



ntc industries limited

[FORMERLY KNOWN AS RDB INDUSTRIES LIMITED]

REGD. OFFICE :

149 B. T. ROAD, P.O. KAMARHATI,
KOLKATA - 700 058

PHONE : 25533520, 2230 5666,

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ntc industries limited

(An ISO 9001-2008 Company)

ANNUAL REPORT

2010-11

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Corporate Information

Board of Directors

Lawrence Baptist Fernandes - Managing Director
Naresh Chandra Chakraborty - Executive Director
Ravi Prakash Pincha - Independent Director
Manish Kumar Jain - Independent Director
Mahendra Pratap Singh - Independent Director

Company Secretary and Compliance Officer

Disha Dugar

Auditors

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

Bankers

Axis Bank
Oriental Bank of Commerce
Corporation Bank
HDFC Bank Ltd.
State Bank of India

Registrar and Share Transfer Agent

Niche Technologies Private Limited

Solicitors

Dipayan Choudhury, Advocates

Registered office

149, B.T.Road,
Kamarhati,
Kolkata – 700 058

Factory

149, B.T. Road
Kamarhati, Agarpara
Kolkata 700 058

“ 2010-11 will be remembered as one of the most eventful years in the history of NTC and will be remembered as a year when the Company re-learned its way of doing business and in the process actually became aware of many of its latent strengths. ”



CHAIRMAN'S SPEECH

Dear Shareholders,

On behalf of board I am pleased to report that company has registered a commendable performance than expected in the current financial year with due respect to the challenging economic environment particularly in Cigarette industry along with high inflation adversely affecting the prices of Raw Materials. In spite of rising input prices, company reported a profit against a corresponding loss in preceding financial year.

Performance Highlights**(Rs In Lacs)**

Particulars	Financial Year 2010-11	Financial Year 2009-10
Income from operation	1889.30	911.74
Other income	540.96	453.77
Profit before Interest and depreciation	150.49	132.71
Less: a) Interest	35.94	6.14
b) Depreciation	95.67	105.17
Profit Before Taxation	18.88	21.40
Less: Provision for current tax and Deferred Tax	7.51	42.44
Profit (Loss) After Tax	11.37	(21.04)
Add : Balance brought forward from last year	1234.88	1255.92
Balance carried to the Balance Sheet	1246.25	1234.88

Review of operations

During the year under review, the company's sales from operation increased from 911.74 lacs to 1889.30 lacs. Income from Export sale of Cigarette also increased to Rs 93.08 Lacs from last year Rs 47.71 Lacs.

During the year Mr.Sunder Lal Dugar under whose guidance the company flourished its activities disassociated himself as a director to undertake experience and implement his ideas in other fields. The company to retain his supervision honored him with the title of Chairman Emeritus.

During the year Hon'ble High Court of Calcutta approved the scheme of demerger on 12th April, 2010 making it an exclusive tobacco processing and cigarette manufacturing company. As per the said scheme the demerged real estate undertaking which was transferred to RDB Realty & Infrastructure Ltd issued 1 share for every 1 share in the company on 24th June, 2010.

The Board proposed to change the name of company to NTC Industries Ltd vide resolution dated 18th January, 2011 and received your valued consent through postal ballot. The Registrar of Companies issued fresh Certificate of Incorporation consequent to the name change on 31st March, 2011.

The company for its operational and administrative convenience shifted its registered office to its factory.

During the Year under review, the company has not changed its accounting policies and has complied with the accounting standards as applicable to the company.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report and audited accounts for the year ended 31st March 2011.

Particulars	Financial Year 2010-2011	Financial Year 2009-2010
Income from operations	1889.30	911.74
Other income	540.96	453.77
Profit before interest and depreciation	150.49	132.71
Less: a) Interest	35.94	6.14
b) Depreciation	95.67	105.17
Profit before taxation	18.88	21.40
Less:- Provisions for current tax, deferred tax and fringe benefit tax	7.51	42.44
Profit (Loss) After Tax	11.37	(21.04)
Add: Balance brought forward from last year (Net of reserves transfer on demerger of Real Estate Undertaking)	1234.88	1255.92
Balance carried to the Balance Sheet	1246.25	1234.88

Review of operations

During the year under review, the Company's Sales from Tobacco Undertaking increased by 107.08% to Rs.1888.04 Lacs as compared to Rs.911.74 Lacs during the preceding year.

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

More details about the business and operations of your Company are provided in the Management's discussion and analysis report, forming part of the Annual Report.

Dividend

Due to inadequate profit after tax, your directors are unable to recommend any dividend for the financial year 2010-2011.

Management Discussion and Analysis

A separate report on Management Discussion and Analysis as per Clause 49 of the Listing Agreement with the stock exchanges is annexed hereto.

Corporate Governance

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, as provided under the amended Clause 49 of the Listing Agreement with the stock exchanges, are complied with.

A separate report on Corporate Governance along with the Auditors' Certificate for its due compliance is annexed hereto, forming part of this Annual Report.

Directors

We would like to place sincere gratitude to Mr. Sunder Lal Dugar, founder of NTC Industries Ltd who disassociated himself as a Director from the company to implement his vast and unique ideas in other fields. Under his guidance the company has seen many proud moments. The Company has retained his supervision by honoring him with the title of Chairman Emeritus. We would also like to pay homage to Late Krishna Gopal Sinha, whose assistance was lost due to his sudden demise.

Mr. Ravi Prakash Pincha & Mr. Mahendra Pratap Singh, Independent Directors, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

Your Directors recommend the above appointment/re-appointment.

None of the Directors of your Company is disqualified as per the provisions of Section 274(1)(g) of the Companies Act, 1956.

Particulars of employees

The Company does not have any employee falling within the scope of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of the Employees) Rules, 1975.

Subsidiary Company

The company does not have any subsidiary company as on 31.03.2011.

Directors' responsibility statement

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

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

Auditors

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

Auditors observation

Observations of the auditors when read together with relevant notes on accounts and accounting policies are self-explanatory and do not require any further comments.

Public deposit

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

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the annexure attached hereto and forms a part of this Report.

Acknowledgements

Your Directors would like to place on record their sincere gratitude to the shareholders, bankers, business associates, retailers, suppliers, customers, government and other regulatory agencies for their continued support and faith in the Company. Your Directors are also happy to place on record their appreciation for the whole-hearted co-operation, commitment and contribution made by all the employees and look forward to their continued support.

For & on behalf of the Board

Place : Kolkata

Lawrence Baptist Fernandes

Naresh Chandra Chakraborty

Date : 30.05.2011

Director

Director

Annexure to the Director's Report

Particulars of conservation of energy, technology absorption and foreign exchange earning and outgo

Information under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forms a part of the Directors' Report.

A. Conservation of energy

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

B. Technology absorption, foreign exchange earning and outgo

The Company has no particulars related to research and development, technology absorption, adaptation and innovation as per Form B under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Foreign exchange earning :	Rs. 94,34,429
Foreign exchange outgo :	Rs. 48,41,363

MANAGEMENT DISCUSSION AND ANALYSIS**CIGARETTE INDUSTRY**

Indian cigarette Industry is facing increase in raw material cost, high taxation, cross border smuggling and illegal manufacture of cigarette. The major ingredient of raw materials for cigarettes is raw tobacco and its prices increased continuously there by increasing the cost of production of the cigarette. Although there is actually no scarcity in supply of raw tobacco since the net income earned by the farmers from cultivating tobacco is found to be much higher than the net income earned from other crops. Increase in export of tobacco at higher rates leads to increase of the domestic prices of the tobacco.

The cigarette industry in India continues to operate in a very challenging economic environment, particularly with respect to taxation and regulations relating to communication and consumption of tobacco. Most of the regulations, dictated by circumstances in more developed markets, together with prolonged punitive and discriminatory taxation have had the effect of being directed almost exclusively at cigarettes, thereby arresting cigarette consumption in comparison with other forms of tobacco consumption.

High rates of taxes on cigarettes have rendered quality cigarettes unaffordable to the majority of tobacco consumers in the country. Apart from the adverse impact on the Exchequer, there is a failure of achieving the objective of reducing aggregate tobacco consumption in the country.

The cigarette industry has always been on the receiving end when it comes to imposition of taxes and duties in the financial budgets of the states and country. The industry has been reeling under ever-increasing excise duties and Value added Taxes. Also, due to the high taxes in the country, the competitiveness of the Indian cigarette manufacture is adversely affected in the tobacco market.

The increasing threat to the tobacco industry as a whole and decreased consumption levels of cigarettes, need gaps in the market are being met by low priced contraband and non duty and non taxes paid inferior quality cigarettes, beedi, gutka, khaini, zarda and other substitutes which are targeted at the traditional cigarette consumer base.

Tobacco and Cigarette industry gives employment to a vast population not only at tobacco growing level but also at manufacturing and marketing of cigarette thereby contributing to livelihood of so many people. Export of Tobacco and Cigarette also added to employment generation and government's foreign currency offer.

Moderation in rates of taxes, coupled with the aspiration of tobacco consumers to upgrade consumption, can multiply the share of cigarettes in India even in a shrinking basket of tobacco consumption. There is lot of scope of strengthening of domestic and export market of cigarette and tobacco. Due to continuous growth of economy, there is increase of the middle class having more disposable income in the hands. Demand for the Cigarette of moderate price are going to increase in the long run where is your company's presence.

For NTC Industries Limited
Lawrence Baptist Fernandes
Managing Director

Report On Corporate Governance**1. Company's philosophy on Corporate Governance**

The company firmly believes that Corporate Governance is about commitment to values and ethical business conduct. Your Company believes in discharging its Corporate Social Responsibility and has been enduring in its philosophy to enhance stakeholders' value and customers' satisfaction by consistently endeavouring to follow the best Corporate Governance practices.

2. Corporate Governance guidelines

Over the years, the government has developed guidelines to fulfil our corporate responsibilities to various stakeholders. This ensures that the Board will have the necessary authority and practices in place to review and evaluate our operations when required. Further, it allows the Board to make decisions that are independent of the management. The Board may change these guidelines from time to time to effectively achieve our stated objective.

3. Board of Directors

In terms of the Company's 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.

Composition

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

The following is the composition of the Board as on 31st March, 2011:

Name of the Director	Designation	Category	No. of other Directorship(s)*	Membership(s)/ Chairmanship(s) of Board Committees of other companies*
Mr. Ravi Prakash Pincha	Director	Non-executive & Independent	10	3 (2 as Chairman)
Mr. Manish Kumar Jain	Director	...DO...	1	2
Mr. Mahendra Pratap Singh	Director	...DO...	2	5 (2 as Chairman)
Mr. Naresh Chandra Chakraborty	Director	Executive Director	- - -	- - -
Mr. Lawrence Baptist Fernandes	Managing Director	..Do..	- - -	- - -

* Directorships and positions held in committees of Indian Public Limited companies and its subsidiaries are considered.

Board Meetings:

The Board meetings of the Company are decided in advance and tentative dates of Board meetings, in which quarterly/annual results are to be discussed forms a part of the Annual Report. The Chairman of the Board and the Company Secretary, draft the agenda for each meeting, along with the agenda notes and explanatory statements, wherever required, are distributed in advance to the Directors. Every Board member is free to suggest items for inclusion on the agenda. The Board meets at least once in a quarter to review the quarterly results and other agendas.

During the financial year ended 31st March, 2011, seventeen meetings of the Board were held as follows:

Sl. No.	Date of the Meeting	Board Strength	No. of Directors present
1	13/04/2010	6	4
2	19/04/2010	6	4
3	11/05/2010	6	4
4	14/05/2010	6	4
5	29/05/2010	6	6
6	21/06/2010	6	6
7	31/07/2010	6	6
8	14/08/2010	7	7
9	08/09/2010	7	7
10	01/10/2010	6	6
11	12/11/2010	6	6
12	13/12/2010	6	6
13	20/12/2010	6	6
14	18/01/2011	6	6
15	04/02/2011	6	5
16	11/02/2011	5	4
17	21/03/2011	5	4

Attendance of Directors at Board Meetings and Annual General Meeting

Directors	No. of Board Meetings Held	Attended	Attendance at last AGM (08.09.2010)
Mr. Sunder Lal Dugar	15	15	Yes
Mr. Ravi Prakash Pincha	17	17	Yes
Late Krishna Gopal Sinha	9	9	Yes
Mr. Manish Kumar Jain	17	13	Yes
Mr. Mahendra Pratap Singh	17	14	Yes
Mr. Abhishek Satyanarayan Rathi	7	3	No
Mr. Lawrence Baptist Fernandes	10	10	Yes
Mr. Naresh Chandra Chakraborty	10	10	Yes

4. APPOINTMENT/RE-APPOINTMENT OF DIRECTORS**Mr. Ravi Prakash Pincha**

Mr. Ravi Prakash Pincha was appointed on the Board of NTC Industries Limited (Formerly known as RDB Industries Limited) on 2nd January, 2001. He is a young man with vision and a great team leader. During his long association, the Company is greatly benefited by his distinctive managerial qualities and his rich & varied experience & exposures.

He is also holding directorships in the following companies:

1. Bahubali Tieup Private Limited
2. Baron Suppliers Private Limited
3. Bengal Regent Infrastructure Limited
4. Bhagwati Builders and Development Private Limited
5. Headman Mercantile Private Limited
6. Johri Towers Private Limited
7. Kasturi Tieup Private Limited
8. Khatod Investments & Finance Company Limited
9. Mangalahat Construction & Builders Private Limited
10. RD Devcon Private Limited
11. RDB Insurance Broking Services Private Limited
12. RDB Realty & Infrastructure Limited
13. RDB Regent Retail Limited
14. Regent Capital Private Limited
15. Regent Finance Corporation Private Limited
16. Regent Forex Private Limited
17. Rimjhim Vanijya Private Limited
18. Samspa Expo Private Limited
19. Triton Commercial Private Limited

Mr. Mahendra Pratap Singh

Mr. Mahendra Pratap Singh was appointed on the Board of NTC Industries Limited (Formerly known as RDB Industries Limited) on 18th March, 2008. He is a B.Sc graduate and has got his master' degree in Geophysics from Banaras Hindu University. He has done his Master's in Business Management from Asian Institute of Management. His varied experience and exposure can immensely help the Board to take appropriate strategic decision in a competitive business era.

He is also holding directorships in the following companies:

1. RDB Realty & Infrastructure Limited
2. RDB Rasayans Limited
3. Alpen Stock Consulting Private Limited
4. Alpenstock Financial Services Private Limited

5. Audit Committee

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

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

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

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

The role of the Audit Committee includes the following:

- (a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommending the appointment/re-appointment and removal of statutory auditors, internal auditors and fixation of their remuneration;
- (c) Reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on exercise of judgement by the management.
 - Qualifications in the draft audit report.
 - Significant adjustments arising out of audit.
 - The 'going concern' assumption.
 - Compliance with Accounting Standards.
 - Compliance with stock exchanges and legal requirements concerning financial statements.
 - Any related party transactions.
- (d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same, prior to endorsement by the Board;
- (e) Reviewing the adequacy of the internal audit function, reporting structure, coverage and frequency of the internal audit;
- (f) Reviewing reports of internal audit and discussion with internal auditors on any significant finding and follow-up thereon;
- (g) Reviewing the findings of any internal investigations by the internal auditors and the executive management's response on matters where there is suspected fraud or irregularity of failure of internal control systems of a material nature and reporting the matter to the Board;

(h) Discussion with the external 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;

(i) Reviewing the Company's financial and risk management policies;

(j) Considering such other matters as may be required by the Board.

Composition of the Audit Committee

The Audit Committee comprises two non-executive independent directors and one executive director. The Company Secretary is the Secretary to the Committee. All the members of the Committee are financially literate and the Chairman of the Committee has accounting and financial management expertise. The committee was reconstituted on 31st July, 2010 due to the disassociation of Mr. Abhishek Satyanarayan Rathi from the Board and induction of Mr. Mahendra Pratap Singh in the Committee. Again on 12th November, 2010 the composition of the committee was altered due to the sudden demise of Late Krishna Gopal Sinha. The casual vacancy caused by Late Krishna Gopal Sinha in the committee was filled by Mr. Lawrence Baptist Fernandes. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement.

Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Manish Kumar Jain	Chairman	5	5
2	Mr. Mahendra Pratap Singh	Member	3	3
3	Mr. Lawrence Baptist Fernandes	Member	1	1
4	Late Krishna Gopal Sinha	Ex-Member	3	3
5	Mr. Abhishek Satyanarayan Rathi	Ex-Member	2	2

Details of Audit Committee Meetings and attendances:

During the financial year ended 31st March, 2011, five meetings of the Audit Committee were held as follows:

Sl. No.	Date of the meeting	Attendance
1	05/04/2010	3
2	29/05/2010	3
3	14/08/2010	3
4	12/11/2010	2
5	11/02/2011	3

6. Remuneration Committee

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

Composition of the Remuneration Committee:

The committee was reconstituted on 31st July, 2010 due to the disassociation of Mr. Abhishek Satyanarayan Rathi from the Board and induction of Mr. Mahendra Pratap Singh in the Committee. Again on 12th November, 2010 the composition of the committee was altered due to the sudden demise of Late Krishna Gopal Sinha. The casual vacancy caused by Late Krishna Gopal Sinha in the committee was filled by Mr. Ravi Prakash Pincha. Further Mr. Mahendra Pratap Singh was designated as the Chairman of the Committee on the same date.

Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Mahendra Pratap Singh	Chairman	2	2
2	Mr. Manish Kumar Jain	Member	3	3
3	Mr. Ravi Prakash Pincha	Member	1	1
4	Late Krishna Gopal Sinha	Ex-Member	2	2
5	Mr. Abhishek Satyanarayan Rathi	Ex-Member	1	1

During the financial year ended 31st March, 2011, three meetings of the Remuneration Committee were held as follows:

Sl. No.	Date of the meeting	Attendance
1	14/05/2010	3
2	06/09/2010	3
3	21/03/2011	3

Remuneration Policy

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

Details of Remuneration of the Directors for the financial year ended 31st March, 2011

(Figures in Rs.)

Director	Consolidated Salary (Rs.)	Perquisites and other Benefits	Performance bonus/ Commission	Sitting Fees	Total
Mr. Sunder Lal Dugar	2,68,800/-	14,380/-	Nil	Nil	2,83,180/-
Mr. Ravi Prakash Pincha	72,000/-	Nil	Nil	Nil	72,000/-
Mr. Lawrence Baptist Fernandes	1,94,013/-	17,123/-	Nil	Nil	2,11,136/-
Mr. Naresh Chandra Chakraborty	1,75,000/-	Nil	Nil	Nil	1,75,000/-

No remuneration (including sitting fee) has been paid to the Non-Executive Directors in the financial year 2010-11. The Non-Executive Directors do not hold any shares and/or convertible instruments in the Company and also they do not have any pecuniary relationship or transaction with the Company except Sri Ravi Prakash Pincha who holds 5600 shares in the company. The Company has not granted any stock options to its Directors.

7. 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 ("the Code"). A copy of the Code has been put 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 2010-11."

Lawrence Baptist Fernandes
Managing Director

8. Shareholders'/Investors' Grievance Committee

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

Composition

The Shareholders'/Investors' Grievance Committee comprises three members, two of them being Non Executive and Independent directors. The committee was reconstituted on 31st July, 2010 due to the disassociation of Mr. Abhishek Satyanarayan Rathi from the Board and induction of Mr. Mahendra Pratap Singh in the Committee. Again on 12th November, 2010 the composition of the committee was altered due to the sudden demise of Late Krishna Gopal Sinha. The casual vacancy caused by Late Krishna Gopal Sinha in the committee was filled by Mr. Naresh Chandra Chakraborty. Further Mr. Mahendra Pratap Singh was designated as the Chairman of the Committee on the same date.

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Mahendra Pratap Singh	Chairman	6	6
2	Mr. Manish Kumar Jain	Member	13	13
3	Mr. Naresh Chandra Chakraborty	Member	4	4
4	Late Krishna Gopal Sinha	Ex-Member	9	9
5	Mr. Abhishek Satyanarayan Rathi	Ex-Member	7	7

Ms. Disha Dugar, 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	: 15
(b) Number of shareholders' complaints resolved during the year	: 15
(c) Number of complaints not solved to the satisfaction of shareholders	: Nil
(d) Number of complaints pending	: Nil

9. Demerger Committee

The De-merger Committee was formed by the Board of Directors to implement its decision to restructure the business of the Company by way of de-merger or otherwise; in that connection the committee was empowered to decide upon modalities of de-merger, to evaluate the business segments of the Company, to appoint agencies/ consultants/ lawyers, etc. and any other ancillary and incidental matter for carrying out the de-merger.

Composition of the De-merger Committee

Details of members and their attendance at the meetings:

Sl. No.	Name	Position	No. of Committee	
			Meetings Held	Attended
1	Mr. Sunder Lal Dugar	Chairman	3	3
2	Mr. Ravi Prakash Pincha	Member	3	3
3	Late Krishna Gopal Sinha	Member	3	3

During the financial year ended 31st March, 2011, three meetings of the De-merger Committee were held as follows:

Sl. No.	Date of the meeting	Attendance
1	19/04/2010	3
2	21/05/2010	3
3	10/06/2010	3

As the De-merger of the Real Estate division of the Company to RDB Realty & Infrastructure Limited was accomplished successfully and the Committee's purpose of existence was fulfilled, the Directors vide Board Meeting dated 31st July, 2010 passed a resolution to dissolve the Committee.

10. Details of General Body Meetings

The date, time, venue and the special resolutions passed in the last three Annual General Meetings are as under:-

Financial Year	Meeting	Date	Time	Location	No. of Special Resolution, if any, passed
2009-10	19th A.G.M	Wednesday 08.09.2010	9.00 a.m.	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata- 700017	1 *
2008-09	18th A.G.M	Wednesday 23.09.2009	9.00 a.m.	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata- 700017	2 **
2007-08	17th A.G.M	Friday 26.09.2008	9.00 a.m.	Shripati Singhania Hall 'Rotary Sadan', 94/2, Chowringhee Road, Kolkata- 700 020	—

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

** Special Resolution for Re-appointment of Sri Sunder Lal Dugar as Managing Director and Sri Ravi Prakash Pincha as Whole Time Director

11. Disclosures

- Disclosures on materially significant related party transactions: There is no materially significant related party transactions entered i.e. any transaction of material nature, with its promoters, directors or the management or relatives, etc. that may have potential conflict with the interest of the Company at large, other than in the normal course of business. The transactions with related parties have been disclosed in Note No. 7 of Schedule "19" in Notes to the Accounts forming part of the accounts for the year ended 31st March, 2011.
- The Company is regular in complying with the requirements of the regulatory authorities on the matters relating to the capital market and no penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, during the last three years.
- The Company does not have a whistleblower policy. However, no personnel of the Company have been denied access to the Audit committee.
- The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the stock exchanges.

12. Adoption of Non-mandatory requirements of Clause 49

The Company has complied with the non-mandatory requirement of Clause 49 with regard to the constitution of Remuneration Committee.

13. Means of communication

- The quarterly financial results and annual audited financial results are normally published in The Economic Times and/or The Financial Express in English, Kalantar, Dainik Lipi, Duranta Barta and/or Arthik Lipi in Bengali.
- The quarterly financial results and annual audited financial results of the Company are sent to The Calcutta Stock Exchange Limited and Bombay Stock Exchange Limited.
- The Company also files its quarterly and yearly compliances through Corporate Filing & Dissemination System at www.corpfiling.co.in.

(d) The Company's financial results are also displayed in its website, www.ntcind.com.

(e) The Company's website does not display any official news releases.

(f) No presentation was made to the institutional investors or to the analysts during the year under review.

(g) Annual Report containing, inter alia, Directors' Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report.

14. Compliance certificate of the auditors

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

15. General shareholder information**Details of Annual General Meeting for F. Y. 2010-11**

Details of Annual General Meeting for F. Y. 2010-11	
Date :	Monday, 19th September, 2011
Venue :	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 4th Floor, 36A, Shakespeare Sarani, Kolkata- 700017
Time :	9.00 a.m.
Book closure date :	From Monday, 12th September, 2011 to Monday, 19th September, 2011 (both days inclusive)

Financial Calendar

Financial year: 1st April to 31st March

For the year ended 31st March, 2011, results were adopted on:

- 14th August, 2010: First quarter (Un-audited)
- 12th November, 2010: Half yearly (Un-audited)
- 11th February, 2011: Third quarter (Un-audited)
- 30th May, 2011: Annual (Audited)

For the year ending 31st March, 2012, the results are likely to be adopted:

- on or before 14th August, 2011 : First quarter (Un-audited)
- on or before 14th November, 2011: Half yearly (Un-audited)
- on or before 14th February, 2012: Third quarter (Un-audited)
- on or before 30th May, 2012: Annual (Audited)

Listing on stock exchanges

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

- | | |
|---|---|
| 1. The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata – 700 001
Website: www.cse-india.com | 2. Bombay Stock Exchange Limited
Phiroz Jeejabhoy Towers
Dalal Street, Mumbai – 400 001
Website: www.bseindia.com |
|---|---|

The listing fees for the financial year 2011-12 have been paid to the above Stock Exchanges.

Stock Code

- (a) Bombay Stock Exchange Limited : 526723
- (b) The Calcutta Stock Exchange Limited: 28044

Depositories

- (a) National Securities Depositories Limited
Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400003
- (b) Central Depositories Services Limited
P J Towers, 28th Floor, Dalal Street, Mumbai – 400001

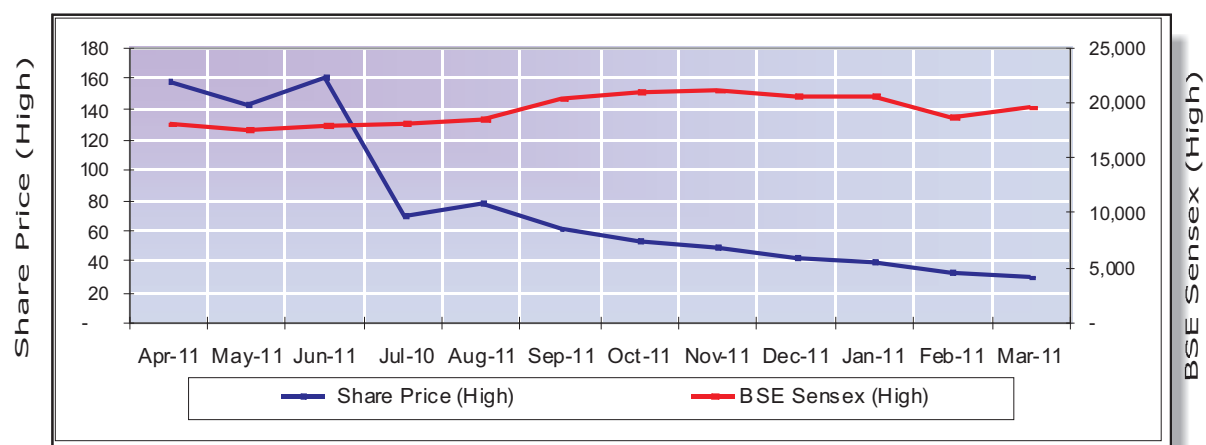
The fees to the depositories for the financial year 2011-12 have been paid.

Market Price Data :

The monthly high and low share price data at the Bombay Stock Exchange Limited for the financial year 2010-11:

Month	Share Price (High)	Share Price (Low)	BSE Sensex (High)	BSE Sensex (Low)
Apr-10	158.2	113.1	18,047.86	17,276.80
May-10	142.8	116.25	17,536.86	15,960.15
Jun-10	160	57.2	17,919.62	16,318.39
Jul-10	69.8	49	18,237.56	17,395.58
Aug-10	78.1	54.2	18,475.27	17,819.99
Sep-10	60.65	48.9	20,267.98	18,027.12
Oct-10	53	46.05	20,854.55	19,768.96
Nov-10	48.9	36	21,108.64	18,954.82
Dec-10	42.9	32.35	20,552.03	19,074.57
Jan-11	39.35	27	20,664.80	18,038.48
Feb-11	33	23.9	18,690.97	17,295.62
Mar-11	28.95	23.1	19,575.16	17,792.17

Performance of Company's Script 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, and 2235-3070
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.

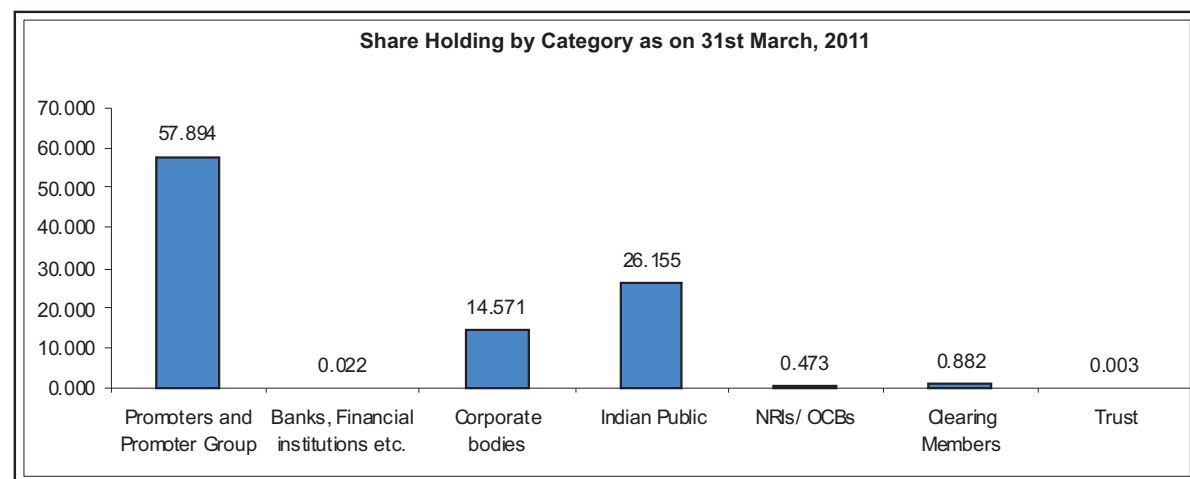
Distribution of Shareholding

Distribution of shareholding by size as on 31st March, 2011

Range of Shares	Number of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 500	6448	87.51	8,87,364	8.25
501 – 1000	484	6.57	3,97,391	3.70
1001 – 5000	340	4.62	7,32,772	6.82
5001 – 10000	42	0.57	3,07,272	2.86
10001 – 50000	39	0.53	7,81,657	7.27
50001 – 100000	3	0.04	1,90,879	1.78
100001 and above	12	0.16	74,52,665	69.32
Total	7368	100.00	1,07,50,000	100.00

Distribution of share holding by category as on 31st March, 2011

Category	Number of Shares	% of Total
Promoters and Promoter Group	62,23,586	57.894
Banks, Financial institutions etc.	2400	0.022
Corporate bodies	15,66,405	14.571
Indian Public	28,11,671	26.155
NRIs/ OCBs	50,869	0.473
Clearing Members	94,769	0.882
Trust	300	0.003
Total	1,07,50,000	100.00



List of Top Ten Shareholders as on 31st March, 2011

Sl. No.	Name of the Shareholder	No. of Shares held	% of Shareholding
1	Vinod Dugar	2068023	19.24
2	Khatod Investments And Finance Company Ltd.	921225	8.57
3	Sheetal Dugar	903811	8.41
4	Teck Consultancy And Services Private Ltd.	750000	6.98
5	Pyramid Sales Pvt. Limited	716122	6.66
6	Sunder Lal Dugar	687900*	6.40
7	Loka Properties Pvt. Limited	377100	3.51
8	Ankur Constructions Pvt Ltd.	375000	3.49
9	Maheshwari Plaza Resorts Ltd.	229335	2.13
10	Babita Kishangopal Bang	148530	1.38

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

Details of shares held by Directors as on 31st March, 2010.

Name of Director	No. of Equity Shares	% of Total holding
Mr. Ravi Prakash Pincha	5600	0.05
Mr. Mahendra Pratap Singh	Nil	Nil
Mr. Manish Kumar Jain	Nil	Nil
Mr. Lawrence Baptist Fernandes	Nil	Nil
Mr. Naresh Chandra Chakraborty	Nil	Nil
Total	5600	0.05

Dematerialisation of shares and liquidity

Shares held in dematerialised and physical form as on 31st March, 2011

Status of Dematerialisation	No. of Share	% of Total Share
Share held in NSDL	8978417	83.52%
Share held in CDSL	1421011	13.22%
Shares held in physical form	350572	3.26%

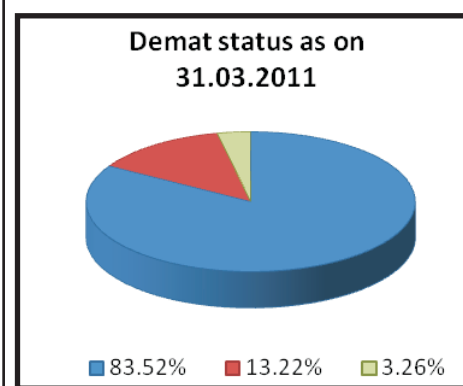
Plant Location:

NTC Factory Complex, 149, B. T. Road, Kamarhati, Kolkata - 700058

Address for correspondence:

NTC Industries Limited, 149, B. T. Road, Kamarhati, Kolkata – 700058

Website: www.ntcind.com

**CERTIFICATE OF CORPORATE GOVERNANCE**

We have reviewed the compliance of conditions of Corporate Governance by NTC Industries Limited (the Company) (formerly known as RDB Industries Limited) for the year ended 31st March, 2011, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

On the basis of records maintained by the company, we state that as on 31st March, 2011, 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.

Place: K o l k a t a
Date: 30th May 2011

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

(D. K. DAGA)
Partner
Membership No. 59205

CEO/CFO CERTIFICATION

To,
The Board of Directors,
NTC Industries Limited

We, Lawrence Baptist Fernandes, Managing Director, appointed in terms of the Companies Act, 1956 and Mr. Prem Chand Kathor, 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, 2011 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, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee that:
 - i. there have been no significant changes in internal control over financial reporting during the year;
 - ii. there have been no significant changes in accounting policies during the period.
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For NTC Industries Limited

L. B. FERNANDES
Managing Director

P. C. KHATOR
Chief Financial Officer

Kolkata, 30th May, 2011

AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of NTC INDUSTRIES LIMITED as at 31st March, 2011, the related Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that –

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
In our opinion and based on the information and according to the explanations given to us, the said account read with Notes appearing in Schedule 21 give the information required by the Companies Act, 1956 in the manner so required and give true and fair view:
 - a) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2011;
 - b) in the case of Profit & Loss Account, of the Loss of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate and according to information and explanations given to us, the matters specified in the said order are given hereunder to the extent to which they are applicable.

- i)
 - a) The Company is maintaining proper records showing, full particulars including quantitative details and situation of fixed assets.
 - b) In our opinion, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
 - c) The Company has not disposed off any substantial part of its Fixed Assets so as to affect its going concern.
- ii)
 - a) In our opinion, the inventory of the Company has been physically verified by the management at reasonable intervals during the year. In respect of material lying with third parties, these have substantially been confirmed by them.
 - b) In our opinion, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of inventory records, we are of the opinion, that the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.

- iii) a) The Company has taken loans from 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,76,80,000/- and the year end balance of loan taken from such parties was Rs. 1,47,144/-.
- b) The company has given any loan to 1 party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 38,56,871/- and the year end balance of loan given to such parties was Rs. 38,56,871/-.
- c) In our opinion, the rate of interest and other terms and conditions on which such loan have been taken from companies, farms, other parties listed in the register maintained under section 301 are prima facie not prejudicial to the interest of the company.
- d) The company is regular in repaying the principal amounts as stipulated and has also been regular in payment of interest.
- e) There is no overdue amount of loans taken from companies, farms, other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) a) In our opinion and according to information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of Cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and as far as ascertained from the records produced for our verification, the particulars of dues in respect of Excise Duty that have not been deposited on account of any dispute are as follows:-

Name of the Nature	Nature of the Dues	Amount (Rs. in Lacs)	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty and interest, penalty thereon	8627.10	Assistant/Additional/Deputy Commissioner, Commissioner, Commissioner(Appeals), Appellate Tribunal & Supreme Court

- x) The Company does not have accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
- xii) In our opinion, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- xiv) In our opinion and according to information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantees for loans taken by others from banks or financial institution.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company.
- xviii) The Company has not made preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) The Company has no debentures outstanding at any time during the year and hence question of creating security in respect thereof does not arise.
- xx) As informed to us, the Company has not raised any money by way of a public issue during the period covered by our audit report.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

11, Clive Row, Kolkata: 700 001

Dated: 30th May, 2011

For S. M. Daga & Co.
Chartered Accountants

FIRM REGISTRATION NO. 303119E

D.K. Daga

Partner

Membership No. 59205

Balance Sheet as at 31st March 2011

(amount in rupees)

	Schedule No.	As at 31st March 2011	As at 31st March 2010
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Capital	1	107,500,000	107,500,000
b) Reserves & Surplus	2	166,314,762	273,814,762
			165,178,034
			272,678,034
2. Loan Funds			
a) Secured Loans	3	39,859,771	22,904,472
b) Unsecured Loans		20,147,144	60,006,915
			20,000,000
			42,904,472
3. Deferred Tax Liability			
		1,305,523	615,138
Total		335,127,200	316,197,644
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	283,742,111	260,704,784
b) Less: Depreciation		108,387,568	101,217,317
c) Net Block		175,354,543	159,487,467
d) Capital Work-in-Progress		69,533,029	244,887,572
			45,407,021
			204,894,488
2. Investments			
	5	501,247	501,247
3. Current Assets, Loans and Advances			
a) Inventories	6	26,578,134	61,709,504
b) Sundry Debtors	7	39,682,765	32,866,637
c) Cash & Bank Balances	8	24,388,849	9,275,895
d) Loans & Advances	9	82,556,964	86,541,117
		173,206,712	190,393,153
Less : Current Liabilities & Provisions	10		
a) Current Liabilities		60,995,132	58,684,511
b) Provisions		22,473,199	20,906,733
		83,468,331	79,591,244
Net Current Assets		89,738,381	110,801,909
Total		335,127,200	316,197,644
Notes to the accounts	19		

Schedules referred to above form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For S. M. DAGA & CO.
Chartered Accountants

D. K. DAGA
Partner
Membership No.59205
Kolkata
The 30th day of May 2011

L B Fernandes
Managing Director

N . C. Chakraborty
Director

Disha Dugar
Company Secretary

Profit & Loss Account for the year ended 31st March 2011

(amount in rupees)

	Schedule No.	For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME			
Sales & Services	11	188,930,123	91,174,277
Less: Excise Duty		83,252,870	57,910,621
		105,677,253	33,263,656
Other Income	12	54,096,017	45,376,571
Increase / (Decrease) In Stocks	13	7,019	2,307,380
		159,780,289	80,947,607
EXPENDITURE			
Purchase (Raw Tobacco)		56,752,693	- - -
Manufacturing and Other Expenses	14	32,633,292	24,059,611
Payment to and Provision for Employees	15	32,582,724	30,695,887
Selling and Distribution Expenses	16	13,712,090	9,520,060
Administrative and General Expenses	17	8,118,081	3,338,864
Interest and Finance Charges	18	4,526,417	675,549
Depreciation	4	9,567,357	10,516,856
		157,892,654	78,806,827
Profit Before Taxation		1,887,635	2,140,780
Less: Provision For Taxation			
- Current Income Tax		- - -	363,826
- Tax adjustments for earlier years		60,522	916,427
- Deferred Tax (Assets) / Liabilities		690,385	2,964,368
		1,136,728	(2,103,841)
Profit After Taxation		123,488,034	125,591,875
Balance Brought Forward			
Profit Available for Appropriation		124,624,762	123,488,034
APPROPRIATIONS			
Balance Carried to Balance Sheet		124,624,762	123,488,034
		124,624,762	123,488,034
Earnings Per Share :- (Face Value Rs.10/- each) Basic & Diluted		0.11	(0.20)
Notes to the accounts	19		

Schedules referred to above form an integral part of the Profit and Loss Account
This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

For S. M. DAGA & CO.
Chartered Accountants

L B Fernandes
Managing Director

N . C. Chakraborty
Director

D. K. DAGA
Partner
Membership No.59205
Kolkata
The 30th day of May 2011

Disha Dugar
Company Secretary

Cash Flow Statement for the year ended 31st March 2011

(amount in rupees)

Cash Flow Statement	For the year ended 31st March,2011	For the year ended 31st March,2010
A. Cash flow from operating activities :		
Net profit before tax as per Profit & Loss account	1,887,635	2,140,780
Adjustments for		
Depreciation	9,567,357	10,516,856
Bad Debts / Advances Written Off	40,026	- - -
(Profit) / Loss on Sale of Assets	(227,857)	(1,821,278)
Interest Paid	3,593,982	613,707
Interest Received	(2,167,068)	(821,552)
Provision for Employee Benefits	5,710,595	4,912,143
Provision for Rental Income (AS 19)	(1,199,558)	(1,301,522)
Liabilities no longer required Written Back	(389,821)	- - -
	14,927,656	12,098,354
Operating profit before working capital changes	16,815,291	14,239,134
(Increase) / Decrease in Inventories	35,131,370	(6,913,394)
(Increase) / Decrease in Trade and other receivables	(14,500,240)	(6,955,753)
Increase / (Decrease) in Trade Payables	2,310,620	13,823,831
	22,941,750	(45,316)
Cash generated from operations	39,757,041	14,193,818
Less: Direct taxes paid/ (Refunds) including Interest (Net)	(11,668,264)	(1,923,947)
Cash Flow before Exceptional Items	51,425,305	16,117,765
Exceptional Items	227,857	- - -
Net cash Generated/(used) from operating activities	<u>51,653,162</u>	<u>16,117,765</u>
B. Cash flow from investing activities :		
Purchase of fixed assets	(27,450,578)	(7,804,976)
(Increase)/Decrease in Capital WIP	24,126,008	- - -
Sale of fixed assets	862,600	2,250,000
Interest Received	450,208	821,552
	(50,263,778)	(4,733,424)
Net cash from investing activities	(50,263,778)	(4,733,424)
C. Cash flow from financing activities :		
Proceeds / (Repayment) of borrowings	17,102,443	(7,029,656)
Dividend Tax paid	- - -	(913,481)
Unclaimed Dividend	2,475	131,197
Interest Paid	(3,381,348)	(613,707)
Dividend paid	- - -	(5,375,000)
	13,723,570	(13,800,647)
Net cash generated/(used) in financing activities	13,723,570	(13,800,647)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	15,112,954	(2,416,306)
Cash and cash equivalents -Opening balance	9,275,895	50,848,814
Less: Transfer to RDB Realty & Infrastructure Limited on demerger of Real Estate Undertaking.	- - -	39,156,613
Cash and cash equivalents -Closing balance	24,388,849	9,275,895
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash on hand	7,982,149	1,358,895
Cheques on hand	- - -	- - -
<u>Balances with Scheduled Banks on:</u>		
Current Accounts	9,211,194	1,310,981
Unpaid Dividend Accounts	559,691	562,166
Fixed Deposit Account	6,635,815	6,043,853
	24,388,849	9,275,895

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

For and on behalf of the Board

For **S. M. DAGA & CO.**
Chartered Accountants**D. K. DAGA**
Partner
Membership No.59205Kolkata
The 30th day of May 2011**L. B. Fernandes**
Managing Director**N. C. Chakraborty**
Director**Disha Dugar**
Company Secretary**Schedules to the Accounts as on 31st March 2011**

(amount in rupees)

	As at 31st March 2011	As at 31st March 2010
Schedule - 1 SHARE CAPITAL		
Authorised		
16,500,000 Equity Shares of Rs.10/- each	165,000,000	165,000,000
3,500,000 Preference Shares of Rs.10/- each	35,000,000	35,000,000
	200,000,000	200,000,000
Issued, Subscribed and Paid up:		
10,750,000 Equity Shares of Rs.10/- each	107,500,000	107,500,000
	107,500,000	107,500,000

of the above Equity Shares

(a) 6,73,400 shares were allotted pursuant to take over of proprietorship firm without payment being received in cash.

(b) 1,000,000 shares were allotted pursuant to conversion of warrants.

	As at 31st March 2011	As at 31st March 2010
Schedule - 2 RESERVES & SURPLUS		
Capital Reserve		
As per Last Account	15,250,000	15,250,000
Capital Redemption Reserve		
As per Last Account	26,440,000	26,440,000
Profit & Loss Account		
Balance as per Annexed Account	124,624,762	123,488,034
	166,314,762	165,178,034

	As at 31st March 2011	As at 31st March 2010
Schedule - 3 LOAN FUNDS		
Secured Loans		
Loan Against Rent Securitisation	14,927,445	22,904,472
Secured by way of assignment of lease rentals charge and equitable mortgage of title deed of immovable property (Amount Repayable within a year Rs.9101493/- Previous Year Rs.7977027/-)		
Bank OverDraft	24,932,326	- - -
Secured by way of equitable mortgage of title deed of immovable property.	39,859,771	22,904,472
Unsecured Loans		
From Bodies Corporate	20,147,144	20,000,000
(Includes interest accrued and due Rs.130,160 Previous Year Rs.Nil)	20,147,144	20,000,000

Schedules to the Accounts as on 31st March 2011**Schedule - 4 FIXED ASSETS**

Description of Assets	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	As at 1st April 2010	Additions During the Year	Deductions During the Year	Transfer to Transferee Co on Demerge	As at 31st March 2011	Up to 1st April 2010	For the Year	Deductions During the Year	Transfer to Transferee Co on Demerge	Up to 31st March 2011	As at 31st March 2011	As at 31st March 2010
Land	70,446,307	---	---	---	70,446,307	---	---	---	---	---	70,446,307	70,446,307
Factory Building	39,096,621	206,014	---	---	39,302,635	26,302,935	1,280,977	---	---	27,583,912	11,718,723	12,793,686
Other Building	58,850,279	20,109,885	---	---	78,960,164	27,154,062	1,836,184	---	---	28,990,246	49,969,918	31,696,217
Plant & Machinery	90,999,293	7,102,782	*4,413,251	---	93,688,824	46,754,532	6,327,783	**2,397,107	---	50,685,208	43,003,616	44,244,761
Furniture & Fixtures	156,220	---	---	---	156,220	115,070	7,396	---	---	1,22,466	33,754	41,150
Computers	1,156,064	31,897	---	---	1,187,961	890,718	115,017	---	---	1,005,736	182,225	265,346
Total	260,704,784	27,450,578	4,413,251	---	283,742,111	101,217,317	9,567,357	2,397,107	---	108,387,568	175,354,543	159,487,467
Previous Year	335,601,378	3,159,248	1,686,798	76,369,044	260,704,784	98,849,110	10,516,856	1,258,076	6,890,573	101,217,317	---	159,487,467

Note:* Includes Rs.1,404,000 received against non performance of full capacity of machine and corresponding accumulated depreciation of Rs.386,506** adjusted.

(amount in rupees)

	As at 31st March 2011	As at 31st March 2010
Schedule - 5 INVESTMENTS		
(A) Long Term		
Trade Investments (at cost)		
Others Quoted		
RDB Realty & Infrastructure Ltd.	501,247	501,247
50000 Equity Shares of Rs.10/- each, fully paid	501,247	501,247
Aggregate book cost of quoted investments Rs.	501,247	501,247
Aggregate Market Value of quoted investments Rs.	3,100,000	

(amount in rupees)

	As at 31st March 2011	As at 31st March 2010
Schedule - 6 INVENTORIES		
Store, Packing & Other Materials	3,027,576	3,061,235
Raw Materials	11,890,337	10,179,505
Work-in-Progress		
- Own Construction Projects	-	36,815,562
Finished Goods	<u>11,660,221</u>	<u>11,653,202</u>
	26,578,134	61,709,504

(amount in rupees)

	As at 31st March 2011	As at 31st March 2010
Schedule - 7 SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	6,084,652	12,125,112
Less: Provision for Doubtful Debts	- 6,084,652	808,484
		11,316,628
Other Debts	33,598,113	21,550,009
	39,682,765	32,866,637

Schedules to the Accounts as on 31st March 2011

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 8 CASH & BANK BALANCES		
Cash on hand	7,982,149	1,358,895
Balances with Scheduled Banks in:		
Current Accounts	9,211,194	1,310,981
Unpaid Dividend Accounts	559,691	562,166
Fixed Deposit Account	6,635,815	6,043,853
(Pledged with respective Bank against facilities availed by the Company)		
	24,388,849	9,275,895

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 9 LOANS & ADVANCES		
(Unsecured, considered good)		
Loans Given	3,856,871	---
Advances (Recoverable in cash or in kind or for value to be Received)	50,447,690	50,672,275
Sundry Deposits	15,752,899	15,720,974
Balance with Excise Authorities	2,075,953	2,358,598
Payment of Income Tax	10,081,582	17,628,089
Prepaid Expenses	341,969	161,181
	82,556,964	86,541,117

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 10		
1. CURRENT LIABILITIES		
Sundry Creditors *	6,780,905	5,753,193
Advances from Customers	7,304,645	9,108,366
Sundry Deposits	15,704,806	11,938,592
Investor Education and Protection Fund**	559,691	562,166
Other Liabilities	9,096,925	9,774,034
Excise Duty Payable	21,548,160	21,548,160
	60,995,132	58,684,511
2. PROVISIONS		
Income Tax	363,826	363,826
Retirement Benefits	22,109,373	20,542,907
	22,473,199	20,906,733

* No amount due to Small, Medium & Micro Enterprise

** Due for less than Seven years

Schedules to the Accounts as on 31st March 2011

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 11 SALES & SERVICES		
Tobacco Products	188,803,965	91,174,277
Miscellaneous	126,158	- - -
	188,930,123	91,174,277

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 12 OTHER INCOME		
Rental Income	45,868,708	40,977,317
Interest Received*	2,167,068	821,552
Scrap Sales	55,029	55,049
Profit on Sale of Assets	227,857	1,821,278
Gain on Exchange rate Fluctuation	(100,190)	190,972
Liabilities/ advances no longer payable written back**	389,821	- - -
Prior Period Income	- - -	1,760
Miscellaneous Income	5,487,724	1,508,643
	54,096,017	45,376,571

*Tax Deducted at Source Rs. 36,804/- (Previous Year Rs.66973/-)

** Net of Sundry balances written off Rs 389,821 (Previous Year Rs.nil)

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 13 INCREASE / (DECREASE) IN STOCKS		
Opening stock		
Work-in-Progress	- - -	36,815,562
Finished Goods	7,294,769	7,979,287
Stock in Transit	4,358,433	1,366,535
	11,653,202	46,161,384
Closing stock		
Work-in-Progress	- - -	36,815,562
Finished Goods	7,906,375	7,294,769
Stock in Transit	3,753,846	4,358,433
	11,660,221	48,468,764
Increase / (Decrease) in Stocks	7,019	2,307,380

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 14 MANUFACTURING AND OTHER EXPENSES		
Raw Materials Consumed	21,691,288	14,387,643
Packing and Printing Materials Consumed	1,238,955	609,631
Stores & Spares Consumed	3,339,718	2,156,751
Excise Duty#	(288,741)	2,625,326
Power & Fuel	5,269,021	3,087,825
Repairs to		
-Building	25,994	98,314
-Machinery	424,104	352,463
	450,098	450,777
Carriage Inward	481,777	455,226
Other Manufacturing Expenses	451,176	286,432
	32,633,292	24,059,611

Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

Schedules to the Accounts as on 31st March 2011

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 15 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	23,313,896	21,922,678
Contribution to Provident and Other Funds	3,422,544	3,267,450
Employee Welfare and other amenities	885,689	593,616
Gratuity	4,960,595	4,912,143
	32,582,724	30,695,887

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 16 SELLING AND DISTRIBUTION EXPENSES		
Advertisement & Publicity Expenses	124,425	332,504
Sales Tax	9,396,753	5,950,986
Freight & Forwarding Charges	3,330,529	2,627,132
Commission to Selling Agents	793,275	482,601
Other Sales Expenses	67,108	126,837
	13,712,090	9,520,060

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 17 ADMINISTRATIVE AND GENERAL EXPENSES		
Legal and Professional Charges	4,688,451	368,387
Postage, Telegraph & Telephones	417,523	370,014
Motor Vehicle Expenses	109,451	76,539
Rates & Taxes	123,813	536,549
Rent	247,284	171,822
Traveling & Conveyance Expenses	514,363	98,659
Insurance	112,502	196,674
Auditors Remuneration :		
Statutory Audit Fee	55,150	193,025
Tax Audit Fee	27,575	27,575
	82,725	220,600
Electricity Expenses	16,214	20,901
Other Repairs	- - -	- - -
Printing & Stationary	358,128	125,946
Miscellaneous Expenses	758,803	344,289
Bad & Doubtful Debts	40,026	808,484
Prior Period Expenses	648,798	- - -
	8,118,081	3,338,864

(amount in rupees)

	For the year ended 31st March 2011	For the year ended 31st March 2010
Schedule - 18 INTEREST AND FINANCE CHARGES		
Interest Paid		
On Loans from Bodies Corporate	130,160	- - -
On Term Loans from Banks	3,463,822	613,707
Finance Charges	932,435	61,842
	4,526,417	675,549

SCHEDULE "19" NOTES TO THE ACCOUNTS**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****A. FINANCIAL STATEMENTS**

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

B. USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and amounts of income and expenses during the year. Examples of such estimates include income taxes and future obligation under employee retirement benefit plans. Management periodically assesses whether there is an indication that an asset may be impaired and makes provision in the accounts for any impairment losses estimated. Actual results could differ from those estimates. The effects of adjustment arising from revisions made to the estimates are included in the Profit and Loss statement of the year in which such revisions are made.

C. REVENUE RECOGNITION

- a) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer.
- b) Revenue from services are recognised on rendering of services to customers except otherwise stated.
- c) Rental income from assets given on operating lease is recognised using straight line method. Contingent rent is recognised as income to reflect systematic allocation of earning over the lease period. This policy is not applicable for variable rental income based on turnover of the tenant.
- d) Interest income is recognised on accrual basis on a time proportion basis.

D. FIXED ASSETS

Fixed Assets, including those given on operating lease, are stated at cost of acquisition inclusive of freight incurred, duties and taxes (net of CENVAT/ Sales Tax) and incidental expenses less accumulated depreciation. Cost incurred on construction of fixed assets consists of all directly attributable expenditure. Fixed assets is net off of value of compensation received against non performance of full capacity of machine.

E. DEPRECIATION

Depreciation is provided on fixed assets including those given on operating lease on written down value method at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956. Depreciation on reduced amount of fixed assets is net off depreciation on that compensation amount excess charged in earlier years.

F. INVESTMENTS

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

SCHEDULE "19" NOTES TO THE ACCOUNTS**G. INVENTORIES**Tobacco Division

- 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: At lower of cost or net realisable value.
- d) Stores, Packing & Other Materials: At lower of weighted average cost or net realisable value.

H. EXCISE DUTY

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

I. FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of occurrence of payments/receipts.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account of the year

J. SALES

Sales represents invoice value of finished goods sold inclusive of excise duty and value added tax but excludes sales returns, claims, rate difference etc.

Rental income is exclusive of service tax.

K. CLAIMS/REFUNDS

Excise, Insurance and other claims/refunds are accounted for on acceptance/actual receipt/ payment basis.

L. EMPLOYEE BENEFITS

i) 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, etc. and the expected cost of ex-gratia is recognised in the period in which the employee renders the related service.

(ii) Post-employment benefits

a) Defined Contribution Plan: Employee benefits in the form of Employees State Insurance Corporation and Provident Fund are considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due.

b) Defined Benefit Plan: Employee benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and are provided for on the basis of an independent actuarial valuation, using the projected unit credit method, as at the Balance Sheet date as per requirements of Accounting Standard-15 (Revised 2005) on "Employee Benefits".

Actuarial gains/losses, if any, are immediately recognised in the Profit and Loss Account.

SCHEDULE "19" NOTES TO THE ACCOUNTS**M. TAXATION**

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

N. IMPAIRMENT OF ASSETS

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

O. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use or sale. Other borrowing costs are recognised as an expense in the year in which they are incurred.

P. PROVISIONS/CONTINGENCIES

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

2. Earnings Per Share:-

(amount in rupees)		
Earnings per share is computed as under:-	2010-11	2009-10
(A) Profit after Taxation (Rs.)	1,136,728	(2,103,841.00)
(B) Weighted average number of Equity Shares outstanding	10,750,000	10,750,000.00
Earnings per share (Face value of Rs.10/- per share) (Rs.) Basic & Diluted (A/B)	0.11	(0.20)

SCHEDULE "19" NOTES TO THE ACCOUNTS**3. In terms of Accounting Standard - 19 on "Leases", disclosures for operating lease arrangements are as under:** (amount in rupees)

S.No.	PARTICULARS	2010-11	2009-10
I	Asset under leasing arrangement-Building *		
	a) Gross Block	20,475,591	20,475,591
	b) Less: Accumulated Depreciation	3,348,172	2,446,729
	c) Net Block	17,127,419	18,028,862
II	Depreciation during the year	901,443	949,940
III	Total contingent rents recognised as income in the statement of Profit and Loss Account	1,199,558	1,301,522

IV General Description: The Company has entered into cancelable operating lease arrangements which vary from 11 months to 21 years considering renewals at regular intervals.

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

4. Directors' Remuneration:- Remuneration paid during the year under review and value of perquisites enjoyed by Chairman & Managing Director and Whole-time Director in terms of appointment is as follows: (amount in rupees)

PARTICULARS	2010-11	2009-10
Salary	662,373	936,000
Contribution to Provident Fund	47,440	86,400
Perquisites	31,503	28,909
	741,316	1,051,309

Note: As the Liability of Gratuity and compensated absence is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors are not ascertainable and therefore not included in above.

Computation of Net Profit under Section 198 of the Companies Act, 1956 read with Section 349 of the Act for the purpose of calculating Directors' Remuneration: (amount in rupees)

PARTICULARS	2010-11	2009-10
Profit before Taxation	1,887,638	2,140,780
Add: Directors' Remuneration	662,373	936,000
Fixed Assets Written Off	- - -	- - -
	2,550,011	3,076,780
Less: Adjusted Profit on sale of Fixed Assets	227,858	1,258,076
Profit on sale of Shares	- - -	- - -
Profit for the purpose of Directors' Remuneration	2,322,153	1,818,704

5. Prior period adjustment amounting to Rs.648,798/- [Previous Year (1760/-)] debited to Profit and Loss Account comprises of following Expenses (amount in rupees)

PARTICULARS	2010-11	2009-10
EXPENSES		
Professional Fees	641,313	- - -
Other Miscellaneous Expenses	7,485	(1,760)
Prior period adjustments	648,798	(1,760)

SCHEDULE "19" NOTES TO THE ACCOUNTS**6. Employee Defined Benefits**

a) Defined Contribution Plans: The Company has recognised an expense of Rs.3,422,544/-(Previous Year Rs. 3,267,450/-) towards the defined contribution plans.

b) Defined Benefit Plans: As per actuarial valuation as on March 31, 2011 and recognised in the financial statements in respect of Employee Benefit Schemes:

(Rs. in Lacs)

PARTICULARS	2010-11		2009-10	
	Gratuity	Leave	Gratuity	Leave
I Components of Employer Expense				
1 Current Service Cost	7.17	0.19	6.84	0.19
2 Interest Cost	18.32	0.93	18.32	0.93
3 Expected Return on Plan Assets	---	---	---	---
4 Curtailment Cost/ (Credit)	---	---	---	---
5 Settlement Cost/ (Credit)	---	---	---	---
6 Past Service Cost	---	---	---	---
7 Actuarial Losses/ (Gains)	24.12	1.41	23.97	(0.17)
8 Total employer expense recognised in the statement of Profit & Loss Account	49.61	2.54	49.12	0.95
Gratuity expense is recognised in "Gratuity" and Leave Encashment in "Salary, Wages and Bonus" under Schedule -17.				
II Net Asset/ (Liability) recognised in Balance Sheet				
1 Present Value of Defined Benefit Obligation	210.26	10.83	195.96	9.47
2 Fair Value of Plan Assets	---	---	---	---
3 Funded Status [Surplus/ (Deficit)]	(210.26)	(10.83)	(195.96)	(9.47)
4 Unrecognised Past Service Costs	---	---	---	---
5 Net Asset/ (Liability) recognised in Balance Sheet	(210.26)	(10.83)	(195.96)	(9.47)
III Change in Defined Benefit Obligation (DBO)				
1 Present Value of DBO at the Beginning of Period	195.96	9.47	206.50	10.72
2 Current Service Cost	7.17	0.19	6.84	0.19
3 Interest Cost	18.32	0.93	18.32	0.93
4 Curtailment Cost/ (Credit)	---	---	---	---
5 Settlement Cost/ (Credit)	---	---	---	---
6 Plan Amendments	---	---	---	---
7 Acquisitions	---	---	---	---
8 Actuarial Losses/ (Gains)	24.12	1.41	23.97	(0.17)
9 Benefit Payments	(35.31)	(1.17)	(59.66)	(2.20)
10 Present Value of DBO at the End of Period	210.26	10.83	195.96	9.47
IV Change in Fair Value of Assets				
1 Plan Assets at the Beginning of Period	---	---	---	---
2 Acquisition Adjustment	---	---	---	---
3 Expected Return on Plan Assets	---	---	---	---
4 Actual Company Contributions	35.31	1.17	59.66	2.20
5 Actuarial Gain/ (Loss)	---	---	---	---
6 Benefit Payments	(35.31)	(1.17)	(59.66)	(2.20)
7 Plan Assets at the End of Period	---	---	---	---
V Actuarial Assumptions				
1 Discount Rate	8.00%	8.00%	8.00%	8.00%
2 Expected Return on Assets	N.A	N.A	N.A	N.A
3 Salary Escalations:- Tobacco	5.00%	5.00%	5.00%	5.00%
4 Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate
5 The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.				
6 Discount rate is based upon the market yields available on Government Bonds at the accounting date with a term that matches with that of liabilities				

SCHEDULE "19" NOTES TO THE ACCOUNTS**7. Related party disclosures:-**

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

(i) Enterprises where control exists

S.No.	Name of Company	S.No.	Name of Company
1	MKN Investment Pvt. Ltd	5	RDB Regent Retail Ltd
2	Raj Construction Projects Private Ltd.	6	RDB Rasayans Limited
3	RDB Realty & Infrastructure Ltd	7	Sri S. L. Dugar Charitable Trust
4	Paras Nirman		

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

(A) Key Management Personnel & their relatives:-

S.No.	Name	Designation /Relationship
1	Sunder Lal Dugar	Chairman & Managing Director (CMD) (upto July'2010)
2	Ravi Prakash Pincha	Executive Director (upto July'2010)
3	Lawrance Baptist Fernandes	Managing Director (from Aug'2010)
4	Naresh Chandra Chakraborty	Executive Director (from Sept'2010)

(B) Enterprises over which Key Management Personnel/Major Shareholders/Their Relatives have Significant Influence: -

S.No.	Name of Enterprise	S.No.	Name of Enterprise
1	Electrical Manufacturing Co.Ltd.	4	Sri S.L.Dugar Charitable Trust
2	Pyramid Sales Private Ltd.	5	RDB Rasayans Limited
3	RD Motors Private Ltd.		

SCHEDULE "19" NOTES TO THE ACCOUNTS

(iii) Disclosure of transactions between the Company and related parties and the status of outstanding balances as on 31.3.2011 (amount in rupees)

Nature of Transaction	Subsidiaries	Partnership Firms	Associates	Key Management Personnel & their relatives	Enterprises over which KMP & their relatives have significant influence
Rental Income	---	---	---	---	29,753,593
	(---)	(---)	(---)	(---)	(24,848,098)
Interest Income	---	---	---	---	7,634
	---	---	(---)	(---)	(---)
Share of Profit Earned	---	---	---	---	---
	(---)	---	(---)	(---)	(---)
Remuneration Paid	---	---	---	741,316	---
	(---)	(---)	(---)	(10,51,309)	(---)
Rent Paid	---	---	---	---	158,100
	(---)	(---)	(---)	(---)	(171,822)
Interest Paid	---	---	---	---	130,160
	(---)	(---)	(---)	(---)	(---)
Repair Services Availed	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Investment in Equity Shares	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Equity Share Purchased	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Equity Share Sold	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Unsecured Loan Received	---	---	---	---	39,100,000
	(---)	(---)	(---)	(---)	(---)
Unsecured Loan Repaid	---	---	---	---	39,070,000
	(---)	(---)	(---)	(---)	(---)
Capital Introduced in Partnership Firm	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Refund of Capital by Partnership Firm	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Advance Given	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Refund of Advance Given	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Loan Given	---	---	---	---	3,850,000
	(---)	(---)	(---)	(---)	(---)
Refund of Loan with interest	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Closing Balance Receivables	---	---	---	---	2,736,189
	(---)	(---)	(---)	(---)	(2,575,327)
Payables	---	---	---	---	39,147
	(---)	(---)	(---)	(---)	(156,252)
Advance Given	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Advance Taken	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)
Loan Given	---	---	---	---	3,857,634
	(---)	(---)	(---)	(---)	(---)
Unsecured Loan Taken	---	---	---	---	117,144
	(---)	(---)	(---)	(---)	(---)
Capital with Partnership Firm	---	---	---	---	---
	(---)	(---)	(---)	(---)	(---)

Note:- Previous year figures have been given in brackets.

SCHEDULE "19" NOTES TO THE ACCOUNTS

(iv) The significant transactions during the year with related parties are as under:

Name & Nature of Transactions	2010-11	2009-10
Rental Income		
Electrical Manufacturing Co.Ltd.	3,858,466	3,905,446
RD Motors Private Ltd.	15,303,619	14,544,408
Sri S. L. Dugar Charitable Trust	6,503,332	2,398,244
RDB Regent Retail Ltd.	3,866,375	1,099,926
RDB Rasayans Ltd.	221,801	0
Remuneration Paid		
Sri Sunder Lal Dugar	283,180	835,309
Sri Ravi Prakash Pincha	72,000	216,000
Sri Lawrence Baptist Fernandes	211,136	0
Sri Naresh Chandra Chakraborty	175,000	0
Rent Paid		
Pyramid Sales Pvt. Ltd.	158,100	171,822
Receivables		
RD Motors Private Ltd.	1,658,700	2,313,337
Sri S.L.Dugar Charitable Trust	159,166	114,927
RDB Regent Retail Ltd.	771,265	988,694
Electrical Manufacturing Co.Ltd.	147,058	0
Payables		
Pyramid Sales Pvt. Ltd.	39,147	156,252

Note: Related party relationships are identified by the Company on the basis of available information.

8. The break-up of major components of Deferred Tax Assets & Liabilities calculated in accordance with Accounting Standard -22 on "Accounting for Taxes on Income", is as under:

PARTICULARS	2010-11	2009-10
Deferred Tax Assets on		
Provision for Gratuity	5,788,254	4,229,249
Provision for Leave Encashment	78,377	321,894
Provision for Bonus	231,750	288,915
Provision for Land Revenue	---	231,551
Expense Disallowance U/s 40(a) (ia)	---	---
	6,098,381	5,071,609
Deferred Tax Liabilities on		
Depreciation Allowance on fixed assets	6,522,441	4,316,737
Provisional Rental Income	881,463	1,370,010
	7,403,904	5,686,747
Deferred Tax Assets / (Liabilities) (Net)	(1,305,523)	(615,138)

SCHEDULE "19" NOTES TO THE ACCOUNTS

9. The Hon'ble High Court, Kolkata has confirmed sale of assets of New Tobacco Co. Ltd. (In Liquidation) in favour of the company vide its order dated 19th April, 2006 and directed the Joint Special Officers to execute the deed and/or deeds of conveyance in respect of immovable properties and to issue necessary sale certificates for plant & machineries and all assets and properties in favour of the Company. Conveyance deed of some properties is yet to be executed for transfer of title in favour of the Company since connected proceedings are pending before the Hon'ble High Court, Kolkata.
10. In view of the amendment made in the Union Budget 2003 with retrospective effect, the company is liable to refund excise duty amounting to Rs. 68,183,280/- received/ receivable in terms of notification no.32/99 dated 8th July, 1999 issued by the Central Government, on account of Badarpur unit in Assam and interest thereon amounting to Rs.40,437,517/- upto 31st March,2006. The company has challenged the amendment in Hon'ble High Court, Guwahati and subsequently the matter is 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 is of the view that the amendment is 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 has passed a fresh adjudication order confirming the demand and the Company has appealed before the Appellate Tribunal which was brought to the notice of the Hon'ble Supreme Court. The Hon'ble Supreme Court disposed off the petition on 25th March, 2008 with a direction that appeal shall be decided by appellate authority on merits and in accordance with law. The appeal filed before the Tribunal is disposed off without relief. The Company moved to Hon'ble Guwahati High court and the recovery is stayed till the final hearing. The Company is confident to get the full relief as the entire benefit was passed on to the consumer and as such the company does not accept any further liability and no provision is considered necessary based on the expert legal advice. Further to this the company has accounted for during financial year 2000-01 a sum of Rs. 40,493,280/- as excise duty refund receivable (Badarpur) and Rs.21,548,160/- towards excise duty payable (Badarpur) in terms of the above mentioned notification.
11. A suit has been filed against the company in the year 1999 for recovery of Rs.20,000,000/- along with interest which is still pending before the Hon'ble High Court, Kolkata. The company disputes the claim of the party and as the matter is subjudice no provision for interest has been made.
12. The Company is in communication with its suppliers to ascertain the applicability of "The Micro, Small and Medium Enterprises Development Act, 2006". As on the date of this Balance Sheet the Company has not received any communications from any of its suppliers regarding the applicability of this Act to them.
13. Contingent Liabilities
- Claims against the company not acknowledged as debts Rs. 14,453,701/- (Previous year Rs.14,453,701/-)
 - Disputed liabilities relating to Central Excise Demands Rs.862,710,000/- (Previous year Rs.921,837,000/-)

SCHEDULE "19" NOTES TO THE ACCOUNTS

14. 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 provision for all known liabilities is adequate and not in excess of the amount reasonably necessary. There is no contingent liability except stated and informed by the Management.
15. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(A) Licensed/ Registered and Installed Capacity and Actual Production

Class of Goods	Unit	CAPACITY #				PRODUCTION	
		Licensed/ Registered		Installed		2010-11	2009-10
		2010-11	2009-10	2010-11	2009-10		
Cigarettes	Million	15,700	15,700	2,725	2,037	117.184	85.048
Smoking Tobacco	Tonne	138	138	36	36	1.390	1.27

Note: - The Licensed/ Registered Capacity is exclusive of additional capacity of 25% permissible under the policy of the Government of India.

As certified by the Management.

(B) Particulars in respect of Sales

Class of Goods	Unit	QUANTITY		VALUE (Rs.)	
		2010-11	2009-10	2010-11	2009-10
Cigarettes-Domestic	Million	84.065	65.00*	116,318,454	85,268,089
Cigarettes-Exports	Million	33.720	18.5	9,308,271	4,770,915
Smoking Tobacco	Tonne	1.390	1.27	1,490,683	1,123,398
P.H.Paper	Boxes	6	66	1,379	11,875
Construction Activities	- - -	- - -	- - -	- - -	- - -
Raw Tobacco	Tonne	526.76	- - -	61,685,178	- - -
Total				188,803,965	91,174,277

*Domestic Sales Include 0.120 million cigarettes written off as damaged and 0.048 million cigarettes as lost in Transit.

SCHEDULE "19" NOTES TO THE ACCOUNTS**c) Details of Finished Goods****(i) Opening Stock**

Class of Goods	Unit	QUANTITY		VALUE (Rs.)	
		2010-11	2009-10	2010-11	2009-10
Cigarettes					
- At NDP *		9.660*	9.660*	---	---
- At Depots	Million	6.166	6.772	7,287,799	7,979,287
- Stock in transit		3.402	1.248	4,358,433	1,366,535
		19.228	17.680	11,646,232	9,345,822
P.H.Paper	Boxes	34	---	6,970	---
Construction Units	Sqft	---	---	---	---
				11,653,202	9,345,822

*Represents damaged stock of 9.660 million (Previous year 9.660 million) of Badarpur Factory having Nil Value.

(ii) Closing Stock

Class of Goods	Unit	QUANTITY		VALUE (Rs.)	
		2010-11	2009-10	2010-11	2009-10
Cigarettes					
- At NDP *		9.840*	9.660*	53,822	---
- At Depots	Million	6.271	6.166	7,846,813	7,287,799
- Stock in transit		2.516	3.402	3,753,846	4,358,433
		18.627	19.228	11,654,481	11,646,232
P.H.Paper	Boxes	28	34	5,740	6,970
Construction Units	Sqft	---	---	---	---
				11,660,221	11,653,202

*Represents damaged stock of 9.660 million (Previous year 9.660 million) of Badarpur Factory having NIL Value.

(D) Details of Raw Material Consumed

Class of Goods	Unit	QUANTITY		VALUE (Amount in Rs.)	
		2010-11	2009-10	2010-11	2009-10
Un-manufactured Tobacco	Tonne	90.775	65.860	9,385,241	5,597,582
Filter Rods	Million	20.523	15.058	3,430,074	2,408,322
Board/Sheet	Tonne	5.935	4.475	384,289	279,803
Shells/Blanks	Million	9.15	7.727	4,693,011	3,534,061
Miscellaneous	---	---	---	3,798,366	2,316,596
				21,690,981	14,136,364

(E) Details of Material Purchase for Trading

Class of Goods	Unit	QUANTITY		VALUE (Amount in Rs.)	
		2010-11	2009-10	2010-11	2009-10
Un-manufactured Tobacco	Tonne	526.76	---	56,752,693	---
				56,752,693	---

SCHEDULE "19" NOTES TO THE ACCOUNTS**(F) Value of Raw Materials, Spare Parts & Stores Consumed**

Description	% OF TOTAL CONSUMPTION		VALUE (Amount in Rs.)	
	2010-11	2009-10	2010-11	2009-10
Raw Materials				
- Indigenous	78.75	77.44	17,081,023	10,948,351
- Imported	21.25	22.56	4,609,958	3,188,013
Spare Parts & Stores				
- Indigenous	100	100	3,339,718	1,393,840

(G) C.I.F. Value of Imports, Expenditure and Earning in Foreign currencies

(Amount in Rs.)

Description	2010-11	2009-10
C.I.F. Value of Imports		
- Raw Materials	4,841,363	2,227,410
- Capital Goods	---	1,365,843
F.O.B. Value of Exports	9,308,271	4,770,915
Processing Charges Received	126,158	---

Amount remitted in Foreign Currency on account of: Dividend

Year to which the dividend relates	2010-11	2009-10
Dividend amount (Rs.)	---	11,153
Number of Non-resident shareholders	---	37
Number of shares held by Non-resident shareholders	---	22,305

16. The figures of Previous Year have been recast and regrouped wherever considered necessary.

Signatories to Schedules 1 to 19 forming part of the Accounts

For and on behalf of the Board

For S. M. DAGA & CO.
Chartered Accountants

D. K. DAGA
Partner
Membership No.59205
Kolkata
The 30th day of May 2011

L.B Fernandes
Managing Director

N C Chakraborty
Director

Disha Dugar
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

1. Registration Details

Registration No. State Code
 Balance Sheet Date

2. Capital raised during the year (Amount in Rs. '000s)

Public Issue Rights Issue
 Bonus Issue Private Placement

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000s)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liabilities

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Miscellaneous Expenditure

4. Performance of Company (Amount in Rs. '000s)

Turnover & Other Income Total Expenditure
 +- Profit/Loss Before Tax +- Profit/Loss After Tax
 Earning Per Share in Rs. Dividend rate (%)

5. Generic Names of three principal products / services of the Company (in monetary terms)

Item Code No (ITC Code)

Product Description

For and on behalf of the Board**L. B. Fernandes**
Managing Director**N. C. Chakraborty**
Director**Dish Dugar**
Company Secretary**Disclaimer**

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

We cannot guarantee that this forward-looking statements will do realise, although we believe we have been prudent in assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Should known or unknown risk or uncertainties met-realise or should underline assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicity update. Any forward-looking statement wether as a result of new information, future events otherwise.