,97,000	3,63,73,000
5. Deferred tax assets (net)			
Deferred tax assets	1,34,30,838	1,47,59,595	1,29,10,594
Less : Deferred tax liabilities	40,86,980	50,60,311	51,93,746
	-	-	-
Total	93,43,858	96,99,284	77,16,848
6. Other assets			
Advances other than Capital Advances			
Deposit with Excise Authority	1,14,16,000	1,14,16,000	1,14,16,000
Refund receivable from Excise Authority (BDR) (refer note no. 37)	-	4,04,93,280	4,04,93,280
TOTAL	1,14,16,000	5,19,09,280	5,19,09,280
7. Inventories			
(at lower of cost and net realisable value)			
Raw materials (including packing materials)	1,54,13,640	1,55,96,441	1,53,88,239
Work-in-progress	23,651	-	-
Finished goods (manufactured)	31,98,592	1,63,54,224	2,65,76,301
Stock-in-trade (goods purchased for resale)	26,77,735	3,03,393	2,89,315
Stores and Spares	49,44,968	47,20,417	32,41,567
Total	2,62,58,586	3,69,74,475	4,54,95,422
8. Trade receivables (Current)			
Secured, considered good	3,01,64,382	1,29,18,966	88,47,695
Total	3,01,64,382	1,29,18,966	88,47,695
9A. Cash and cash equivalents			
Balance with Banks	93,72,636	6,35,434	8,00,698
Cash on hand	61,646	3,34,505	1,00,046
Total	94,34,282	9,69,939	9,00,744
9B. Bank balance other than (9A) above			
Unpaid Dividend	-	-	1,31,943
Fixed Deposits (For lien against guarantees and letter of credit)	41,38,345	37,40,862	33,91,735
Total	41,38,345	37,40,862	35,23,678
10. Loans			
Loans to Others then related parties			
Loan to Body Corporate (other than related)	23,90,76,325	21,78,09,258	20,98,56,795
Total	23,90,76,325	21,78,09,258	20,98,56,795
11. Current Tax assets			
Advance Income Tax & TDS	93,59,211	1,49,88,551	2,00,36,293
Less : Provision for Income Tax	25,50,000	42,94,365	24,44,365
Total	68,09,211	1,06,94,186	1,75,91,928
12. Other assets			
Advances other than Capital Advances			
Advance to directors & officers of the company	3,57,500	2,69,538	6,55,866
Deposits	69,34,159	71,81,220	71,81,220
Advance to Suppliers	21,39,007	18,95,230	-
Prepaid Expenses	2,22,699	4,02,445	2,83,728
Other advances	3,84,34,965	3,78,45,923	3,85,32,743
Others			
Balance with revenue authorities	11,42,018	7,03,692	7,42,509
Interest accrued but not due	3,65,662	5,12,993	2,95,879
Deferred Brand Promotion Exp	35,03,730	46,71,642	-
Total	5,30,99,740	5,34,82,684	4,76,91,946
13. A. Equity Share Capital			
Authorised			
16,500,000 Equity Shares shares of Rs.10 each	16,50,00,000	16,50,00,000	16,50,00,000
3,500,000 Preference Shares of Rs.10 each	3,50,00,000	3,50,00,000	3,50,00,000
TOTAL	20,00,00,000	20,00,00,000	20,00,00,000
Issued, subscribed and paid-up share capital			
10,750,000 Equity Shares shares of Rs.10 each	10,75,00,000	10,75,00,000	10,75,00,000
Total	10,75,00,000	10,75,00,000	10,75,00,000

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)	As at April 1, 2016 (Amount in ₹)
Notes to Financial Statements (Contd..)			
B. Reconciliation of number of equity shares outstanding :			
As at the beginning of the year	1,07,50,000	1,07,50,000	1,07,50,000
As at the end of the year	1,07,50,000	1,07,50,000	1,07,50,000
C. Shareholders holding more than 5% shares			
	% Holding	% Holding	% Holding
	Shares held (No.)	Shares held (No.)	Shares held (No.)
1. Vinod Dugar	19.24%	19.24%	19.24%
	20,68,023	20,68,023	20,68,023
2. Sheetal Dugar	17.99%	17.99%	17.99%
	19,33,424	19,33,424	19,33,424
3. Loka Properties Private Limited	11.53%	11.53%	3.51%
	12,39,404	12,39,404	3,77,100
4. Khatod Investments & Finance Company Limited	8.57%	8.57%	8.57%
	9,21,225	9,21,225	9,21,225
3. YMS Finance Private Limited (Formerly Pyramid Sales Private Limited)	6.66%	6.66%	6.66%
	7,16,122	7,16,122	7,16,122
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. Share Reserved for issue:-			
No Equity Shares have been reserved for issue under option & contracts/commitments for sale of shares/ disinvestment as at			
14. Borrowings			
Loan from other than related parties			
HDFC Car Loan (Secured by hypothecation of car)	6,61,938	-	-
From other parties (Unsecured) (refer note no: 36)	2,00,00,000	2,00,00,000	2,00,00,000
Total	2,06,61,938	2,00,00,000	2,00,00,000
15. Provisions			
Provision for employee benefits			
Retirement benefits	3,15,36,104	3,28,34,667	3,05,81,134
Total	3,15,36,104	3,28,34,667	3,05,81,134
16. Borrowings			
Loan from other then related parties			
HDFC Car Loan (Secured by hypothecation of car)	1,96,947	-	-
Working capital loan from bank (Secured, repayable on demand) 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%.	2,43,60,676	1,86,04,636	2,72,49,600
Total	2,45,57,623	1,86,04,636	2,72,49,600
17. Trade Payables			
To Micro, Small & Medium Enterprises	-	-	-
To Others	1,85,06,251	3,13,26,420	1,88,45,784
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.			
relied upon by the auditors.			
Total	1,85,06,251	3,13,26,420	1,88,45,784
18. Other current Liabilities			
Revenue received in advance			
Advances from customers	6385071	7068040	1,53,441
Other Advances			
Advance from other than related party	4,27,778	1,73,225	86,28,355
Advance taken from subsidiary			19,41,567
Others			
Statutory liabilities	1,49,18,471	14,27,818	8,00,298
Unclaimed dividend	-	-	1,31,943
Excise duty payable (BDR)	-	2,15,48,160	2,15,48,160
Other Payables	2,11,19,007	1,98,91,838	2,16,64,818
Total	4,28,50,327	5,01,09,080	5,48,68,581
19. Provisions			
Provision for employee benefits			
Retirement benefits	62,97,989	73,91,319	37,02,045
Total	62,97,989	73,91,319	37,02,045

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
Notes to Financial Statements (Contd..)		
20A. Revenue from operations		
Gross Revenue from sale of Products and services*	15,06,47,749	20,60,06,566
Sale of Services	1,07,83,778	72,30,314
Sale of Manufacturing Waste	1,16,686	1,89,005
Income from Management Consultancy	-	10,00,000
Sale of Export Benefit License	-	23,74,658
Total	16,15,48,213	21,68,00,543
* Net of sales returns and damaged stocks.		
20B. Gross Revenue from sale of Products and services*		
Sale of Goods		
- Sale of manufactured goods :		
- Domestic	7,01,32,127	11,82,75,987
- Export	7,53,85,679	8,52,66,232
- Sale of stock in trade	51,29,943	24,64,347
Total	15,06,47,749	20,60,06,566
* Net of sales returns and damaged stocks.		
21. Other Income		
Interest income	4,09,41,709	3,44,26,495
Dividend Income (non current, trade investments)	-	-
Sundry balances / liabilities written back (net)	44,85,209	7,578
Foreign currency fluctuation gain	6,72,036	7,03,871
Other receipts	36,557	17,31,460
Total	4,61,35,511	3,68,69,404
22. Cost of Material Consumed during the year		
Opening Stock of Raw Material	1,55,96,441	1,53,88,239
Add: Purchase of Raw Material	6,29,04,330	6,13,70,637
Less: Damage of Raw Material	9,19,209	-
Less: Closing Stock of Raw Material	1,54,13,640	1,55,96,441
Consumption	6,21,67,922	6,11,62,435
23. Purchase of stock in trade		
Match Boxes,Agarbati	64,10,247	19,96,301
Total	64,10,247	19,96,301
24. Change in inventories of finished goods and stock-in-trade		
Opening Stock of		
- Finished goods	1,63,54,224	2,65,76,301
- Stock - in - trade	3,03,393	2,89,315
Total (a)	1,66,57,617	2,68,65,616
Closing Stock of		
- Finished goods	32,22,241	1,63,54,224
- Stock - in - trade	26,77,737	3,03,393
Total (b)	58,99,978	1,66,57,617
(Increase) / Decrease in inventories (a-b)	1,07,57,639	1,02,07,999
25. Employee benefits expense		
Salaries , wages, bonus, allowances, etc	2,99,99,032	2,94,37,130
Contribution to provident and other fund	34,69,465	30,95,665
Staff welfare expenses	8,53,249	6,78,357
Provision for Gratuity	42,23,507	41,72,367
Total	3,85,45,253	3,73,83,519
26. Finance costs		
Interest paid	25,46,472	22,73,283
Finance Charges	11,07,343	10,38,111
Total	36,53,815	33,11,394

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
Notes to Financial Statements (Contd..)		
27. Other Expenses		
a. Manufacturing expenses :		
Stores and spares consumed	49,01,100	28,47,204
Power and fuel consumed	87,26,922	84,15,281
Machine repairs	9,28,727	11,33,433
Inward freight, coolie, cartage and other expenses	31,10,335	28,73,636
Other manufacturing expenses	309	2,55,721
Total (a)	1,76,67,393	1,55,25,275
b. Administration expenses :		
Loss on sale of Fixed Assests	2,54,526	1,26,148
Rates and Taxes	1,11,811	1,36,866
Building Repairs	4,68,185	5,09,675
Other Maintenance-Office	1,13,133	3,56,046
Vehicle maintenance expenses	4,67,417	4,40,922
Insurance Premium	4,27,258	5,16,735
Loss of material due to Flood	2,81,872	-
Sundry balances / liabilities written off (net)	3,36,876	-
Travelling and conveyance	5,36,076	5,71,934
Postage, telegraph and telephones	4,54,425	4,95,509
Printing and stationery	3,56,481	1,72,471
Legal & Professional Charges	56,08,929	91,10,521
Bad Debt	-	-
Electricity charges	8,60,666	7,51,980
Land revenue and municipal taxes (net)	3,29,471	2,53,461
Miscellaneous expenses	17,33,650	16,87,787
Auditors' remuneration :		
- Audit fee	1,00,000	75,000
- Tax audit fee	25,000	25,000
Total (b)	1,24,65,776	1,52,30,056
c. Selling and distribution expenses :		
Advertisement and publicity expenses	27,90,597	7,50,050
Distribution Expenses & Sales Promotion Expenses	12,94,494	24,90,880
Sales Tax	5,45,509	30,50,446
Outward freight and forwarding charges	70,32,334	69,70,817
Brokerage, commission and discounts	6,76,418	19,05,873
Total (c)	1,23,39,352	1,51,68,065
Total (a+b+c)	4,24,72,521	4,59,23,397
28. Income tax Expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the Year		
Current tax	7,00,000	18,50,000
Adjustment/(credit) related to previous year - Net	-	-
Current tax	-	-
Total current tax	7,00,000	18,50,000
Deffered tax		
Deffered tax for the Year	(3,55,425)	19,82,436
Adjustment/(credit) related to previous year - Net	-	-
Total deffered tax	(3,55,425)	19,82,436
29. Additional Notes to the Financial Statements		
Components of Defined Benefit Cost		
Current Service Cost	12,54,095	14,03,116
Past Service Cost	-	-
(Gain)/Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	12,54,095	14,03,116
Interest Expense on DBO	29,69,412	27,69,251
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	29,69,412	27,69,251
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	42,23,507	41,72,367
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	(4,47,896)	9,44,527
Remeasurements - Due to Experience Adjustments	(23,45,532)	42,14,823
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(27,93,428)	51,59,350
Total Defined Benefit Cost recognized in P&L and OCI	14,30,079	93,31,717

30 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.

31 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 Indian Accounting Standard - 108 on "Operating Segment" 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.

32 Earnings Per Share :-

Earnings per share is computed as under:-	2017-18	2016-17
Profit after tax available for equity shareholders (A) (₹)	12,94,868/-	22,80,224/-
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) (₹)	0.12/-	0.21/-

33 Post Employment Benefits

In accordance with the Payment of Gratuity Act, 1972 of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by actuarial valuation and are charged to revenue in the period determined.

The following tables sets out the status of the benefit plan as per actuarial valuation as on March 31, 2018 and as recognised in the financial statements in respect of employee benefit schemes:

(₹ in Lacs)

A. Change in Defined Benefit Obligation		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2017
Defined Benefit Obligation at beginning of year	3,36,20,720	4,02,25,986
<i>Current Service Cost</i>	14,03,116	12,54,095
<i>Past Service Cost</i>	-	-
<i>(Gain) / Loss on settlements</i>	-	-
<i>Interest Expense</i>	27,69,251	29,69,412
<i>Benefit Payments from Plan Assets</i>	-	-
<i>Benefit Payments from Employer</i>	(27,26,451)	(38,21,974)
<i>Settlement Payments from Plan Assets</i>	-	-
<i>Settlement Payments from Employer</i>	-	-
<i>Other (Employee Contribution, Taxes, Expenses)</i>	-	-
<i>Increase / (Decrease) due to effect of any business combination / divesture / transfer)</i>	-	-
<i>Increase / (Decrease) due to Plan combination</i>	-	-
<i>Remeasurements - Due to Demographic Assumptions</i>	-	-

<i>Remeasurements - Due to Financial Assumptions</i>	9,44,527	(4,47,896)
<i>Remeasurements - Due to Experience Adjustments</i>	42,14,823	(23,45,532)
Defined Benefit Obligation at end of year	4,02,25,986	3,78,34,091
Discount Rate	7.50%	7.75%
Salary Escalation Rate	6.00% p.a.	6.00% p.a.

B. Change in Fair Value of Plan Assets		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Fair Value of Plan Assets at beginning of year	-	-
<i>Interest Income</i>	-	-
<i>Employer Contributions</i>	-	-
<i>Employer Direct Benefit Payments</i>	27,26,451	38,21,974
<i>Employer Direct Settlement Payments</i>	-	-
<i>Benefit Payments from Plan Assets</i>	-	-
<i>Benefit Payments from Employer</i>	(27,26,451)	(38,21,974)
<i>Settlement Payments from Plan Assets</i>	-	-
<i>Settlement Payments from Employer</i>	-	-
<i>Other (Employee Contribution, Taxes, Expenses)</i>	-	-
<i>Increase / (Decrease) due to effect of any business</i>	-	-
<i>Increase / (Decrease) due to Plan combination</i>	-	-
<i>Remeasurements - Return on Assets (Excluding Interest Income)</i>	-	-
Fair Value of Plan Assets at end of year	-	-
Weighted Average Asset Allocations at the year end		
<i>Equities</i>	-	-
<i>Bonds</i>	-	-
<i>Gilts</i>	-	-
<i>Insurance Policies</i>	-	-
Total	0%	0%
We understand that Liability is not funded		

C. Components of Defined Benefit Cost		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
<i>Current Service Cost</i>	14,03,116	12,54,095
<i>Past Service Cost</i>	-	-
<i>(Gain) / Loss on Settlements</i>	-	-
<i>Reimbursement Service Cost</i>	-	-
Total Service Cost	14,03,116	12,54,095
<i>Interest Expense on DBO</i>	27,69,251	29,69,412
<i>Interest (Income) on Plan Assets</i>	-	-
<i>Interest (Income) on Reimbursement Rights</i>	-	-
<i>Interest Expense on (Asset Ceiling) / Onerous Liability</i>	-	-

Total Net Interest Cost	27,69,251	29,69,412
<i>Reimbursement of Other Long Term Benefits</i>	-	-
<i>Defined Benefit Cost included in P & L</i>	41,72,367	42,23,507
<i>Remeasurements - Due to Demographic Assumptions</i>	-	-
<i>Remeasurements - Due to Financial Assumptions</i>	9,44,527	(4,47,896)
<i>Remeasurements - Due to Experience Adjustments</i>	42,14,823	(23,45,532)
<i>(Return) on Plan Assets (Excluding Interest Income)</i>	-	-
<i>(Return) on Reimbursement Rights</i>	-	-
<i>Changes in Asset Ceiling / Onerous Liability</i>	-	-
Total Remeasurements in OCI	51,59,350	(27,93,428)
Total Defined Benefit Cost recognized in P&L and OCI	93,31,717	14,30,079
Discount Rate	7.50%	7.75%
Salary Escalation Rate	6.00%	6.00%

D. Amounts recognized in the Statement of Financial Position		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
<i>Defined Benefit Obligation</i>	4,02,25,986	3,78,34,091
<i>Fair Value of Plan Assets</i>	-	-
Funded Status	4,02,25,986	3,78,34,091
<i>Effect of Asset Ceiling / Onerous Liability</i>	-	-
Net Defined Benefit Liability / (Asset)	4,02,25,986	3,78,34,091

E. Net Defined Benefit Liability / (Asset) reconciliation		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Net Defined Benefit Liability/(Asset) at beginning of year	3,36,20,720	4,02,25,986
<i>Defined Benefit Cost included in P & L</i>	41,72,367	42,23,507
<i>Total Remeasurements included in OCI</i>	51,59,350	(27,93,428)
<i>Net Transfer In / (Out) (Including the effect of any business combination / divestiture)</i>	-	-
<i>Amount recognized due to Plan Combinations</i>	-	-
<i>Employer Contributions</i>	-	-
<i>Employer Direct Benefit Payments</i>	(27,26,451)	(38,21,974)
<i>Employer Direct Settlement Payments</i>	-	-
<i>Credit to Reimbursements</i>	-	-
Net Defined Benefit Liability / (Asset) at end of year	4,02,25,986	3,78,34,091

Summary of Financial & Demographic Assumptions		
Particulars	Valuation Date	
	31-Mar-2017	31-Mar-2018
<i>Discount Rate</i>	7.50%	7.75%
<i>Salary Escalation - First 5 Years</i>	6.00%	6.00%
<i>Salary Escalation - After 5 Years</i>	6.00%	6.00%

Expected Rate of Return on Plan Assets	N/A	N/A
Mortality Table	IALM (2006-08) Table	
Disability Rate	5% of Mortality Rate	5% of Mortality Rate
Withdrawal Rate	As per table below	As per table below
Retirement Age	58 & 60 Years	58 & 60 Years
Average Future Service	8.34	9.10

34 **Related party disclosures:-**

(A) Key Management Personnel and their relatives:-

Sl.No.	Name	Designation/Relationship
1.	Upmanyu Pathak	Managing Director
2.	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:-

(Amount in ₹)

Particulars	KMP and their relatives	Subsidiaries
Electricity Income	---	596,176 (503,185)
Remuneration Paid	10,18,685 (578,680)	---
Advance given	---	51,02,140 (4,683,234)
Advance given refund	---	50,96,140 (6,495,031)
Advance given against Salary	244,600 (334,390)	---
Advance given against Salary adjusted	446,490 (220,000)	---
Balances outstanding		
Advance given against Salary	72,500 (274,390)	---
Advance given	---	6000 (---
Trade Receivable	---	---
	(---	(53,755)

- 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.

- 35 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.
- 36 A suit has been filed against the company in the year 1999 for recovery of ₹ 20,000,000/- along with interest which is still pending before the Hon'ble High Court, Kolkata. The company disputes the claim of the party and as the matter is sub-judice no provision for interest has been made.
- 37 In view of the amendment made in the Union Budget 2003 with retrospective effect, the Company is liable to refund excise duty amounting to ₹ 49,238,160/- received/ receivable in terms of notification no.32/99 dated 8th July, 1999 issued by the Central Government, on account of Badarpur unit in Assam. 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 in 2008 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 filed before the CESTAT at Kolkata is allowed vide order dated 03.08.2016 and SCN dated 28.08.2001 and dated 10.09.2001 were set aside.
- Further to this the company has accounted for during financial year 2000-01 a sum of ₹ 40,493,280/- as excise duty refund receivable (Badarpur) and a sum of ₹ 21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification. The reversal effect of the same is given in the books of Account during this year and the balancing figure of Rs, 18,945,120/- has been charged to profit & loss account. The same has been shown as exceptional item in the Statement of Profit & Loss account.
- 38 The company has during the year under review paid total entry tax due along with upto financial year 2016-17 liability of Rs ₹ 4,56,199/- without waiting for the out come of appeal before the Calcutta High court against the entry tax imposed by state government on the import of input from other states for ease of business.
- 39 In 2015 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 and Learned third Civil Judge at Barasat, West Bengal. Since the matter is sub judice in the court, any disclosures given at this moment would be prejudicial to the interest of the company and that of the stakeholders.
40. The Company has adopted Indian Accounting Standard (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder, with effect from April 01, 2017, with the transition date of April 01, 2016.

The reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles (previous GAAP) and Total Comprehensive Income as per Ind AS for the corresponding quarter and year ended March 31, 2017 is given below:

Particulars	Year ended
	31-Mar-17
	Standalone
Net profit for the period as reported under previous GAAP	(28.79)
Reclassification of actuarial gain/losses, arising in respect of employee benefit scheme to other Comprehensive Income	51.59
Net profit as reported under Ind AS	22.8
Other Comprehensive Income (Net of tax)	41.65
Total Comprehensive Income as reported under Ind AS	64.45

Reconciliation of Total Equity as on 31st March 2017 as reported under previous Generally Accepted Accounting Principles (previous GAAP) and Ind AS is given below:

Particulars	Year ended
	31-Mar-17
	Standalone
Total Equity as reported under previous GAAP as on March 31, 2017	3,105.50
Impact of measurement of Investment at fair value	392.82
Total Equity as per Ind AS	3,498.32

41 Contingent liabilities & Guarantee given: (₹ in Lacs)

Particulars	As at 31.03.18	As at 31.03.17
a) Claims against the company not acknowledged as debt	144.54	144.54
b) Disputed Liabilities relating to Central Excise Demand	3.37	7256.69
c) Disputed Liabilities relating to Entry Tax	-	4.56

42 Foreign exchange earnings and outgo:

a) Earnings in foreign exchange: (₹ in Lacs)

Description	Year Ended 31.03.18	Year Ended 31.03.17
F.O.B Value of Export	697.78	794.48

b) Outgo in foreign exchange: (₹ in Lacs)

Description	Year Ended 31.03.18	Year Ended 31.03.17
-Raw materials	16.75	16.03
Total	16.75	16.03

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

The accompanying notes 1 to 43 are an integral part of the Financial Statements

For and on behalf of the Board

For VKR & ASSOCIATES

Chartered Accountants

Firm Registration No. 320323E

Santosh Kumar Agrawal

Partner

Membership No. 067092

Place: Kolkata

Date: The 29th day of May, 2018

Upmanyu Pathak

Managing Director

Sumit Banthiya

Director

Prem Chand Khator

Chief Financial Officer

Sunil Kumar Verma

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-18	31-Mar-18	31-Mar-18	31-Mar-18
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	1,00,000.00	1,00,000.00	1,00,000.00	1,00,000.00
Reserves & surplus	1,32,10,966.00	9,15,33,570.00	-41,572.00	-41,515.00
Total assets	10,10,03,461.00	23,14,83,682.00	66,600.00	66,657.00
Total Liabilities	10,10,03,461.00	23,14,83,682.00	66,600.00	66,657.00
Investments	-	-	-	-
Turnover	3,01,98,935.00	6,59,40,474.00	-	-
Profit before taxation	1,14,04,841.00	3,41,61,850.00	-5,878.00	-5,878.00
Provision for taxation	28,50,000.00	71,50,000.00	-	-
Profit after taxation	85,54,841.00	2,70,11,850.00	-5,878.00	-5,878.00
Proposed Dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations** –NTCIL Realty Pvt. Ltd. and NTCIL Siliguri Estate Pvt. Ltd. are yet to commence operations.
- 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	NOT APPLICABLE			
Reason why the associate/joint venture is not consolidated				
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				

For and on behalf of the Board

Upmanyu Pathak
Managing Director

Gaurav Somani
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

Report on the Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of “**NTC Industries Limited**” (hereinafter referred to as “the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

Management's Responsibility for the Standalone Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 thereunder.

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 consolidated Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in first sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group, as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets of ` 3,050.58 Lakhs as at 31st March, 2018, total revenues of ` 955.44 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The comparative financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 in respect of four subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Emphasis on Matter

Without Qualifying our report we would like to draw attention to the following matter in the notes to the consolidated financial statements:

- a) *Note 36 to the consolidated financial statements, which describe the uncertainty related to the outcome of pending dispute in the matter of provision of interest on unsecured loan.*
- b) *Note 38 to the consolidated financial statements, which describe the uncertainty related to the outcome of pending dispute with West Bengal Government in the matter of Entry Tax.*
- c) *Note 39 to the consolidated 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 Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- a) 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 of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Parent and subsidiary companies, which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting practice – also refer Note 36, 38 & 39 to the consolidated Ind AS financial statements.
- ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For VKR & Associates.

Chartered Accountants

ICAI Firm Registration No.: 320323E

Santosh Kumar Agrawal, FCA
(Partner)

Membership No.: 067092

Kolkata, 29th day of May, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of **NTC Industries Limited** (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are 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 (ICAI). 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 the respective 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 internal financial controls over financial reporting of the Parent, its subsidiary companies, based on our audit.. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the

company; (2) 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; and (3) 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 to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, 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 31st March, 2018, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For, VKR & Associates
Chartered Accountants
Firm Regn. No. - 320323E

SANTOSH KUMAR AGRAWAL, FCA
(Partner)
Membership No.: 067092

Kolkata, 29th day of May, 2018

CONSOLIDATED BALANCE SHEET as at 31st March 2018

Sl. No.	Particulars	Note No.	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)	As at April 1, 2016 (Amount in ₹)
A	ASSETS				
1.	Non-current assets				
(a)	Property, Plant and equipment	3A	33,87,74,050	35,48,23,261	34,50,40,425
(b)	Capital work-in-progress	3B	1,15,30,569	1,15,30,569	2,97,61,971
(c)	Investment property				
(d)	Financial assets				
(i)	Investment	4	4,49,19,000	4,52,97,000	3,59,73,000
(ii)	Loans				
(iii)	Other financial assets				
(e)	Deferred tax assets (net)	5	93,43,858	96,99,284	77,16,848
(f)	Other non-current assets	6	1,14,16,000	5,19,09,280	5,19,09,280
	Total non-current assets		41,59,83,477	47,32,59,393	47,04,01,524
2.	Current assets				
(a)	Inventories	7	2,62,58,586	3,69,74,475	4,54,95,422
(b)	Financial Assets				
(i)	Other investment				
(ii)	Trade receivable	8	3,90,29,671	1,67,06,587	1,39,42,728
(iii)	Cash and cash equivalents	9A	1,34,26,943	52,04,243	27,89,675
(iv)	Bank balance other than (iii) above	9B	41,38,345	37,40,862	35,23,678
(v)	Loans	10	23,90,76,325	21,78,09,258	20,98,56,795
(c)	Current tax assets (net)	11	52,94,119	90,40,016	1,79,93,375
(d)	Other current assets	12	6,98,02,924	6,04,78,625	5,35,57,176
			39,70,26,913	34,99,54,067	34,71,58,846
	Assets classified as held for sale				
	Total current assets		39,70,26,913	34,99,54,067	34,71,58,846
	Total assets		81,30,10,390	82,32,13,460	81,75,60,370
B	EQUITY AND LIABILITIES				
1.	Equity				
(a)	Equity share capital	13A	10,75,00,000	10,75,00,000	10,75,00,000
(b)	Other equity	13B	35,06,03,454	31,14,38,228	26,90,86,915
	Total equity		45,81,03,454	41,89,38,228	37,65,86,915
2.	Non-current liabilities				
(a)	Financial Liabilities				
(i)	Borrowing	14	14,28,34,707	18,07,18,026	10,16,27,759
(b)	Provisions	15	3,15,36,104	3,28,34,667	3,05,81,134
	Total non-current liabilities		63,24,74,265	63,24,90,921	50,87,95,808
3.	Current liabilities				
(a)	Financial liabilities				
(i)	Borrowing	16	3,05,89,113	2,61,85,357	18,01,18,795
(ii)	Trade payables	17	2,00,43,429	3,36,98,913	2,08,34,593
(b)	Other current liabilities	18	12,36,05,594	12,34,46,949	10,41,09,129
(c)	Provisions	19	62,97,989	73,91,319	37,02,045
	Total current liabilities		18,05,36,125	19,07,22,539	30,87,64,562
	Total equity and liabilities		81,30,10,390	82,32,13,460	81,75,60,370

The accompanying notes 1 to 43 are an integral part of the Financial Statements

In terms of our report attached

For VKR & ASSOCIATES
Chartered Accountants
Firm registration No. 320323E

For and on behalf of the Board

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Santosh Kumar Agrawal
Partner
Membership No. 067092

Place : Kolkata.
Date : 29th May, 2018

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2018

Sl. No.	Particulars	Note No.	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
	INCOME			
I	Sales of Product and Services	20	25,68,96,132	31,27,71,742
II	Other income	21	4,63,30,856	3,78,96,373
III	Total Income (I+II)		30,32,26,988	35,06,68,115
	EXPENSES			
IV	Cost of materials consumed	22	6,21,67,922	6,11,62,435
	Purchases of stock-in-Trade	23	64,10,247	19,96,301
	Changes in inventories of finished goods, stock-in-Trade, WIP and Intermediates	24	1,07,57,639	1,02,07,999
	Excise Duty		1,86,12,717	8,25,59,408
	Employee benefits expense	25	4,44,46,251	4,15,22,884
	Finance costs	26	2,25,45,451	3,31,93,209
	Depreciation	3	1,88,88,474	1,85,22,135
	Other expenses	27	5,37,36,326	5,07,09,664
	Total Expenses		23,75,65,027	29,98,74,035
V	Profit/(Loss) before exceptional items and taxes (III-IV)		6,56,61,961	5,07,94,081
VI	Add / (Less) : Exceptional items		1,89,45,120	-
VII	Profit/(Loss) before Tax (V-VI)		4,67,16,841	5,07,94,081
VIII	Tax expenses :			
	(a) Current tax		1,08,00,000	1,22,00,000
	(b) Deferred tax	28	3,55,425	(19,82,439)
	(c) Tax adjustments for earlier years		(11,88,382)	23,89,856
IX	Profit/ (loss) for the period after Tax (PAT)		3,67,49,798	3,81,86,664
X	Other Comprehensive Income			
	a. Item that will not be reclassified to profit or loss :			
	(i) Remeasurements of post-employment benefit obligations	29	27,93,428	(51,59,350)
	(ii) Changes in fair value of equity Instruments through other Comprehensive Income		(3,78,000)	93,24,000
	b. Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other comprehensive income (a+b)		24,15,428	41,64,650
XII	Total comprehensive income for the year (IX-X)		3,91,65,226	4,23,51,314
XII	Earnings per share: (FV - Rs.10/- Note 2.26)			
	Basic/Diluted (of Rs. 10 each)		3.64	3.94

The accompanying notes 1 to 43 are an integral part of the Financial Statements

For VKR & ASSOCIATES
Chartered Accountants
Firm registration No. 320323E

For and on behalf of the Board

Santosh Kumar Agrawal
Partner
Membership No. 067092

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Place : Kolkata.
Date : 29th May, 2018

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

13. STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

A. Equity Share Capital (Amount in ₹)

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2017	10,75,00,000	-	10,75,00,000
For the year ended 31st March, 2018	10,75,00,000	-	10,75,00,000

B. Other Equity (Amount in ₹)

Particulars	Reserve and Surplus				Items of other comprehensive income		Total
	Capital Reserve	Securities premium	Share Options Outstanding Account	Capital Redemption reserve	Retained Earnings	Transfer from Other comprehensive income	
Balance at 1st April 2016	1,52,50,000			2,64,40,000	19,74,38,912	2,99,58,003	26,90,86,915
Profit for the year					3,81,86,664		3,81,86,664
other Comprehensive income(net of tax)						(51,59,350)	
Total comprehensive income for the year	-	-	-	-	3,81,86,664	93,24,000	41,64,650
Transfer to General Reserve						(51,59,350)	
Balance at 31st March 2017	1,52,50,000	-	-	2,64,40,000	23,56,25,576	3,92,82,003	31,14,38,228
Profit for the year					3,67,49,798		3,67,49,798
other Comprehensive income/(loss)						27,93,428	24,15,428
Total comprehensive income/(loss)	-	-	-	-	3,67,49,798	(3,78,000)	3,91,65,226
Transfer to General Reserve						27,93,428	
Balance at 31st March 2018	1,52,50,000	-	-	2,64,40,000	27,23,75,373	(23,65,922)	35,06,03,454

CASH FLOW

statement for the year ended
31st March 2018

(Amount in ₹)

Sl. No.	Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
A.	Cash flow from operating activities :				
	Net profit before tax as per Statement of Profit & Loss		4,67,16,841		5,07,94,081
	Adjustments for :				
	Depreciation	1,88,88,474		1,85,22,135	
	Interest paid	2,14,26,153		3,15,99,849	
	Sundry balances written off /(liabilities written back)	-		(7,578)	
	Profit / (Loss) on sale of fixed assets	2,54,526		1,26,148	
	Interest received	(4,17,18,991)		(3,54,38,579)	
	Foreign Exchange (gain) / loss on trade receivable	-		(7,03,871)	
	Provision of Employees' retirement & current benefits	42,23,507	30,73,669	45,42,099	1,86,40,202
	Operating profit before working capital changes		4,97,90,510		6,94,34,283
	(Increase) / Decrease in inventories	1,07,15,889		85,20,947	
	(Increase) / Decrease in trade and other receivables	(1,24,27,170)		(63,05,763)	
	Increase / (Decrease) in trade payables	(1,73,12,809)	(1,90,24,090)	(32,25,183)	(10,09,999)
	Cash generated from operations		3,07,66,420		6,84,24,288
	Less: Direct taxes (paid) / refunds including interest (net)		(58,65,723)		(79,32,364)
	Net cash generated/(used) from operating activities		2,49,00,697		6,04,91,924
B.	Cash flow from investing activities :				
	Investment in Equity Shares of Subsidiary				
	Sale / (Purchase) of fixed Assets	(30,93,788)		(1,01,99,717)	
	(Deposit) / Refund in Fixed Deposits	(3,97,483)		(3,49,127)	
	Interest received	4,17,18,991		3,54,38,579	
	Net cash from investing activities		3,82,27,720		2,48,89,735
C.	Cash flow from financing activities :				
	Proceeds / (repayment) of long term borrowings	(3,78,83,319)		10,17,32,251	
	Proceeds / (repayment) of short term borrowings	44,03,756		(15,39,33,437)	
	Interest paid	(2,14,26,153)		(3,07,65,905)	
	Net cash generated/(used) in financing activities		(5,49,05,716)		(8,29,67,091)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		82,22,700		24,14,568
	Cash and cash equivalents -Opening balance		52,04,243		27,89,675
	Cash and cash equivalents -Closing balance		1,34,26,943		52,04,243
	CASH AND CASH EQUIVALENTS COMPRISE:				
	Balances with bank		1,33,32,121		48,18,300
	Cash on hand		94,822		3,85,943
			1,34,26,943		52,04,243

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

For and on behalf of the Board

For VKR & ASSOCIATES

Chartered Accountants

Firm registration No. 320323E

Santosh Kumar Agrawal
Partner

Membership No. 067092

Place : Kolkata.

Date : 29th day of May, 2018

Upmanyu Pathak
Managing Director

Sumit Banthiya
Director

Prem Chand Khator
Chief Financial Officer

Sunil Kumar Varma
Company Secretary

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Group adopted Ind AS from 1st April, 2017.

Up to the year ended 31st March, 2017, the Group prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Group and principal adjustments along with related reconciliations are detailed in Note 41 (First-time Adoption).

Basis of Consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint ventures and associates. Subsidiaries are entities controlled by the Group.

Control, significant influence and joint control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Operating Cycle

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 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 41 (First-time Adoption).

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability

Operating Cycle

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 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as pacified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Company are as follows:

Plant, Property & Equipment	Useful life
Vehicles	8 years
Furniture & Fixtures	10 years
Office Equipment	5-15 years
Computer	3 years
Plant & Machinery	15 years
Factory Building	30 years

Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially at cost comprising the purchase price (including import duties and non refundable taxes) and directly attributable costs to prepare the asset for its intended use.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2016 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite due to the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes). Hence Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

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

Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

Financial Assets

Financial Assets

Recognition: Financial assets include Investments, Trade receivables, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers.

Revenue from the sale of goods includes excise and other duties which the Company pays as a principal, but excludes amounts collected on behalf of third parties, such as sales tax and value added tax. Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable.

Revenue from services is recognised in the periods in which the services are rendered to the customer except otherwise stated.

Rental Income (exclusive of Taxes) 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.

Interest income is recognised in the Statement of Profit and Loss using the effective interest method

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 services.

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 statements 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.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period along with the Income Computation and disclosure standards, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

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 accounts.

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 the equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Prior Period Adjustments

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

2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end.

Key sources of estimation uncertainty

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available.

3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income.

Particulars	Gross Block						
	As at 1st april, 2016	Additions	Withdrawals and adjustments	As at 31st March, 2017	Additions	Withdrawals and adjustments	As at 31st March, 2018
3 A. Property, Plant and Equipment							
Land	6,01,77,438	98,76,000		7,00,53,438			7,00,53,438
Factory Buildings	3,93,02,635			3,93,02,635			3,93,02,635
Other Building	25,43,51,203	1,69,21,139		27,12,72,342	11,92,071		27,24,64,413
Plant and Equipments	11,09,14,605	17,77,254	1,17,671	11,25,74,188	2,83,575		11,28,57,763
Furniture and Fixtures	3,01,806			3,01,806	5,625		3,07,431
Office Equipment	9,65,997	17,490		9,83,487	1,08,109		10,91,596
Computer	13,47,816			13,47,816	4,94,099		18,41,915
Vehicles	12,96,931		5,04,000	7,92,931	10,85,309	7,21,731	11,56,509
TOTAL	46,86,58,431	2,85,91,883	6,21,671	49,66,28,643	31,68,788	7,21,731	49,90,75,701
3 B. Capital work-in-progress							
Plant & Machinery	-	9,82,623	-	9,82,623			9,82,623
WIP-OLD PL	83,03,125	75,83,114	1,58,86,239	-			-
WIP Royal Enfield	10,34,900	-	10,34,900	-			-
R-Centre	2,04,23,946		98,76,000	1,05,47,946			1,05,47,946
TOTAL	2,97,61,971	85,65,737	2,67,97,139	1,15,30,569	-	-	1,15,30,569

Particulars	Depreciation and Amortization					Net Book Value		
	Upto 1st April, 2016	For the Year	On withdrawals and adjustments	Upto 31st March, 2017	For the Year	On withdrawals and adjustments	Upto 31st March, 2018	As at 1st april, 2016
3 A. Property, Plant and Equipment								
Land	-	-		-	-		7,00,53,438	6,01,77,438
Factory Buildings	3,19,10,484	5,87,650		3,24,98,134	5,87,650		62,16,851	73,92,151
Other Building	1,71,34,974	1,36,08,300		3,07,43,274	1,40,33,260		22,76,87,879	23,72,16,229
Plant and Equipments	7,19,58,947	40,00,672	65,711	7,58,93,908	39,62,930		3,30,00,924	3,89,55,658
Furniture and Fixtures	2,62,209	4,656		2,66,865	4,554		36,012	39,597
Office Equipment	5,93,458	1,65,831		7,59,289	1,08,258		2,24,049	3,72,539
Computer	12,41,139	23,164		12,64,303	82,967		4,94,645	1,06,677
Vehicles	5,16,795	1,31,861	2,69,048	3,79,608	1,08,855	3,92,205	10,60,251	7,80,136
TOTAL	12,36,18,006	1,85,22,135	3,34,759	14,18,05,382	1,88,88,474	3,92,205	33,87,74,050	34,50,40,425
3 B. Capital work-in-progress								
Plant & Machinery	-	-	-	-	-	-	9,82,623	-
WIP-OLD PL	-	-	-	-	-	-	-	83,03,125
WIP Royal Enfield	-	-	-	-	-	-	-	10,34,900
R-Centre	-	-	-	-	-	-	1,05,47,946	2,04,23,946
TOTAL	-	-	-	-	-	-	1,15,30,569	2,97,61,971

NOTES TO ACCOUNT

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)	As at April 1, 2016 (Amount in ₹)
Notes to Financial Statements (Contd..)			
4. Non-current Investment (Contd.)			
Investment in Equity , Trade Investments <u>Quoted (at Fair Market Value, fully paid)</u> RDB Realty & Infrastructure Ltd. FY-18 12,60,000, FY-17 12,60,000 shares of Rs 10 each)	4,49,19,000	4,52,97,000	3,59,73,000
Total	4,49,19,000	4,52,97,000	3,59,73,000
5. Deferred tax assets (net)			
Deferred tax assets	1,34,30,838	1,47,59,595	1,29,10,594
Less : Deferred tax liabilities	40,86,980	50,60,311	51,93,746
	-	-	-
Total	93,43,858	96,99,284	77,16,848
6. Other assets			
Advances other than Capital Advances			
Deposit with Excise Authority	1,14,16,000	1,14,16,000	1,14,16,000
Refund receivable from Excise Authority (BDR) (refer note no 37)	-	4,04,93,280	4,04,93,280
Total	1,14,16,000	5,19,09,280	5,19,09,280
7. Inventories			
(at lower of cost and net realisable value)			
Raw materials	1,54,13,640	1,55,96,441	1,53,88,239
Work-in-progress	23,651	-	-
Finished goods (manufactured)	31,98,592	1,63,54,224	2,65,76,301
Stock-in-trade (goods purchased for resale)	26,77,735	3,03,393	2,89,315
Stores and Spares	49,44,968	47,20,417	32,41,567
	-	-	-
Total	2,62,58,586	3,69,74,475	4,54,95,422
8. Trade receivables (Current)			
Secured, considered good	3,90,29,671	1,67,06,587	1,39,42,728
Total	3,90,29,671	1,67,06,587	1,39,42,728
9A. Cash and cash equivalents			
Balance with Banks	1,33,32,121	48,18,300	26,22,276
Cash on hand	94,822	3,85,943	1,67,399
Total	1,34,26,943	52,04,243	27,89,675
9B. Bank balance other than (11A) above			
Unpaid Dividend	-	-	1,31,943
Fixed Deposits (For lien against guarantees and letter of credit)	41,38,345	37,40,862	33,91,735
Total	41,38,345	37,40,862	35,23,678
10. Loans			
Loans to Others then related parties			
Loan to Body Corporate (other than related)	23,90,76,325	21,78,09,258	20,98,56,795
Total	23,90,76,325	21,78,09,258	20,98,56,795
11. Current Tax assets			
Advance Income Tax & TDS	2,59,43,429	2,36,84,381	3,10,27,990
Less : Provision for Income Tax	2,06,49,310	1,46,44,365	1,30,34,615
Total	52,94,119	90,40,016	1,79,93,375
12. Other assets			
Advances other than Capital Advances			
Advance to directors & officers of the company	3,57,500	2,69,538	6,55,866
Deposits	69,34,159	71,81,220	71,81,220
Advance to Suppliers	24,51,007	22,17,994	9,18,000
Prepaid Expenses	2,31,726	4,02,445	2,83,728
Other advances	5,48,17,122	4,45,72,855	4,34,79,973
Others			
Balance with revenue authorities	11,42,018	7,03,692	7,42,509
Interest accrued but not due	3,65,662	5,12,993	2,95,879
Deferred Brand Promotion Exp	35,03,730	46,71,642	-
Total	6,98,02,924	6,05,32,380	5,35,57,176
13. A. Equity Share Capital			
Authorised			
16,50,000 Equity Shares shares of Rs.10 each	16,50,00,000	16,50,00,000	16,50,00,000
3,50,000 Preference Shares of Rs.10 each	3,50,00,000	3,50,00,000	3,50,00,000
Total	20,00,00,000	20,00,00,000	20,00,00,000
Issued, subscribed and paid-up share capital			
10,750,000 Equity Shares shares of Rs.10 each	10,75,00,000	10,75,00,000	10,75,00,000
Total	10,75,00,000	10,75,00,000	10,75,00,000

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)	As at April 1, 2016 (Amount in ₹)
Notes to Financial Statements (Contd..)			
B. Reconciliation of number of equity shares outstanding :			
As at the beginning of the year	1,07,50,000	1,07,50,000	1,07,50,000
As at the end of the year	1,07,50,000	1,07,50,000	1,07,50,000
C. Shareholders holding more than 5% shares			
	% Holding	% Holding	% Holding
	Shares held (No.)	Shares held (No.)	Shares held (No.)
1. Vinod Dugar	19.24%	19.24%	19.24%
	20,68,023	20,68,023	20,68,023
2. Sheetal Dugar	17.99%	17.99%	17.99%
	19,33,424	19,33,424	19,33,424
3. Loka Properties Private Limited	11.53%	11.53%	3.51%
	12,39,404	12,39,404	3,77,100
4. Khatod Investments & Finance Company Limited	8.57%	8.57%	8.57%
	9,21,225	9,21,225	9,21,225
3. YMS Finance Private Limited (Formerly Pyramid Sales Private Limited)	6.66%	6.66%	6.66%
	7,16,122	7,16,122	7,16,122
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. Share Reserved for issue:-			
No Equity Shares have been reserved for issue under option & contracts/commitments for sale of shares/ disinvestment as at			
14. Borrowings			
From Banks (Secured) (refer note no...)			
Term Loan from Kotak Mahindra Bank	12,21,72,769	16,07,18,026	8,16,27,759
Loan from other than related parties			
HDFC Car Loan (Secured by hypothication of car)	6,61,938	-	-
From other parties (Unsecured) (refer note no: 36)	2,00,00,000	2,00,00,000	2,00,00,000
Total	14,28,34,707	18,07,18,026	10,16,27,759
15. Provisions			
Provision for employee benfits			
Retirement benefits	3,15,36,104	3,28,34,667	3,05,81,134
Total	3,15,36,104	3,28,34,667	3,05,81,134
16. Borrowings			
Loan from other then related parties			
HDFC Car Loan (Secured by hypothication of car)	1,96,947	-	-
Working capital loan from bank (Secured, repayable on demand) 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%.	2,43,60,676	1,86,04,636	2,72,49,600
Genral Business purpose Loan from NBFC (Unsecured, repayable on demand)			
From other parties (Unsecured)	60,31,490	75,80,721	15,28,69,195
Total	3,05,89,113	2,61,85,357	18,01,18,795
17. Trade Payables			
To Micro, Small & Medium Enterprises To Others	2,00,43,429	3,36,98,913	2,08,34,593
The Company is in communication with its suppliers to ascertain the applicability of "The Micro, Samll 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	2,00,43,429	3,36,98,913	2,08,34,593
18. Other current Liabilities			
Revenue received in advance			
Advances from customers	70,16,127	72,04,251	4,61,629
Other Advances			
Advance from other than related party	4,27,778	1,73,225	86,28,355
Advance from Licence	2,04,104	4,54,104	11,30,634
Security Deposit Receive -Godown	3,90,04,496	2,45,83,522	2,36,79,230
Others			
Current maturities of long term debt	3,74,39,991	3,57,90,380	1,31,48,396
Interest Accrued but not Due	7,51,569	10,06,535	1,72,591
Statutory liabilities	1,55,88,141	15,60,670	14,70,342
Unclaimed dividend	-	-	1,31,943
Excise duty payable (BDR)	-	2,15,48,160	2,15,48,160
Other Payables	2,31,73,388	3,11,79,858	3,37,37,850
Total	12,36,05,594	12,35,00,704	10,41,09,129
19. Provisions			
Provision for employee benfits			
Retirement benefits	62,97,989	73,91,319	37,02,045
Total	62,97,989	73,91,319	37,02,045

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
Notes to Financial Statements (Contd..)		
20A. Revenue from operations		
Gross Revenue from sale of Products and services*	15,06,47,749	20,60,06,566
Sale of Services	10,61,31,697	10,32,01,513
Sale of Manufacturing Waste	1,16,686	1,89,005
Income from Management Consultancy	-	10,00,000
Sale of Export Benefit License	-	23,74,658
Total	25,68,96,132	31,27,71,742
* Net of sales returns and damaged stocks.		
20B. Gross Revenue from sale of Products and services*		
Sale of Goods		
- Sale of manufactured goods :		
- Domestic	7,01,32,127	11,82,75,987
- Export	7,53,85,679	8,52,66,232
- Sale of stock in trade	51,29,943	24,64,347
Total	15,06,47,749	20,60,06,566
* Net of sales returns and damaged stocks.		
21. Other Income		
Interest income	4,17,18,991	3,54,38,579
Sundry balances / liabilities written back (net)	38,89,064	7,578
Foreign currency fluctuation gain	6,72,036	7,03,871
Other receipts	50,765	17,46,345
Total	4,63,30,856	3,78,96,373
22. Cost of Material Consumed during the year		
Opening Stock of Raw Material	1,55,96,441	1,53,88,239
Add: Purchase of Raw Material	6,29,04,330	6,13,70,637
Less: Damage of Raw Material	9,19,209	-
Less: Closing Stock of Raw Material	1,54,13,640	1,55,96,441
Consumption	6,21,67,922	6,11,62,435
23. Purchase of stock in trade		
Match Boxes,Agarbati	64,10,247	19,96,301
Total	64,10,247	19,96,301
24. Change in inventories of finished goods and stock-in-trade		
Opening Stock of		
- Finished goods	1,63,54,224	2,65,76,301
- Stock - in - trade	3,03,393	2,89,315
Total (a)	1,66,57,617	2,68,65,616
Closing Stock of		
- Finished goods	32,22,241	1,63,54,224
- Stock - in - trade	26,77,737	3,03,393
Total (b)	58,99,978	1,66,57,617
(Increase) / Decrease in inventories (a-b)	1,07,57,639	1,02,07,999
25. Employee benefits expense		
Salaries , wages, bonus, allowances, etc	3,57,54,288	3,34,13,661
Contribution to provident and other fund	35,94,115	31,91,843
Staff welfare expenses	8,74,341	7,45,013
Provision for Gratuity	42,23,507	41,72,367
Total	4,44,46,251	4,15,22,884
26. Finance costs		
Interest paid	2,14,26,153	3,15,99,849
Finance Charges	11,19,298	15,93,360
Total	2,25,45,451	3,31,93,209

Particulars	As at March 31, 2018 (Amount in ₹)	As at March 31, 2017 (Amount in ₹)
Notes to Financial Statements (Contd..)		
27. Other Expenses		
a. Manufacturing expenses :		
Stores and spares consumed	49,01,100	28,47,204
Power and fuel consumed	81,30,777	84,15,281
Machine repairs	9,28,727	11,33,433
Inward freight, coolie, cartage and other expenses	31,10,335	28,73,636
Other manufacturing expenses	309	2,55,721
Total (a)	1,70,71,248	1,55,25,275
b. Administration expenses :		
Loss on sale of Fixed Assests	2,54,526	1,26,148
Rates and Taxes	1,11,811	1,36,866
Building Repairs	4,68,185	13,72,447
Other Maintenance	1,13,133	3,56,046
Vehicle maintenance expenses	4,67,417	4,40,922
Insurance Premium	4,58,994	6,31,005
Loss of material due to Flood	2,81,872	-
Sundry balances / liabilities written off (net)	3,36,876	-
Travelling and conveyance	5,88,413	6,55,187
Postage, telegraph and telephones	4,70,838	5,29,984
Printing and stationery	3,57,319	1,75,214
Filing Fees	6,338	9,908
Interest on IT	2,83,250	-
Penalty & Interest	11,420	3,26,470
Legal & Professional Charges	97,43,977	1,04,10,521
Electricity charges	8,60,666	7,51,980
Land revenue and municipal taxes (net)	2,52,644	3,64,666
Miscellaneous expenses	91,20,047	34,22,668
Auditors' remuneration :		
- Audit fee	1,13,000	88,000
- Tax audit fee	25,000	25,000
Total (b)	2,43,25,726	1,98,23,033
c. Selling and distribution expenses :		
Advertisement and publicity expenses	27,90,597	7,50,050
Distribution Expenses & Sales Promotion Expenses	12,94,494	24,90,880
Sales Tax	5,45,509	30,50,446
Outward freight and forwarding charges	70,32,334	69,70,817
Brokerage, commission and discounts	6,76,418	20,99,163
Total (c)	1,23,39,352	1,53,61,355
Total (a+b+c)	5,37,36,326	5,07,09,664
28. Income tax Expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the Year		
Current tax	7,00,000	18,50,000
Adjustment/(credit) related to previous year - Net	-	-
Current tax	-	-
Total current tax	7,00,000	18,50,000
Deferred tax		
Deferred tax for the Year	(3,55,425)	19,82,436
Adjustment/(credit) related to previous year - Net	-	-
Total deferred tax	(3,55,425)	19,82,436
29. Additional Notes to the Financial Statements		
Components of Defined Benefit Cost		
Current Service Cost	12,54,095	14,03,116
Past Service Cost	-	-
(Gain)/Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	12,54,095	14,03,116
Interest Expense on DBO	29,69,412	27,69,251
Interest (Income) on Plan Assets	-	-
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	29,69,412	27,69,251
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	42,23,507	41,72,367
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	(4,47,896)	9,44,527
Remeasurements - Due to Experience Adjustments	(23,45,532)	42,14,823
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(27,93,428)	51,59,350
Total Defined Benefit Cost recognized in P&L and OCI	14,30,079	93,31,717

30 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.

31 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 Indian Accounting Standard - 108 on "Operating Segment" 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.

32 **Earnings Per Share :-**

Earnings per share is computed as under:-		2017-18	2016-17
Profit /(Loss) after tax available for equity shareholders	(₹) (A)	3,67,49,798/-	3,81,86,664/-
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)	(₹)	3.42/-	3.55/-

33 **Post Employment Benefits**

In accordance with the Payment of Gratuity Act, 1972 of India, the Company provides for gratuity, a defined retirement benefit plan (the 'Gratuity Plan') covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by actuarial valuation and are charged to revenue in the period determined.

The following tables sets out the status of the benefit plan as per actuarial valuation as on March 31, 2018 and as recognised in the financial statements in respect of employee benefit schemes:

(₹ in Lacs)

A. Change in Defined Benefit Obligation		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2017
Defined Benefit Obligation at beginning of year	3,36,20,720	4,02,25,986
<i>Current Service Cost</i>	14,03,116	12,54,095
<i>Past Service Cost</i>	-	-
<i>(Gain) / Loss on settlements</i>	-	-
<i>Interest Expense</i>	27,69,251	29,69,412
<i>Benefit Payments from Plan Assets</i>	-	-
<i>Benefit Payments from Employer</i>	(27,26,451)	(38,21,974)
<i>Settlement Payments from Plan Assets</i>	-	-
<i>Settlement Payments from Employer</i>	-	-
<i>Other (Employee Contribution, Taxes, Expenses)</i>	-	-
<i>Increase / (Decrease) due to effect of any business combination / divesture / transfer</i>	-	-
<i>Increase / (Decrease) due to Plan combination</i>	-	-
<i>Remeasurements - Due to Demographic Assumptions</i>	-	-
<i>Remeasurements - Due to Financial Assumptions</i>	9,44,527	(4,47,896)

<i>Remeasurements - Due to Experience Adjustments</i>	42,14,823	(23,45,532)
Defined Benefit Obligation at end of year	4,02,25,986	3,78,34,091
Discount Rate	7.50%	7.75%
Salary Escalation Rate	6.00% p.a.	6.00% p.a.

B. Change in Fair Value of Plan Assets		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Fair Value of Plan Assets at beginning of year	-	-
<i>Interest Income</i>	-	-
<i>Employer Contributions</i>	-	-
<i>Employer Direct Benefit Payments</i>	27,26,451	38,21,974
<i>Employer Direct Settlement Payments</i>	-	-
<i>Benefit Payments from Plan Assets</i>	-	-
<i>Benefit Payments from Employer</i>	(27,26,451)	(38,21,974)
<i>Settlement Payments from Plan Assets</i>	-	-
<i>Settlement Payments from Employer</i>	-	-
<i>Other (Employee Contribution, Taxes, Expenses)</i>	-	-
<i>Increase / (Decrease) due to effect of any business</i>	-	-
<i>Increase / (Decrease) due to Plan combination</i>	-	-
<i>Remeasurements - Return on Assets (Excluding Interest Income)</i>	-	-
Fair Value of Plan Assets at end of year	-	-
Weighted Average Asset Allocations at the year end		
<i>Equities</i>	-	-
<i>Bonds</i>	-	-
<i>Gilts</i>	-	-
<i>Insurance Policies</i>	-	-
Total	0%	0%
We understand that Liability is not funded		

C. Components of Defined Benefit Cost		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
<i>Current Service Cost</i>	14,03,116	12,54,095
<i>Past Service Cost</i>	-	-
<i>(Gain) / Loss on Settlements</i>	-	-
<i>Reimbursement Service Cost</i>	-	-
Total Service Cost	14,03,116	12,54,095
<i>Interest Expense on DBO</i>	27,69,251	29,69,412
<i>Interest (Income) on Plan Assets</i>	-	-
<i>Interest (Income) on Reimbursement Rights</i>	-	-
<i>Interest Expense on (Asset Ceiling) / Onerous Liability</i>	-	-
Total Net Interest Cost	27,69,251	29,69,412

Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	41,72,367	42,23,507
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	9,44,527	(4,47,896)
Remeasurements - Due to Experience Adjustments	42,14,823	(23,45,532)
(Return) on Plan Assets (Excluding Interest Income)	-	-
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	51,59,350	(27,93,428)
Total Defined Benefit Cost recognized in P&L and OCI	93,31,717	14,30,079
Discount Rate	7.50%	7.75%
Salary Escalation Rate	6.00%	6.00%

D. Amounts recognized in the Statement of Financial Position		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Defined Benefit Obligation	4,02,25,986	3,78,34,091
Fair Value of Plan Assets	-	-
Funded Status	4,02,25,986	3,78,34,091
Effect of Asset Ceiling / Onerous Liability	-	-
Net Defined Benefit Liability / (Asset)	4,02,25,986	3,78,34,091

E. Net Defined Benefit Liability / (Asset) reconciliation		
Particulars	Financial Year Ending 31/03/2017	Financial Year Ending 31/03/2018
Net Defined Benefit Liability/(Asset) at beginning of year	3,36,20,720	4,02,25,986
Defined Benefit Cost included in P & L	41,72,367	42,23,507
Total Remeasurements included in OCI	51,59,350	(27,93,428)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-
Amount recognized due to Plan Combinations	-	-
Employer Contributions	-	-
Employer Direct Benefit Payments	(27,26,451)	(38,21,974)
Employer Direct Settlement Payments	-	-
Credit to Reimbursements	-	-
Net Defined Benefit Liability / (Asset) at end of year	4,02,25,986	3,78,34,091

Summary of Financial & Demographic Assumptions		
Particulars	Valuation Date	
	31-Mar-2017	31-Mar-2018
Discount Rate	7.50%	7.75%
Salary Escalation - First 5 Years	6.00%	6.00%
Salary Escalation - After 5 Years	6.00%	6.00%
Expected Rate of Return on Plan Assets	N/A	N/A

<i>Mortality Table</i>	IALM (2006-08) Table	
<i>Disability Rate</i>	5% of Mortality Rate	5% of Mortality Rate
<i>Withdrawal Rate</i>	As per table below	As per table below
<i>Retirement Age</i>	58 & 60 Years	58 & 60 Years
<i>Average Future Service</i>	8.34	9.10

34

Related party disclosures:-

(A) Key Management Personnel and their relatives:-

Sl.No.	Name	Designation/Relationship
1.	Upmanyu Pathak	Managing Director
2.	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:-

(Amount in ₹)

Particulars	KMP and their relatives	Subsidiaries
Electricity Income	--- (---)	596,176 (503,185)
Remuneration Paid	10,18,685 (578,680)	--- (---)
Advance given	--- (---)	51,02,140 (4,683,234)
Advance given refund	--- (---)	50,96,140 (6,495,031)
Advance given against Salary	244,600 (334,390)	--- (---)
Advance given against Salary adjusted	446,490 (220,000)	--- (---)
Balances outstanding		
Advance given against Salary	72,500 (274,390)	--- (---)
Advance given	--- (---)	6000 (---)
Trade Receivable	--- (---)	--- (53,755)

- 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.

35 **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	81.80%	3,105.50	(8.71%)	(28.79)
Subsidiaries:				
Indian:				
NTCIL Real Estate Private Limited	17.02%	646.22	93.75%	309.63
NTCIL Infrastructure Private Limited	12.53%	475.61	15.00%	49.54
NTCIL Realty Estate Private Limited	0.02%	0.64	(0.02%)	(0.05)
NTCIL Siliguri Private Limited	0.02%	0.64	(0.02%)	(0.05)
Foreign				
Minority Interests in all subsidiaries				
Indian:	-	-	-	-
Foreign:	-	-	-	-
Associates (Investments as per the equity method)				
Indian:	-	-	-	-
Foreign:	-	-	-	-
Joint Venture				
Indian:	-	-	-	-
Foreign:	-	-	-	-

- 36 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.
- 36 A suit has been filed against the company in the year 1999 for recovery of ₹ 20,000,000/- along with interest which is still pending before the Hon'ble High Court, Kolkata. The company disputes the claim of the party and as the matter is sub-judice no provision for interest has been made.
- 37 In view of the amendment made in the Union Budget 2003 with retrospective effect, the Company is liable to refund excise duty amounting to ₹ 49,238,160/- received/ receivable in terms of notification no.32/99 dated 8th July, 1999 issued by the Central Government, on account of Badarpur unit in Assam. 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 in 2008 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 filed before the CESTAT at Kolkata is allowed vide order dated 03.08.2016 and SCN dated 28.08.2001 and dated 10.09.2001 were set aside.

Further to this the company has accounted for during financial year 2000-01 a sum of ₹ 40,493,280/- as excise duty refund receivable (Badarpur) and a sum of ₹ 21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification. The reversal effect of the same is given in the books of Account during this year and the balancing figure of Rs, 18,945,120/- has been charged to profit & loss account. The same has been shown as exceptional item in the Statement of Profit & Loss account.

38. The company has during the year under review paid total entry tax due along with upto financial year 2016-17 liability of Rs ₹ 4,56,199/- without waiting for the out come of appeal before the Calcutta High court against the entry tax imposed by state government on the import of input from other states for ease of business.
39. In 2015 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 and Learned third Civil Judge at Barasat, West Bengal. Since the matter is sub judice in the court, any disclosures given at this moment would be prejudicial to the interest of the company and that of the stakeholders.
40. The Company has adopted Indian Accounting Standard (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder, with effect from April 01, 2017, with the transition date of April 01, 2016.

The reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles (previous GAAP) and Total Comprehensive Income as per Ind AS for the corresponding quarter and year ended March 31, 2017 is given below:

Particulars	Year ended
	31-Mar-17
	Standalone
Net profit for the period as reported under previous GAAP	330.27
Reclassification of actuarial gain/losses, arising in respect of employee benefit scheme to other Comprehensive Income	51.59
	-
Net profit as reported under Ind AS	381.86
Other Comprehensive Income (Net of tax)	41.65
Total Comprehensive Income as reported under Ind AS	423.51

Reconciliation of Total Equity as on 31st March 2017 as reported under previous Generally Accepted Accounting Principles (previous GAAP) and Ind AS is given below:

Particulars	Year ended
	31-Mar-17
	Standalone
Total Equity as reported under previous GAAP as on March 31, 2017	3,796.56
Impact of measurement of Investment at fair value	392.82
Total Equity as per Ind AS	4,189.38

The reconciliation of Net profit as reported under previous Generally Accepted Accounting Principles (previous GAAP) and Total Comprehensive Income as per Ind AS for the corresponding quarter and year ended March 31, 2017 is given below:

Particulars	Quarter ended	Year ended	Year ended
	March 31, 2017	March 31, 2017	March 31, 2017
	Standalone	Standalone	Consolidated
Net profit for the period as reported under previous GAAP	89.46	(28.79)	330.27
Reclassification of actuarial gain/losses, arising in respect of employee benefit scheme to other Comprehensive Income	51.59	51.59	51.59
	-	-	-
Net profit as reported under Ind AS	141.05	22.80	381.86
Other Comprehensive Income (Net of tax)	41.65	41.65	41.65
Total Comprehensive Income as reported under Ind AS	182.70	64.45	423.51

Reconciliation of Total Equity as on 31st March 2017 as reported under previous Generally Accepted Accounting Principles (previous GAAP) and Ind AS is given below:

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2017
	Standalone	Consolidated
Total Equity as reported under previous GAAP as on March 31, 2017	3,105.50	3,796.56
Impact of measurement of Investment at fair value	392.82	392.82
Total Equity as per Ind AS	3,498.32	4,189.38

41 **Contingent liabilities & Guarantee given:**

(₹ in Lacs)

Particulars	As at 31.03.18	As at 31.03.17
a) Claims against the company not acknowledged as debt	144.54	144.54
b) Disputed Liabilities relating to Central Excise Demand	3.37	7256.69
d) Disputed Liabilities relating to Entry Tax	-	4.56
e) Corporate Guarantee given to bank for loan taken by Subsidiary	40000.00	40000.00

42 **Foreign exchange earnings and outgo:**

a) **Earnings in foreign exchange:**

(₹ in Lacs)

Description	Year Ended 31.03.18	Year Ended 31.03.17
F.O.B Value of Export	697.78	794.48

b) **Outgo in foreign exchange:**

(₹ in Lacs)

Description	Year Ended 31.03.18	Year Ended 31.03.17
-Raw materials	16.75	16.03
Total	16.75	16.03

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

The accompanying notes 1 to 43 are an integral part of the Financial Statements

For and on behalf of the Board

For VKR & ASSOCIATES

Chartered Accountants

Firm Registration No. 320323E

Santosh Kumar Agrawal

Partner

Membership No. 067092

Place: Kolkata

Date: The 29th day of May, 2018

Upmanyu Pathak

Managing Director

Sumit Banthiya

Director

Prem Chand Khator

Chief Financial Officer

Sunil Kumar Verma

Company Secretary

[illegible]





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