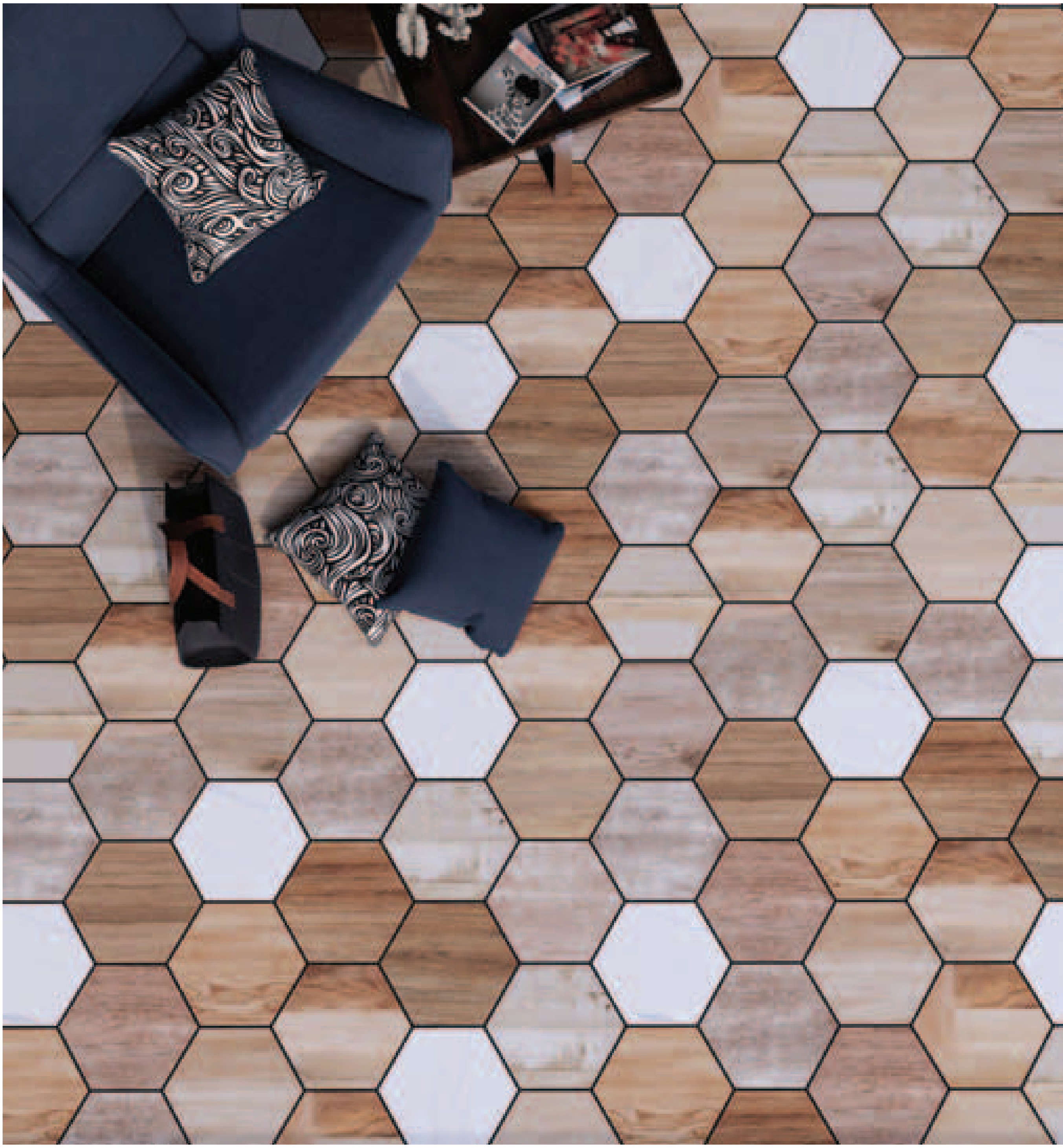
# NITCO

TILES MARBLE MOSAICO



# NITCO LIMITED
# ANNUAL REPORT
2018-2019

# What's Inside...

# Corporate Information

**Board of Directors**
Mr. Vivek Talwar, Chairman & Managing Director
Mr. Sharath Bolar, Independent Director
Mrs. Bharti Dhar, Independent Director
Mr. Vivek Grover, Nominee Director*
Mr. Samir Chawla, Nominee Director*
*Nominee of JM Financial Asset Reconstruction Company Limited

**Chief Executive Officer**
Mr. Mahesh Shah

**Chief Financial Officer**
Mr. B.G. Borkar

**Company Secretary and Compliance Officer**
Mr. Puneet Motwani

**Statutory Auditor**
Nayak & Rane, Chartered Accountant

**Registrar and Share Transfer Agent**
Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli, (West), Mumbai – 400 083
Tel.: 022 4918 6000
Fax: 022 4918 6060
E-mail: mumbai@linkintime.co.in
Website: www.linkintime.co.in

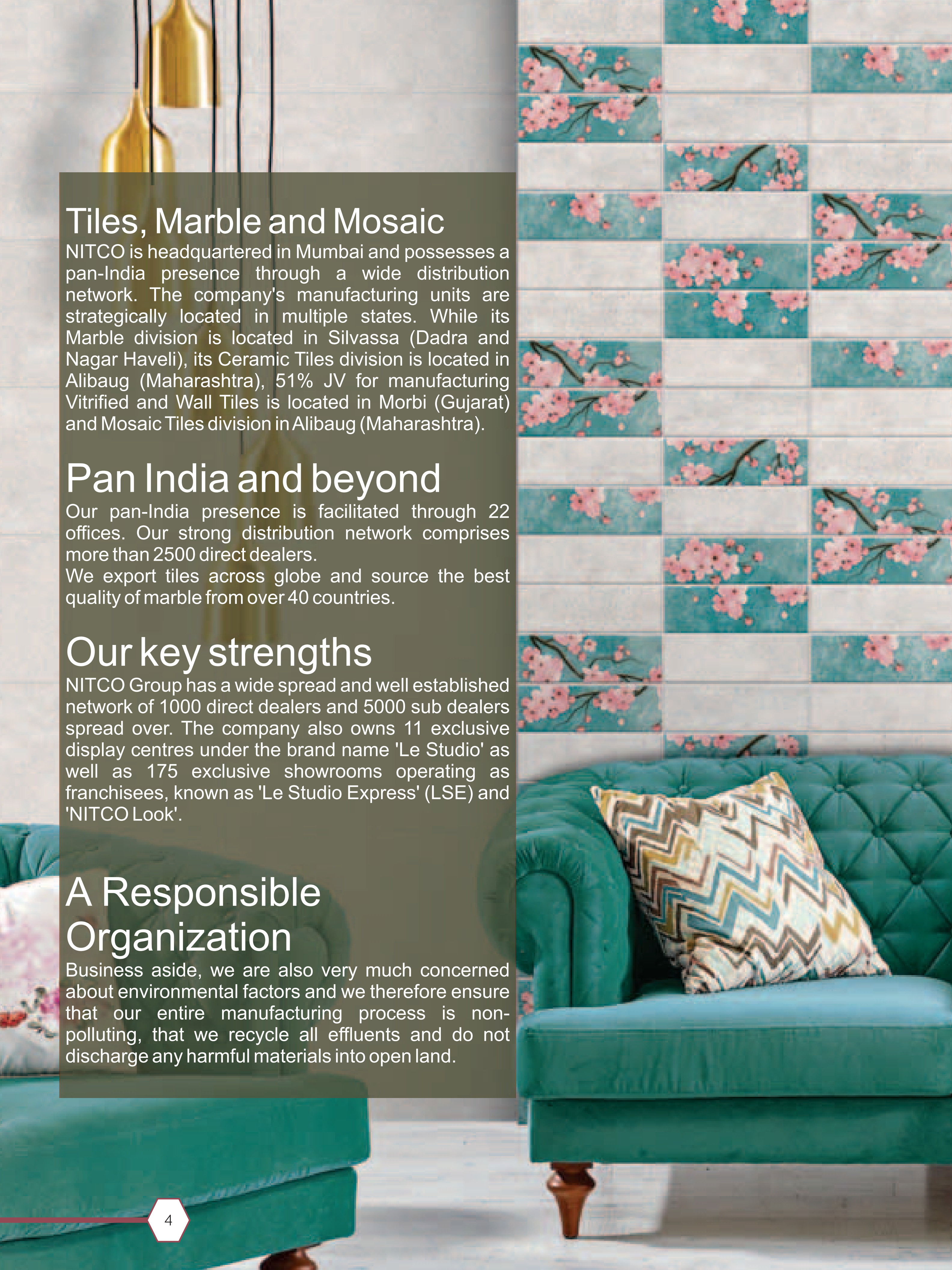
**Registered Office**
NITCO Limited,
Plot No. 3, Nitco House, Kanjur Village Road,
Kanjur Marg (E), Mumbai - 400042.
Tel.: 022 6752 1555
Fax: 022 6752 1500.
E-mail: investorgrievances@nitco.in
Website: www.nitco.in

**Works**
**Ceramic Tiles Division**
Village Shirgaon, Taluka Alibaug,
Post Poynad, District Raigad,
Maharashtra - 402 108
**Marble Division**
Survey No 176, Village Silli,
Silvassa – 396 230

# About us...

NITCO (Northern India Tiles Corporation) Limited was established in 1966 by Late Mr. Pran Nath Talwar, a first generation entrepreneur. The Company is engaged in providing floor and wall solutions with a portfolio comprising a comprehensive range of tiles, marbles and mosaic. The Company has also forayed into real estate.

The Company's equity shares are listed on the Bombay Stock Exchange and the National Stock Exchange.



## Tiles, Marble and Mosaic

NITCO is headquartered in Mumbai and possesses a pan-India presence through a wide distribution network. The company's manufacturing units are strategically located in multiple states. While its Marble division is located in Silvassa (Dadra and Nagar Haveli), its Ceramic Tiles division is located in Alibaug (Maharashtra), 51% JV for manufacturing Vitrified and Wall Tiles is located in Morbi (Gujarat) and Mosaic Tiles division in Alibaug (Maharashtra).

## Pan India and beyond

Our pan-India presence is facilitated through 22 offices. Our strong distribution network comprises more than 2500 direct dealers.
We export tiles across globe and source the best quality of marble from over 40 countries.

## Our key strengths

NITCO Group has a wide spread and well established network of 1000 direct dealers and 5000 sub dealers spread over. The company also owns 11 exclusive display centres under the brand name 'Le Studio' as well as 175 exclusive showrooms operating as franchisees, known as 'Le Studio Express' (LSE) and 'NITCO Look'.

## A Responsible Organization

Business aside, we are also very much concerned about environmental factors and we therefore ensure that our entire manufacturing process is non-polluting, that we recycle all effluents and do not discharge any harmful materials into open land.

## World Class Technology

NITCO deploys world-class manufacturing technology with fully-automated production lines enabling the delivery of globally-benchmarked products. We have a fully automated state-of-the-art plant in Silvassa, which is also one of the only five such plants in the world and the only one in Asia, using the most Modern Italian Technology (Breton) to process Natural Marble. We use the best quality Epoxy Resin & Imported Fiber Glass Net in our plant to add strength and durability to the slabs of Natural Marble. The Grinding-Polishing line delivers the highest gloss level of above 30% more than conventional polishing.

## International Expertise

NITCO leverages Italian know-how to gain an edge over peers. Superior marble is sourced from select quarries in Italy and other locations globally and thereafter cut and smoothened with finesse, enabling the supply of international standard products.

## Design Partner

We are very much aware of the human factors involved in our business. We are aware that our customers and employees expect and deserve only the best. Awareness of these underlying issues lies deep within the fabric of our day-to-day work.

# Business model

**Distribution Network**
With a strong distribution network, NITCO caters to demand from across India. Widening its presence further, the Company has built a reliable client base overseas as well. The Company has increased its distribution network in the North and East zone of the country.

**Brand Equity**
The NITCO brand stands for pioneering innovation in 600x600 mm glazed vitrified tiles of which the Company is among the largest manufacturers in India. We also manufacture rustic tiles utilising a unique 'dry powder application' technology which imparts a natural 'stone' feel with undulated surfaces embellished using a special glaze.

**Asset Light**
NITCO shuffled its operating model to a joint-venture led approach. The Company invested in brown field expansion at Gujarat-based facilities and saved on similar capex costs that would be required for green field projects, strengthening long- term profitability and moderating capital costs.

**Multi Segment**
Although a major segment of the Company's business comprises floor tiles, NITCO also has interests in marble and digital wall tiles, enabling it to offer complete flooring solutions. The Company is also engaged in manufacturing of Mosaico. Besides, the Company is also engaged in real estate development.

**Customer Focused**
NITCO's products are sold across both retail and institutional channels, enabling it to enhance its customer base and drive both volumes and margins.

# Innovation at NITCO

What separates NITCO from other Indian tile manufacturers, is that we have always invested in the best available technology.

We have a fully automated plant in Silvassa, which is also one of the only five such plants in the world and the only one in Asia, using the most Modern Italian Technology (Breton) to process Natural Marble. We use the best quality Epoxy Resin & Imported Fiber Glass Net in our plant to add strength and durability to the slabs of Natural Marble. The Grinding-Polishing line delivers the highest gloss level of above 30% more than conventional polishing.

With advanced technology, and a major focus on environment friendly products, it is possible to get varied looks, including natural textures at most competitive prices. For example, our Nordic tiles from our latest Made In Italy collection, boast of an earthy essence by reinterpreting the depth of natural stones and the strength of porcelain.

# Certifications

The Tile Plant at Alibaug, Maharashtra has been certified for Integrated Management System (ISO 9001:2008 - For Quality Management, ISO 14001:2004 - Environment Management, OHSAS 18001:2007 - Occupational Health and Safety Management) and the Corporate office has been certified for ISO 9001:2008 - For Quality Management .

NITCO has also secured the most prestigious IGBC certification as the only company within its category to be Green Certified in its process (Green Pro certification) for its Plant.

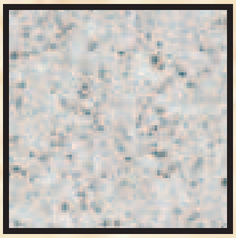
# OUR LEGACY SINCE 1966...

**1966**

NITCO Limited was established by late Mr. Pran Nath Talwar

**1984**

NITCO expanded its business by importing and processing marble, for its growing customer base.



**1997**

NITCO began the production of Ceramic tiles with our first automated manufacturing plant in Alibaug.

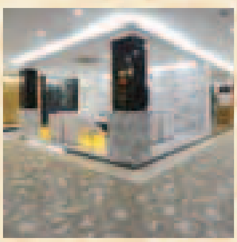
**2001**

NITCO began a one of its kind MOSAICO division, that gave customers signature designs using shell stones, gem stones and more.

**2002**

NITCO received the "Quality Excellence" award for Alibaug plant from the Institute of Trade & Industrial Development

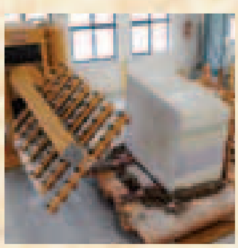
## 2007



NITCO was the first amongst the organised players to launch its exclusive state of the art showroom – the 'Le Studio'.

## 2010

NITCO commenced a fully-automated state-of-the-art plant in Silvassa using the most Modern Italian Technology (Breton) to process Natural marble.



## 2013

NITCO was ranked 20th among “Dream companies to work for” by the World HRD Congress.

## 2018

NITCO was the first INDIAN tile brand to be awarded with GreenPro Certification for Ceramic & GVT Tiles.

## 2019

NITCO
Made In ITALY

NITCO is the only Indian company to manufacture tiles in Italy. Introduced its first ever Made In Italy collection.

# Key Corporate Highlight for 2018-19

## DEMAND GENERATION ACTIVITIES

### Architects' Meets

We, at NITCO understand the design requirements of architects and their significance in our ndustry. NITCO focuses on organising multiple Architect Meet's at various regions to increase the awareness of NITCO's products among the architect community. This year NITCO setup a strong Professional Business development Team to service this community. The team represented all the vertical Tiles, Marble, Mosaic of NITCO and was the first spoke in connecting with the Architects and servicing their requirements. The team was supported by a Zonal Manager ably assisted in the back end by the Marketing team with skill set to assist the architect from CAD drawings, project render also provide testimonials and design assistance at all stages. The momentum of this activity helped NITCO win many projects across many application areas and also cemented NITCO as the most preferred brand among leading architects. Also internationally showcased projects by India Architects have maximum usage of brand NITCO. NITCO today adorns from all India car showrooms of the likes of Maruti, Renault, Mahindra to many retail formats from Cafe Coffee Day/Starbucks/Lenskart to Many restaurants chains Barbeque Nation to large store formats like Ikea, H&M, Shoppers stop, offices like Google, Amazon to large public spaces airports, hotels, stadiums, hospitals, luxury residential across the country. It's ability to work very closely with architects, projects in this regard has helped NITCO win specification and project orders across India and also in its export business.

### All India event highlights:

NITCO's biggest ever launch of Wall Tiles took place across major cities in India – Delhi, Mumbai, Kolkata, Kochi and more.

NITCO takes pride in being associated with CREDAI for 20 years, and is proud to present itself as CREDAI's only preferred partner for tiles, marbles and mosaico.

NITCO participated in Dialogues at the Taj Falaknuma, Hyderabad.

NITCO was delighted to be a part of Work on Vacation (WOV's) second edition at Istanbul, Turkey, with its finest collection of marble on display.

NITCO participated at the IIID Natcon 2018, a bi-annual National Convention event in Goa that gathers members from across the country to discuss issues of significant interest and relevance to the Interior Design Profession.

NITCO was the key sponsor at the 7th Edition of Dialogues, a program for top architects of the country, at the Taj Umaid Bhavan Palace in Jodhpur.

NITCO was part of the 1st Edition of India's premier boutique exhibition on Infrastructure, Development, Construction and Architecture industry- iDAC Expo in Mumbai.

### Dealer Meets

NITCO understands the utmost importance of channel partners and to more concrete our dealerships network. We at NITCO organize continuous multi-state Dealer Meetings, engaging dealers for launch, relationship programs and family special occasion celebration. For NITCO its partners are like a family for NITCO its arms and legs. NITCO has various formats from multibrand dealers, wholesellers, exclusive format store dealers all catered by its on ground retail sales team supported by the marketing team for demand generation, display and creating memorable experiences for the dealer and retail customer.

# DIRECTOR'S
Report

# DIRECTORS' REPORT

## Dear Members,

Your Directors are pleased to present the 53rd Annual Report on the business and operations of the Company together with the audited statement of accounts of the Company for the year ended March 31, 2019.

### Financial results

The highlights of the financial results for the year ended March 31, 2019 are as follows:

(₹ in crores)

| For the year ended March 31 | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Tiles & Related businesses | 590.39 | 576.99 | 596.89 | 589.56 |
| Less: Excise duty including excise duty on traded products | - | 15.32 | - | 16.51 |
| **NET Revenue from Tiles & Related businesses (Net of Excise duty)** | **590.39** | **561.67** | **596.89** | **573.05** |
| Revenue from Real Estate Business | 1.57 | 29.99 | 1.57 | 32.25 |
| **Net Comparable Revenue** | **591.96** | **591.66** | **598.46** | **605.30** |
| **Profit /(Loss) before interest depreciation and tax** | **3.99** | **5.28** | **0.93** | **8.37** |
| Interest & Financial Charges (Net) | (19.77) | (8.46) | (23.07) | (13.86) |
| Depreciation | (31.12) | (72.46) | (39.23) | (80.53) |
| Exceptional Items | - | 247.86 | - | 247.86 |
| **Profit/(loss) before tax** | **(46.90)** | **172.22** | **(61.37)** | **161.84** |
| Provision for tax including reversal of taxes for earlier years | - | 20.35 | 1.32 | 22.92 |
| Other Comprehensive Income | 0.15 | (0.20) | 0.15 | (0.20) |
| **Profit/(loss) after tax** | **(46.75)** | **192.37** | **(59.90)** | **184.56** |
| Minority interest | - | - | (6.40) | (4.13) |
| Balance carried forward | **(46.75)** | 192.37 | **(53.50)** | 188.69 |

### Review of operation

Recent years have witnessed several major changes in government policies. Implementation of Goods & Service Tax (GST) Act, Real Estate (Regulation & Development) Act ("RERA") and continuing effect of demonetization etc have impacted real estate as well as building material industry in particular. Under such constraints, your Company was able to achieve net total revenue of Tiles & Related businesses of ₹ 590.39 crore, an increase of 5.11% over last year. This was made possible due to the strong brand equity enjoyed by the Company. The Company has achieved overall EBITDA of ₹ 3.99 crores in F.Y. 2018-19 against an EBITDA of ₹ 5.28 crores in F.Y. 2017-18. The drop in EBITDA was on account of lower sales in real estate segment. At a consolidated level, the Company has achieved EBITDA of ₹ 0.93 crores (previous year ₹ 8.37 crores) on account of losses incurred by subsidiary companies.

### Share Capital

The paid up Equity Share Capital as at March 31, 2019 stood at ₹ 71.86 crore. There was no change in the share capital during the year under review.

### Employee Stock Option Plan (ESOP)

With a view to motivate, attract and retain key employees of the Company, The Company introduced a "Nitco - Employees Stock Option Plan - 2019" (NITCO - ESOP - 2019). The Plan is introduced to create, grant, offer, issue and allot such number of Stock Options convertible into Equity Shares of the Company ("Options"), in one or more tranches, not exceeding 12,00,000 (twelve lakhs) equity shares of face value of ₹ 10 each. Special Resolution to approve "NITCO - Employees Stock Option Plan - 2019" was passed by the shareholders through Postal Ballot on March 30, 2019.

### Borrowing

JMFARC had acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from the Cut-Off date February 28, 2018. Interest on restructured loans has been provided in the books as per the Restructuring agreement with JMFARC. Further, the company is negotiating with LIC for restructuring of its facility (outstanding ₹ 19.05 crs.) on terms similar to restructuring done by JMFARC. Pending negotiations with LIC no further adjustments in respect of LIC facility has been made.

Pending realisation from sale of non core assets, there was default in repayment of term loan installments of ₹ 1101.71 lakhs., which were repayable as on 31.3.2019.

### Joint Venture with New Vardhman Vitrified Tiles Pvt. Ltd.

With a view to get assured supply of Soluble Salt Vitrified Tiles, your Company had acquired 51% equity stake in New Vardhman Vitrified Tiles Pvt. Ltd (NVVPL) during F.Y. 2011-12 with a view to get assured supply of vitrified tiles at competitive prices. Due to adverse market conditions the market prices of the products being manufactured by NVVPL has been continuously coming down. As a result, the cost of production of NVVPL was higher than the prevailing market prices. Considering the market conditions, the production at NVVPL was temporarily suspended from October 2018. With suspension of production at NVVPL, Company made alternate arrangements for sourcing of the products manufactured by NVVPL from other vendors at competitive prices. During the F.Y. 2018-19, NVVPL has achieved net total turnover of ₹ 56.46 crore (previous year ₹ 126.59 crores), EBITDA loss of ₹ 3.59 crore (previous year EBITDA profit of ₹ 1.32 crores) and loss before tax of ₹ 14.38 crore (previous year ₹ 11.00 crores). NVVPL has fully repaid the term loan sanctioned by the bank. The outstanding balance of cash credit as on March 31, 2019 stands at ₹15.49 crores. The banker to NVVPL has sent a recall notice dated April 22, 2019 for withdrawal of the facilities being enjoyed by NVVPL. Details of transactions with NVVPL (including investments and loans & advances have been provided in note no 36 (B) - "Related party disclosures" of the financial statements

## Subsidiary Companies and Consolidated Financial Statements

In accordance with the Companies Act 2013, and Accounting Standard (AS-21) on consolidated financial statement, the audited consolidated financial statement is provided in the Annual Report. The statement required under section 129(3) of the Companies Act, 2013 in respect of the subsidiary companies is provided in **Annexure I** of this report.

The annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company / its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection by any member at the Company's Registered Office and Corporate Office and that of the respective subsidiary companies.

## Credit Rating

The last Credit Rating issued to the Company by CARE Limited was on October 1, 2012. However, the credit rating is under suspension at present as the Company was under Corporate Debt Restructuring.

## Dividend

Board does not recommend any dividend for the financial year ended March 31, 2019.

## Material Changes

No material changes or commitments have occurred between the end of the financial year and the date of this report which affect the financial statements of the Company in respect of the reporting year.

## Internal Control System

**(i) Internal Control Systems and their adequacy**

The Company has in place adequate internal controls commensurate with the size of the Company and nature of its business and the same were operating effectively throughout the year. Internal Audit is carried out by external auditors and periodically covers all areas of business. The Internal Auditors evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are placed before the Audit Committee of the Board.

**(ii) Internal Controls over Financial Reporting**

The Company has in place adequate internal financial controls commensurate with size and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## Directors' Responsibility Statement

The Directors confirm that:

a) In the preparation of the annual accounts for the year ended March 31, 2019 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed with proper explanation relating to material departures;

b) Appropriate accounting policies have been selected and applied consistently and have 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 as on March 31, 2019 and of the loss of the Company for the year ended March 31, 2019;

c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual accounts have been prepared on a going concern basis.

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Directors

During the year, JM Financial Asset Reconstruction Company Limited (JMFARC) nominated Mr. Vivek Grover and Mr. Samir Chawla as nominee Directors. Mr. Pradeep Saxena- Independent Director of the company has resigned from the Board w.e.f. April 23, 2019 due to his pre-occupation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligation and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman was carried out by the Independent Directors.

### Key Managerial Personnel

The Company has following Key Managerial Personnel:

| Sr. No. | Name of the person | Designation |
|---|---|---|
| 1. | Mr. Vivek Talwar | Chairman & Managing Director |
| 2. | #Mr. Mahesh Shah | Chief Executive Officer |
| 4. | Mr. B. G. Borkar | Chief Financial Officer |
| 5. | Mr. Puneet Motwani | Company Secretary & Compliance Officer |

# Appointed as Chief Executive Officer w.e.f. October 24, 2018

### Corporate Governance

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on Corporate Governance forms a part of this Annual Report. A certificate from the auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in a separate statement which forms part of this Annual Report.

### Management Discussion and Analysis

Management Discussion and Analysis on matters related to business performance, as stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in a separate statement which forms part of the Annual Report.

### Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any new contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Material related party transactions which are at arm's length are disclosed in form AOC-2 annexed as **Annexure II.**

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.nitco.in/investors/nitco-policy.aspx. Your Directors draw attention of the members to Note 36 to the standalone financial statement which sets out related party disclosures.

### Transfer to Investor Education and Protection Fund (IEPF)

The Company has transferred ₹ 1.01 lakhs to Investor Education & Protection Fund (IEPF) account during the year under review on account of unclaimed dividend.

### Corporate Social Responsibility

The Board has constituted a Corporate Social Responsibility ("CSR") Committee, in terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, inter alia to give strategic direction to the CSR initiatives, formulate and review annual CSR plans and programmes, formulate annual budget for the CSR programmes and monitor the progress on various CSR activities. Details of the composition of the CSR Committee have been disclosed separately as part of the Corporate Governance Report.

In view of continuous losses in the preceding financial years the Company is not required to contribute to the CSR activities as mandated under the provisions of section 135 of the Companies Act 2013.

### Risk and Concern

Changes in macro economic factors like GDP growth, inflation, energy cost, interest rate, world trade, exchange rate, etc. also play an important role in our industry thereby affecting the operations of business. Any adverse change in the above may affect the performance of your Company. Your Company periodically reviews the risk associated with the business and takes steps to mitigate and minimize the impact of risk.

### Public Deposits

The Company has neither accepted nor renewed any deposit from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year ended March 31, 2019.

### Auditors

At the Company's 51st Annual General Meeting (AGM) held on September 20, 2017, M/s. Nayak & Rane, Chartered Accountants (ICAI FRN 117249W), Mumbai were appointed as the Company's Statutory Auditors from the conclusion of the 51st AGM till the conclusion of the 56th AGM (subject to ratification of their re-appointment by the Members at every AGM held after the AGM in which the appointment was made) of the Company, on a remuneration as may be agreed upon by the Board of Directors and the Auditors. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

### Auditor's Report

The Board has duly examined the statutory auditor's report to accounts and clarifications, wherever necessary, have been included in the Notes to Accounts section of the Annual Report. There is no qualification in statutory auditor's report.

### Secretarial Audit

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board appointed M/s. Mayur More & Associates, Practising Company Secretary, to conduct Secretarial Audit for F.Y. 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### Cost Audit

In terms of the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records, in respect of marble business, are required to be audited by a qualified Cost Accountant. The Board of Directors, upon the recommendation of the Audit Committee, had appointed M/s. R. K. Bhandari & Co, Cost Accountants, as cost auditor for conducting the audit of cost records of the Company for the applicable segment for F.Y. 2018-19.

The Cost Auditors' Report does not contain any qualifications or reservations.

### Audit Committee

The Audit Committee comprises Independent Directors namely *Mr. Pradeep Saxena (Chairman), Mr. Sharath Bolar and Mr. Vivek Talwar Managing Director.

(*Mr. Pradeep Saxeena has resigned from the office of the Company w.e.f. April 23, 2019)

### Vigil Mechanism

The Vigil Mechanism as envisaged in the provisions of sub-section (9) of Section 177 of the Act, the Rules framed thereunder and Regulation 22 of the Listing Regulations is implemented by the Company through a Whistle Blower Policy to enable the Directors, its employees to voice their concerns or observations without fear or raise reports of instance of any unethical or unacceptable business practice or event of misconduct/ unethical behavior, actual or suspected fraud and violation code of conduct etc. to the Corporate Ethics and Governance Committee.

Under the Whistle Blower Policy, confidentiality of those reporting violation(s) is protected and they shall not be subject to any discriminatory practices. The Policy also provides for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate and exceptional cases. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://www.nitco.in/investors/nitco-policy.aspx.

### Meetings of the Board

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance.

### Remuneration Policy

The board has on the recommendation of the Nomination and Remuneration Committee framed a policy for the selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. This policy along with the criteria for determining the qualification, positive attributes and independence of a director is available on the website of the Company i.e. http://www.nitco.in/Investors/PDFFiles/Nomination-and-Remuneration-Policy.pdf.

### Prevention of Sexual Harassment of Women at Workplace

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace. This has been widely communicated internally and is uploaded on the Company's intranet portal. The company has constituted Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

### Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Note 5, 13, 19.1 to the standalone financial statement.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, is annexed herewith as **Annexure IV.**

### Extract of Annual Return

Extract of Annual Report (form MGT-9) of the Company is annexed herewith as **Annexure V** of this Report.

### Particulars of Employees and related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided at **Annexure- VI.**

In terms of the provisions of rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with 2$^{nd}$ proviso of the rules, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules will be provided on a request made in writing to the Company.

### General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act;
2. Issue of equity shares with differential rights as to dividend, voting or otherwise;
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
4. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries;
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

### Appreciation and acknowledgement

Your Directors acknowledges with gratitude and wish to place on record, their deep appreciation of continued support and co-operation received by the Company from the JMFARC, Banks, Lenders, various Government Authorities, Shareholders, Business Associates, Dealers, Customers and Investors during the year.

**For and on behalf of the Board**

**Vivek Talwar**
**Chairman & Managing Director**
DIN: 00043180
Mumbai, May 31, 2019

# ANNEXURE - I

## AOC-1 (Annual Perfoprmance of Subsdiaries)

(Pursuant to first proviso to subsection (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014

(₹ in Lakh)

| Name of Subsidiary Company | New Vardhman Vitrified Pvt. Ltd. | Nitco Realties Pvt. Ltd. | Glamorous Properties Pvt. Ltd. | Opera Properties Pvt. Ltd. | Nitco IT Parks Pvt. Ltd. | Feel Better Housing Pvt Ltd | Maxwealth Properties Pvt Ltd | Nitco Aviation Pvt Ltd | Quick Solution Properties Pvt Ltd | Roaring-Lion Properties Pvt Ltd | Meghdoot Properties Pvt Ltd | Silver Sky Real Estate Pvt Ltd | Ferocity Property Pvt Ltd | Aileen Properties Pvt Ltd |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 | 31/03/19 |
| Paid up Capital | 3,438.78 | 2.00 | 125.00 | 5.00 | 1.00 | 1.00 | 1.00 | 100.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Reserves | (1,184.91) | 698.73 | 258.99 | (0.40) | (0.88) | (1.25) | (0.93) | (0.28) | (0.33) | (0.33) | (0.96) | (0.92) | (0.15) | (0.25) |
| Total Assets | 9,115.59 | 8,075.37 | 497.90 | 368.12 | 50.33 | 452.96 | 334.83 | 103.70 | 243.99 | 138.01 | 597.79 | 436.54 | 394.48 | 3.37 |
| Total Liabilities | 6,861.72 | 7,374.64 | 113.91 | 363.52 | 50.21 | 453.21 | 334.76 | 3.98 | 243.32 | 137.34 | 597.75 | 436.46 | 393.63 | 2.61 |
| Investments (except investment in subsidiary companies) | 0.15 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 25.00 | Nil | Nil | Nil | Nil | Nil |
| NET Turnover (Incl. other Income) | 5,646.39 | Nil | 239.42 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Profit before taxation | (1,437.75) | (0.62) | (0.49) | (0.15) | (0.04) | (0.92) | (0.64) | (0.04) | (0.04) | (0.04) | (0.66) | (0.63) | (0.04) | (0.04) |
| Provision for taxation | (131.38) | Nil | (0.18) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Profit after taxation | (1,306.37) | (0.62) | (0.31) | (0.15) | (0.04) | (0.92) | (0.64) | (0.04) | (0.04) | (0.04) | (0.66) | (0.63) | (0.04) | (0.04) |
| Proposed dividend | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| % of shareholding | 51% | 100% | 75% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

# ANNEXURE II

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014).

**Details of material contracts or arrangement or transactions at arm's length basis as on March 31, 2019**

| Name(s) of the Related Party and Nature of Relationship | Nature of Contract | Duration of the Contract | Salient terms of contract | Date of Approval by the Board | Amount paid as Advance (Net) |
|---|---|---|---|---|---|
| New Vardhman Vitrified Private Limited (Subsidiary) | Purchase of tiles | continuous in nature and not for a specific period | In ordinary course of business | November 7, 2012 | 1,941.87 Lakhs |

**For and on behalf of the Board**

**Vivek Talwar**
**Chairman & Managing Director**
DIN : 00043180
Mumbai, May 31, 2019

# ANNEXURE III

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

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

To,
The Members,

**NITCO Limited**
Plot No.3, Nitco House, Kanjur Village Road,
Kanjurmarg (East)
Mumbai- 400 042.

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by **Nitco Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We further report that,** maintenance of proper and updated Books, Papers, Minutes Books, Forms and Returns filed and other record maintained by **NITCO Limited** (''the Company'') for the financial year ended March 31, 2019, according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

 (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

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

 (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (to the extent applicable);

 (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

 (f) The Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014;

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

(i) Listing Agreements entered into by the Company with BSE Limited and NSE Limited;

(ii) Secretarial Standard issued by the Institute of Company Secretaries of India;

**We further Report that,** during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

(a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002;

(e) SEBI (Issue and Listing of Non-convertible Redeemable Preference shares) Regulations, 2013

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

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Independent Directors and Nominee Directors. During the period under review 2 Nominee Directors namely Mr. Vivek Grover and Mr. Samir Chawla, were appointed on the Board of the Company through circular resolution on September 18, 2018 by JM Financial Asset Reconstruction Company Limited (JMFARC).

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

All decisions at the Board Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

**We further report that** during the audit period the company conducted one postal ballot to conduct its business from March 1, 2019 to March 30, 2019 to approve "NITCO- Employees Stock Option Plan- 2019" ("ESOP- 2019") which was passed as Special Resolution with requisite majority by shareholders on March 30, 2019.

Note: This Report is to be read along with attached Letter provided as "Annexure - A"

**For, Mayur More & Associates**
**Company Secretaries**

**Mayur M More**
**ACS** No. 35249 **COP** No. 13104
Mumbai, May 20, 2019

# 'ANNEXURE A'

To
The Members,

**NITCO Limited**
Plot No.3, Nitco House, Kanjur Village Road,
Kanjurmarg (East)
Mumbai- 400 042.

Dear Sir / Madam,

**Sub: Our Report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, Mayur More & Associates**
**Company Secretaries**

**Mayur M More**
**ACS** No. 35249 **COP** No. 13104
Mumbai, May 20, 2019

# ANNEXURE IV

Particulars as per the Companies (Accounts) Rules, 2014.

**A) Following actions has been taken for the Energy Conservation**

1. Shifting usage of Hot Air Generator for producing Powder.
2. Replaced conventional Lights( HPMV Lamp/HPSV Lamp/CFL Lamps) by LED lights and reduced Power consumption.
3. Continuous monitoring of energy consumption parameters.
4. Ensuring plant and machinery is not running in idle conditions.

**B) Technology Absorption**

Nitco has always invested in the best available technology. Our machinery is state of the art, and our factory operations are almost fully automated. We have a continuous quest for perfection. We therefore ensure that only those tiles, which match our highest standards, are given the Nitco brand label, an assurance for quality. We also have one of the very few automated marble processing plants in the world & the only plant in India.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a. **Technology imported :** No technology has been imported in the last 3 years

b. **Year of import :** Not Applicable

c. **Has the technology been fully absorbed? :** Not Applicable

d. **If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action :** Not Applicable

e. **The expenditure incurred on Research & Development :** ₹ 84.93 lakhs

**C) Foreign exchange earnings and outgo:**

1. **Foreign Exchange earned :** ₹ 3579.51 lakhs
2. **Foreign Exchange outgo :** ₹ 3300.59 lakhs

**For and on behalf of the Board**

**Vivek Talwar**
**Chairman & Managing Director**
DIN: 00043180
Mumbai, May 31, 2019

# ANNEXURE V

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2019**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i) | CIN | L26920MH1966PLC016547 |
| ii) | Registration Date | 25/07/1966 |
| iii) | Name of the Company | NITCO Limited |
| iv) | Category / Sub Category of the Company | Public Company/ Limited by shares |
| v) | Address of the Registered Office and Contact details | Plot No. 3, NITCO House,<br>Kanjur Village Road, Kanjur Marg (E),<br>Mumbai - 400 042.<br>Tel: +91 22 6752 1555<br>Fax: +91 22 6752 1500 |
| vi) | Whether listed Company | Yes |
| vii) | Name, Address and Contact details of Registrar & Transfer Agents | Link Intime India Private Limited<br>C-101, 247 Park, L B S Marg, Vikhroli (west),<br>Mumbai - 400083<br>Tel: 022 4918 6000<br>Fax: 022 4918 6060 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

**(All the business activities contributing 10% or more of the total turnover of the company shall be stated)**

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Manufacture and Trading of Ceramic Wall and Floor Tiles, Polished and Glazed Vitrified Tiles | 23939 | 82.00% |
| 2 | Cutting, Shaping and Finishing of Stone | 23960 | 18.00% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary / Associate | % of holding | Applicable Section |
|---|---|---|---|---|---|
| 1 | **Nitco Realties Private Limited**<br>Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli,<br>Mumbai - 400030 | U45201MH2006PTC165337 | Subsidiary | 100% | Section 2(87) |
| 2 | **New Vardhman Vitrified Private Limited**<br>Plot no. 2/52, Rupal Industrial Area,<br>Opp. Manahar Dying, Damroli Road,<br>Surat - 394221 | U26933GJ2011PTC066282 | Subsidiary | 51% | Section 2(87) |
| 3 | **Nitco IT Park Private Limited**<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg, Worli,<br>Mumbai - 400030 | U70109MH2007PTC172768 | Step down Subsidiary | 100% | Section 2(87) |
| 4 | **Nitco Aviation Private Limited**<br>Inside Municipal Asphalt Compound,<br>Recondo Compound, S. K. Ahire Marg, Worli,<br>Mumbai - 400030 | U93090MH2008PTC184057 | Step down Subsidiary | 100% | Section 2(87) |

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary / Associate | % of holding | Applicable Section |
|---|---|---|---|---|---|
| 5 | **Meghdoot Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U45201MH2006PTC166528 | Step down Subsidiary | 100% | Section 2(87) |
| 6 | **Opera Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U70100MH1996PTC100383 | Step down Subsidiary | 100% | Section 2(87) |
| 7 | **Feel Better Housing Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U45400MH2007PTC169306 | Step down Subsidiary | 100% | Section 2(87) |
| 8 | **Glamorous Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U70100MH2006PTC159880 | Step down Subsidiary | 75% | Section 2(87) |
| 9 | **Roaring - Lion Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U70102MH2007PTC176175 | Step down Subsidiary | 100% | Section 2(87) |
| 10 | **Quick-Solution Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U70109MH2007PTC174899 | Step down Subsidiary | 100% | Section 2(87) |
| 11 | **Max Wealth Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai- 400030 | U45201MH2007PTC174231 | Step down Subsidiary | 100% | Section 2(87) |
| 12 | **Ferocity Properties Private Limited.** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U70100MH2003PTC142221 | Step down Subsidiary | 100% | Section 2(87) |
| 13 | **Silver-Sky Real Estates Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U70109MH2008PTC181581 | Step down Subsidiary | 100% | Section 2(87) |
| 14 | **Aileen Properties Private Limited** Inside Municipal Asphalt Compound, Recondo Compound, S. K. Ahire Marg, Worli, Mumbai - 400030 | U45201MH2011PTC213316 | Step down Subsidiary | 100% | Section 2(87) |

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### A) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on April 1, 2018] | | | | No. of Shares held at the end of the year [As on March 31, 2019] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 7149657 | 0 | 7149657 | 9.95 | 7149657 | - | 7149657 | 9.95 | - |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on April 1, 2018] | | | | No. of Shares held at the end of the year [As on March 31, 2019] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| b) Central Govt / State Govt(s) | - | - | - | - | - | - | - | - | - |
| c) Banks / FI | - | - | - | - | - | - | - | - | - |
| d) Any other | 30887208 | 4242 | 30891450 | 42.99 | 30933952 | 4242 | 30938194 | 43.05 | 0.06 |
| **Sub-Total shareholding of Promoter (1)** | **38036865** | **4242** | **38041107** | **52.94** | **38083609** | **4242** | **38087851** | **53.00** | **0.06** |
| (2) Foreign | | | | | | | | | |
| a) Individuals (Non Resident /Foreign Individuals) | - | - | - | - | - | - | - | - | - |
| b) Government | - | - | - | - | - | - | - | - | - |
| c) Institutions | - | - | - | - | - | - | - | - | - |
| d) Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - |
| e) Any Other (specify) | - | - | - | - | - | - | - | - | - |
| **Sub-Total shareholding of Promoter (2)** | - | - | - | - | - | - | - | - | - |
| **Total of Promoter shareholding (A) = (1) + (2)** | **38036865** | **4242** | **38041107** | **52.94** | **38083609** | **4242** | **38087851** | **53.00** | **0.06** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | |
| b) Venture Capital Funds | - | - | - | - | - | - | - | - | |
| c) Alternate Investment fund | - | - | - | - | - | - | - | - | |
| d) Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | |
| e) Foreign portfolio Investors | 847169 | - | 847169 | 1.18 | 159844 | - | 159844 | 0.22 | (-0.96) |
| f) FI / Banks | 17440593 | 2585 | 17443178 | 24.27 | 17347329 | 2585 | 17349914 | 24.14 | (-0.13) |
| g) Insurance Companies | - | - | - | - | - | - | - | - | - |
| h) Provident funds/ Pension Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| **Sub Total = (B)(1)** | **18287762** | **2585** | **18290347** | **25.45** | **17507173** | **2585** | **17509758** | **24.36** | **(-1.09)** |
| **2. Central Govt. /State Govt. / President of India** | - | - | - | - | 2000 | - | 2000 | 0.00 | 0.00 |
| **Sub Total = (B)(2)** | **-** | **-** | **-** | **-** | **2000** | **-** | **2000** | **0.00** | **0.00** |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on April 1, 2018] | | | | No. of Shares held at the end of the year [As on March 31, 2019] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **3. Non-Institutions** | | | | | | | | | |
| a) i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 4300354 | 87474 | 4387828 | 6.11 | 7001047 | 83934 | 7084981 | 9.86 | 3.75 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 4500016 | 0 | 4500016 | 6.26 | 2872126 | - | 2872126 | 4.00 | (-2.26) |
| b) NBFCs Registered with RBI | - | - | - | - | 64335 | - | 64335 | 0.09 | 0.09 |
| c) Employee Trust | - | - | - | - | - | - | - | - | - |
| d) Overseas depositories (Holding DRs) (Balancing Figure) | - | - | - | - | - | - | - | - | - |
| e) Any other (Specify) | 6637306 | 2351 | 6639657 | 9.24 | 6235553 | 2351 | 6237904 | 8.68 | (-0.56) |
| **Sub-total (B)(3):-** | **15437676** | **89825** | **15527501** | **21.61** | **16173061** | **86285** | **16259346** | **22.63** | **1.03** |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)** | **33725438** | **92410** | **33817848** | **47.06** | **33682234** | **88870** | **33771104** | **47.00** | **(-0.06)** |
| **C. Non Promoter / Non Public Shareholding** | | | | | | | | | |
| a) Custodian/DR Holder | - | - | - | - | - | - | - | - | - |
| b) Employee Benefit trust | - | - | - | - | - | - | - | - | - |
| **Total Non Promoter/ Non Public Shareholding (c) = a+b** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | **71762303** | **96652** | **71858955** | **100.00** | **71765843** | **93112** | **71858955** | **100.00** | **-** |

## B) Shareholding of Promoter & Promoter Group

| Sr. No. | Shareholder's Name | No. of Shares held at the beginning of the year [As on April 1, 2018] | | | No. of Shares held at the end of the year [As on March 31, 2019] | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Aurella Estates and Investments Pvt. Ltd. | 25676949 | 35.73 | 35.73 | 25676949 | 35.73 | 35.73 | 0 |
| 2 | Vivek Prannath Talwar | 6323669 | 8.80 | 8.80 | 6323669 | 8.80 | 8.80 | 0 |
| 3 | Watco Engineering Co. Pvt. Ltd. | 1616712 | 2.25 | 0.00 | 1616712 | 2.25 | 0.00 | 0 |
| 4 | Nitco Paints Pvt. Ltd. | 1598299 | 2.22 | 2.22 | 1598299 | 2.22 | 2.22 | 0 |
| 5 | Anjali Talwar | 543146 | 0.76 | 0.00 | 543146 | 0.76 | 0.00 | 0 |

| Sr. No. | Shareholder's Name | No. of Shares held at the beginning of the year [As on April 1, 2018] | | | No. of Shares held at the end of the year [As on March 31, 2019] | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 6 | Rajeshwari Prannath Talwar | 825988 | 1.15 | 0.00 | 825988 | 1.15 | 0.00 | 0 |
| 7 | Rang Mandir Builders Pvt. Ltd. | 280269 | 0.39 | 0.39 | 280269 | 0.39 | 0.39 | 0 |
| 8 | Ushakiran Builders Pvt. Ltd. | 209417 | 0.29 | 0.29 | 209417 | 0.29 | 0.29 | 0 |
| 9 | Lavender Properties Pvt. Ltd. | 208072 | 0.29 | 0.29 | 208072 | 0.29 | 0.29 | 0 |
| 10 | Prakalp Proprties Pvt. Ltd. | 175785 | 0.24 | 0.24 | 175785 | 0.24 | 0.24 | 0 |
| 11 | Eden Garden Builders Pvt. Ltd. | 156951 | 0.22 | 0.22 | 156951 | 0.22 | 0.22 | 0 |
| 12 | Lovraj Talwar | 87301 | 0.12 | 0.00 | 87301 | 0.12 | 0.00 | 0 |
| 13 | Nitco Tiles And Marble Industries (Andhra) Pvt. Ltd. | 85517 | 0.12 | 0.00 | 85517 | 0.12 | 0.00 | 0 |
| 14 | Sanjnaa Talwar | 85517 | 0.12 | 0.12 | 85517 | 0.12 | 0.12 | 0 |
| 15 | Enjoy Builders Pvt. Ltd. | 72646 | 0.10 | 0.10 | 72646 | 0.10 | 0.10 | 0 |
| 16 | Poonam Wasan | 63363 | 0.09 | 0.00 | 110107 | 0.15 | 0.00 | 0.06 |
| 17 | Vivek Prannath Talwar (HUF) | 27264 | 0.04 | 0.00 | 27264 | 0.04 | 0.00 | 0 |
| 18 | Northern India Tiles Corporation | 2240 | 0.00 | 0.00 | 2240 | 0.00 | 0.00 | 0 |
| 19 | Northern India Tiles (Sales) Corporation | 1 | 0.00 | 0.00 | 1 | 0.00 | 0.00 | 0 |
| 20 | A N Talwar (HUF) | 2001 | 0.00 | 0.00 | 2001 | 0.00 | 0.00 | 0 |
| **Total** | | **38041107** | **52.94** | **48.41** | **38087851** | **53.00** | **48.41** | **0.06** |

### C) Change in Promoter's Shareholding

There was a change in the Promoters' shareholding which is as under:

Purchase of 46,744 Shares by Ms. Poonam Wasan constituting to 0.06% of the shareholding in the financial year 2018-19.

### D) Shareholding Pattern of top ten Shareholders (other than Directors & Promoters)

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year-2018 | | Transactions during the year | | Cumulative shareholding at the end of the year-2019 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. of shares | No. of shares held | % of total shares of the company |
| **1.** | **JM FINANCIAL ASSET RECONSTRUCTION COMPANY** | **17159617** | **23.88** | | | | |
| | **AT THE END OF THE YEAR** | | | | | **17159617** | **23.88** |
| **2.** | **SANJEEV RAJ KAPOOR** | **1541459** | **2.15** | | | | |
| | **AT THE END OF THE YEAR** | | | | | **1541459** | **2.15** |
| **3.** | **POLARIS BANYAN HOLDING PRIVATE LIMITED** | **489376** | **0.68** | | | | |
| | Market Sell | | | 01 Feb 2019 | -104443 | 384933 | 0.53 |
| | Market Sell | | | 08 Feb 2019 | -1582 | 383351 | 0.53 |
| | Market Sell | | | 15 Feb 2019 | -3992 | 379359 | 0.53 |
| | Market Sell | | | 22 Feb 2019 | -301135 | 78224 | 0.11 |
| | Market Buy | | | 29 Mar 2019 | 411152 | 489376 | 0.68 |
| | **AT THE END OF THE YEAR** | | | | | **489376** | **0.68** |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year-2018 | | Transactions during the year | | Cumulative shareholding at the end of the year-2019 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. of shares | No. of shares held | % of total shares of the company |
| **4.** | **ASHOK VISHWANATH HIREMATH** | **804000** | **1.12** | | | | |
| | Market Sell | | | 06 Apr 2018 | -52600 | 751400 | 1.04 |
| | Market Sell | | | 13 Apr 2018 | -10000 | 741400 | 1.03 |
| | Market Sell | | | 27 Apr 2018 | -16290 | 725110 | 1.00 |
| | Market Sell | | | 01 Jun 2018 | -33500 | 691610 | 0.96 |
| | Market Sell | | | 08 Jun 2018 | -14235 | 677375 | 0.94 |
| | Market Sell | | | 15 Jun 2018 | -23264 | 654111 | 0.91 |
| | Market Sell | | | 20 Jul 2018 | -15152 | 638959 | 0.89 |
| | Market Sell | | | 14 Sep 2018 | -100200 | 538759 | 0.75 |
| | Market Sell | | | 21 Sep 2018 | -104933 | 433826 | 0.60 |
| | Market Sell | | | 26 Oct 2018 | -44612 | 389214 | 0.54 |
| | Market Sell | | | 02 Nov 2018 | -5388 | 383826 | 0.53 |
| | **AT THE END OF THE YEAR** | | | | | **383826** | **0.53** |
| **5.** | **SEA GLIMPSE INVESTMENTS PVT LTD** | **440042** | **0.61** | | | | |
| | Market Sell | | | 06 Apr 2018 | -75042 | 365000 | 0.51 |
| | **AT THE END OF THE YEAR** | | | | | **365000** | **0.51** |
| **6.** | **GLOBE CAPITAL MARKET LIMITED** | **100684** | **0.14** | | | | |
| | Market Buy | | | 06 Apr 2018 | 261100 | 361784 | 0.50 |
| | Market Buy | | | 13 Apr 2018 | 31781 | 393565 | 0.55 |
| | Market Sell | | | 20 Apr 2018 | -7177 | 386388 | 0.54 |
| | Market Buy | | | 27 Apr 2018 | 1286 | 387674 | 0.54 |
| | Market Sell | | | 04 May 2018 | -3847 | 383827 | 0.53 |
| | Market Buy | | | 11 May 2018 | 72910 | 456737 | 0.63 |
| | Market Buy | | | 18 May 2018 | 5759 | 462496 | 0.64 |
| | Market Buy | | | 25 May 2018 | 54822 | 517318 | 0.72 |
| | Market Sell | | | 01 Jun 2018 | -11719 | 505599 | 0.70 |
| | Market Sell | | | 08 Jun 2018 | -2063 | 503536 | 0.70 |
| | Market Sell | | | 15 Jun 2018 | -49861 | 453675 | 0.63 |
| | Market Buy | | | 22 Jun 2018 | 17360 | 471035 | 0.65 |
| | Market Sell | | | 30 Jun 2018 | -16525 | 454510 | 0.63 |
| | Market Sell | | | 06 Jul 2018 | -1230 | 453280 | 0.63 |
| | Market Sell | | | 13 Jul 2018 | -22229 | 431051 | 0.56 |
| | Market Sell | | | 20 Jul 2018 | -10074 | 420977 | 0.58 |
| | Market Buy | | | 27 Jul 2018 | 2058 | 423035 | 0.59 |
| | Market Buy | | | 03 Aug 2018 | 1276 | 424311 | 0.59 |
| | Market Buy | | | 10 Aug 2018 | 9913 | 434224 | 0.60 |
| | Market Buy | | | 17 Aug 2018 | 222 | 434446 | 0.60 |
| | Market Buy | | | 24 Aug 2018 | 2243 | 436689 | 0.61 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year-2018 | | Transactions during the year | | Cumulative shareholding at the end of the year-2019 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. of shares | No. of shares held | % of total shares of the company |
| | Market Buy | | | 31 Aug 2018 | 4560 | 441249 | 0.61 |
| | Market Buy | | | 07 Sep 2018 | 142260 | 583509 | 0.81 |
| | Market Buy | | | 14 Sep 2018 | 67007 | 650516 | 0.90 |
| | Market Buy | | | 21 Sep 2018 | 4194 | 654710 | 0.91 |
| | Market Sell | | | 29 Sep 2018 | -28762 | 625948 | 0.87 |
| | Market Sell | | | 05 Oct 2018 | -3215 | 622733 | 0.87 |
| | Market Sell | | | 12 Oct 2018 | -9000 | 613733 | 0.85 |
| | Market Buy | | | 19 Oct 2018 | 1700 | 615433 | 0.86 |
| | Market Buy | | | 26 Oct 2018 | 4240 | 619673 | 0.86 |
| | Market Sell | | | 02 Nov 2018 | -100 | 619573 | 0.86 |
| | Market Sell | | | 09 Nov 2018 | -100 | 619473 | 0.86 |
| | Market Sell | | | 16 Nov 2018 | -1200 | 618273 | 0.86 |
| | Market Buy | | | 23 Nov 2018 | 18691 | 636964 | 0.89 |
| | Market Sell | | | 30 Nov 2018 | -1475 | 635489 | 0.88 |
| | Market Buy | | | 07 Dec 2018 | 791 | 636280 | 0.88 |
| | Market Sell | | | 14 Dec 2018 | -1150 | 635130 | 0.88 |
| | Market Sell | | | 21 Dec 2018 | -23627 | 611503 | 0.85 |
| | Market Sell | | | 28 Dec 2018 | -1249 | 610254 | 0.85 |
| | Market Sell | | | 31 Dec 2018 | -93 | 610161 | 0.85 |
| | Market Buy | | | 04 Jan 2019 | 450 | 610611 | 0.85 |
| | Market Sell | | | 11 Jan 2019 | -1074 | 609537 | 0.85 |
| | Market Sell | | | 18 Jan 2019 | -461 | 609076 | 0.85 |
| | Market Buy | | | 25 Jan 2019 | 10458 | 619534 | 0.86 |
| | Market Sell | | | 01 Feb 2019 | -579 | 618955 | 0.86 |
| | Market Sell | | | 08 Feb 2019 | -850 | 618105 | 0.86 |
| | Market Buy | | | 15 Feb 2019 | 145025 | 763130 | 1.06 |
| | Market Buy | | | 22 Feb 2019 | 1184 | 764314 | 1.06 |
| | Market Sell | | | 01 Mar 2019 | -2393 | 761921 | 1.06 |
| | Market Sell | | | 08 Mar 2019 | -2144 | 759777 | 1.06 |
| | Market Sell | | | 15 Mar 2019 | -260702 | 499075 | 0.69 |
| | Market Sell | | | 22 Mar 2019 | -221955 | 277120 | 0.38 |
| | Market Sell | | | 29 Mar 2019 | -4848 | 272272 | 0.38 |
| | **AT THE END OF THE YEAR** | | | | | **272272** | **0.38** |
| **7.** | **BARCLAYS WEALTH TRUSTEES INDIA PVT LTD** | **190000** | **0.26** | | | | |
| | Market Sell | | | 20 Apr 2018 | -20000 | 170000 | 0.24 |
| | Market Sell | | | 04 May 2018 | -11839 | 158161 | 0.22 |
| | Market Sell | | | 11 May 2018 | -38161 | 120000 | 0.16 |
| | Market Sell | | | 18 May 2018 | -12556 | 107444 | 0.15 |
| | Market Sell | | | 25 May 2018 | -12444 | 95000 | 0.13 |
| | Market Sell | | | 08 Feb 2019 | -89132 | 5868 | 0.01 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year-2018 | | Transactions during the year | | Cumulative shareholding at the end of the year-2019 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. of shares | No. of shares held | % of total shares of the company |
| | Market Buy | | | 15 Feb 2019 | 6136 | 12004 | 0.02 |
| | Market Buy | | | 22 Feb 2019 | 19275 | 31279 | 0.04 |
| | Market Buy | | | 01 Mar 2019 | 77920 | 109199 | 0.15 |
| | Market Buy | | | 08 Mar 2019 | 25315 | 134514 | 0.19 |
| | Market Buy | | | 15 Mar 2019 | 20583 | 155097 | 0.21 |
| | Market Buy | | | 29 Mar 2019 | 95000 | 250097 | 0.35 |
| | **AT THE END OF THE YEAR** | | | | | **250097** | **0.35** |
| **8.** | **MUKUL AGRAWAL** | **1300000** | **1.81** | | | | |
| | Market Buy | | | 01 Jun 2018 | 100000 | 1400000 | 1.95 |
| | Market Buy | | | 06 Jul 2018 | 61142 | 1461142 | 2.03 |
| | Market Buy | | | 13 Jul 2018 | 38858 | 1500000 | 2.09 |
| | Market Sell | | | 24 Aug 2018 | -200000 | 1300000 | 1.81 |
| | Market Sell | | | 21 Sep 2018 | -100000 | 1200000 | 1.67 |
| | Market Sell | | | 12 Oct 2018 | -300000 | 900000 | 1.25 |
| | Market Sell | | | 19 Oct 2018 | -264255 | 635745 | 0.88 |
| | Market Sell | | | 02 Nov 2018 | -9257 | 626488 | 0.87 |
| | Market Sell | | | 09 Nov 2018 | -11433 | 615055 | 0.85 |
| | Market Sell | | | 23 Nov 2018 | -8104 | 606951 | 0.84 |
| | Market Sell | | | 14 Dec 2018 | -6951 | 600000 | 0.83 |
| | Market Sell | | | 11 Jan 2019 | -100000 | 500000 | 0.69 |
| | Market Sell | | | 25 Jan 2019 | -17978 | 482022 | 0.67 |
| | Market Sell | | | 22 Feb 2019 | -82022 | 400000 | 0.56 |
| | Market Sell | | | 15 Mar 2019 | -46384 | 353616 | 0.49 |
| | Market Sell | | | 22 Mar 2019 | -53616 | 300000 | 0.42 |
| | Market Sell | | | 29 Mar 2019 | -50500 | 249500 | 0.35 |
| | **AT THE END OF THE YEAR** | | | | | **249500** | **0.3472** |
| **9.** | **SMC GLOBAL SECURITIES LTD** | **257262** | **0.36** | | | | |
| | Market Buy | | | 06 Apr 2018 | 5333 | 262595 | 0.36 |
| | Market Sell | | | 13 Apr 2018 | -1680 | 260915 | 0.36 |
| | Market Buy | | | 20 Apr 2018 | 10550 | 271465 | 0.38 |
| | Market Buy | | | 27 Apr 2018 | 6977 | 278442 | 0.39 |
| | Market Sell | | | 04 May 2018 | -6809 | 271633 | 0.38 |
| | Market Buy | | | 11 May 2018 | 807 | 272440 | 0.38 |
| | Market Buy | | | 18 May 2018 | 2553 | 274993 | 0.38 |
| | Market Sell | | | 25 May 2018 | -562 | 274431 | 0.38 |
| | Market Sell | | | 01 Jun 2018 | -10471 | 263960 | 0.37 |
| | Market Sell | | | 08 Jun 2018 | -2991 | 260969 | 0.36 |
| | Market Sell | | | 15 Jun 2018 | -77 | 260892 | 0.36 |
| | Market Buy | | | 22 Jun 2018 | 2468 | 263360 | 0.37 |
| | Market Buy | | | 30 Jun 2018 | 853 | 264213 | 0.37 |
| | Market Sell | | | 06 Jul 2018 | -3934 | 260279 | 0.36 |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year-2018 | | Transactions during the year | | Cumulative shareholding at the end of the year-2019 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. of shares | No. of shares held | % of total shares of the company |
| | Market Sell | | | 13 Jul 2018 | -1459 | 258820 | 0.36 |
| | Market Sell | | | 20 Jul 2018 | -3802 | 255018 | 0.35 |
| | Market Buy | | | 27 Jul 2018 | 2046 | 257064 | 0.36 |
| | Market Sell | | | 03 Aug 2018 | -65115 | 191949 | 0.27 |
| | Market Sell | | | 10 Aug 2018 | -21 | 191928 | 0.27 |
| | Market Buy | | | 17 Aug 2018 | 10592 | 202520 | 0.28 |
| | Market Sell | | | 24 Aug 2018 | -10979 | 191541 | 0.27 |
| | Market Buy | | | 31 Aug 2018 | 15620 | 207161 | 0.29 |
| | Market Buy | | | 07 Sep 2018 | 5098 | 212259 | 0.29 |
| | Market Sell | | | 14 Sep 2018 | -238 | 212021 | 0.29 |
| | Market Buy | | | 21 Sep 2018 | 7002 | 219023 | 0.30 |
| | Market Buy | | | 29 Sep 2018 | 51513 | 270536 | 0.38 |
| | Market Sell | | | 05 Oct 2018 | -6987 | 263549 | 0.37 |
| | Market Buy | | | 12 Oct 2018 | 21840 | 285389 | 0.40 |
| | Market Sell | | | 19 Oct 2018 | -142448 | 142941 | 0.20 |
| | Market Buy | | | 26 Oct 2018 | 9466 | 152407 | 0.21 |
| | Market Sell | | | 02 Nov 2018 | -4030 | 148377 | 0.21 |
| | Market Buy | | | 09 Nov 2018 | 72665 | 221042 | 0.31 |
| | Market Buy | | | 16 Nov 2018 | 1835 | 222877 | 0.31 |
| | Market Sell | | | 23 Nov 2018 | -10960 | 211917 | 0.29 |
| | Market Buy | | | 30 Nov 2018 | 28872 | 240789 | 0.33 |
| | Market Buy | | | 07 Dec 2018 | 1756 | 242545 | 0.34 |
| | Market Buy | | | 14 Dec 2018 | 1194 | 243739 | 0.34 |
| | Market Buy | | | 21 Dec 2018 | 45080 | 288819 | 0.40 |
| | Market Buy | | | 28 Dec 2018 | 46269 | 335088 | 0.47 |
| | Market Sell | | | 31 Dec 2018 | -650 | 334438 | 0.46 |
| | Market Sell | | | 04 Jan 2019 | -4715 | 329723 | 0.46 |
| | Market Sell | | | 11 Jan 2019 | -41218 | 288505 | 0.40 |
| | Market Buy | | | 18 Jan 2019 | 731 | 289236 | 0.40 |
| | Market Buy | | | 25 Jan 2019 | 22338 | 311574 | 0.43 |
| | Market Sell | | | 01 Feb 2019 | -4107 | 307467 | 0.43 |
| | Market Buy | | | 08 Feb 2019 | 170558 | 478025 | 0.66 |
| | Market Sell | | | 15 Feb 2019 | -102427 | 375598 | 0.52 |
| | Market Buy | | | 22 Feb 2019 | 4824 | 380422 | 0.52 |
| | Market Sell | | | 01 Mar 2019 | -107865 | 272557 | 0.38 |
| | Market Sell | | | 08 Mar 2019 | -5025 | 267532 | 0.38 |
| | Market Buy | | | 15 Mar 2019 | 27119 | 294651 | 0.41 |
| | Market Sell | | | 22 Mar 2019 | -52521 | 242130 | 0.34 |
| | Market Sell | | | 29 Mar 2019 | -4572 | 237558 | 0.33 |
| | Market Sell | | | 30 Mar 2019 | -5525 | 232033 | 0.32 |
| | **AT THE END OF THE YEAR** | | | | | **232033** | **0.32** |

| Sr. No. | Name & Type of Transaction | Shareholding at the beginning of the year-2018 | | Transactions during the year | | Cumulative shareholding at the end of the year-2019 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares held | % of total shares of the company | Date of transaction | No. of shares | No. of shares held | % of total shares of the company |
| **10.** | **LUNAR COMMERCIALS PVT LTD** | **0** | **0** | | | | |
| | Market Buy | | | 22 Mar 2019 | 209964 | 209964 | 0.29 |
| | **AT THE END OF THE YEAR** | | | | | **209964** | **0.29** |

## E) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. Vivek Talwar - Managing Director | 6323669 | 8.80 | 6323669 | 8.80 |
| 2 | *Mr. Pradeep Saxena - Independent Director | - | - | - | - |
| 3 | Mr. Sarath Bolar - Independent Director | - | - | - | - |
| 4 | Ms. Bharti Dhar - Independent Director | - | - | - | - |
| 5 | $Mr. Vivek Grover | - | - | - | - |
| 6 | $Mr. Samir Chawla | - | - | - | - |
| 7 | #Mr. Mahesh Shah - Chief Executive Officer | - | - | 10000 | 0.01 |
| 8 | Mr. B.G. Borkar - Chief Financial Officer | 71200 | 0.10 | 71200 | 0.10 |
| 9 | Mr. Puneet Motwani - Company Secretary | 1 | 0.00 | 1 | 0.00 |

* Mr. Pradeep Saxena has resigned from the office of the Company w.e.f. April 23, 2019.

# Appointed as Chief Executive Officer of the Company w.e.f. October 24, 2018.

$ Mr. Samir Chawla and Mr. Vivek Grover were appointed as Nominee Directors by JMFARC w.e.f. September 18, 2018.

## V) INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ In Crores)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 848.51 | - | - | 848.51 |
| ii) Interest due but not paid | 1.72 | - | - | 1.72 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **850.24** | **-** | **-** | **850.24** |
| **Change in Indebtedness during the financial year** | | | | |
| * Addition | 18.78 | - | - | 18.78 |
| * Reduction | 5.34 | - | - | 5.34 |
| **Net Change** | **13.43** | **-** | **-** | **13.43** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 863.46 | - | - | 863.46 |
| ii) Interest due but not paid | 0.21 | - | - | 0.21 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **863.67** | **-** | **-** | **863.67** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

| Sr. No. | Particulars of Remuneration | Name of the Managing Director Vivek Talwar* |
|---|---|---|
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | |
| | - others, specify | |
| 5 | Others, please specify | - |
| | **Total (A)** | **0** |
| | Ceiling as per the Act | 60 |

*No Salary was paid to Mr. Vivek Talwar during the year 2018-19

### B. Remuneration to other Directors

(₹ In Lakhs)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | *Pradeep Saxena | Sharath Bolar | Bharti Dhar | #Vivek Grover | #Samir Chawla | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board/committee meetings | 2.35 | 2.35 | 1.35 | 0.60 | 0.60 | 6.05 |
| | Commission | - | - | - | | | - |
| | Others, please specify | - | - | - | | | - |
| | **Total (1)** | **2.35** | **2.35** | **1.35** | **0.60** | **0.60** | **6.05** |
| | Other Non-Executive Directors | - | - | - | - | - | - |
| | Fee for attending board committee meetings | - | - | - | - | - | - |
| | Commission | - | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - |
| | **Total (2)** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Total (B)=(1+2)** | **-** | **-** | **-** | **-** | **-** | **-** |
| | **Total Remuneration (A) + (B)** | **2.35** | **2.35** | **1.35** | **0.60** | **0.60** | **6.05** |

* Mr. Pradeep Saxena has resigned from the office of the Company w.e.f. April 23, 2019

#Sitting fees on behalf of Nominee Directors i.e. Mr. Vivek Grover and Mr. Samir Chawla is paid to JM Financial Asset Reconstruction Company Limited (JMFARC)

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

(₹ In Lakhs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | CEO* | CFO | CS | |
| **1** | **Gross salary** | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 83.54 | 197.09 | 8.78 | 289.41 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 0.91 | - | 0.91 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | **Total** | **83.54** | **198.00** | **8.78** | **290.32** |

*Appointed as Chief Executive Officer of the Company w.e.f. October 24, 2018.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishments or any compounding of offences during the financial year 2018-19.

***

# ANNEXURE VI

**STATEMENT OF**
**Disclosure of Remuneration**

**Under Section 197 OF THE COMPANIES ACT 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

I. Ratio of remuneration of each Executive Director to the median remuneration of Employees of the Company for the financial year 2018-19, the percentage increase in remuneration of Chairman & Managing Director, Joint Managing Directors, Executive Directors, Company Secretary and CFO during the financial year 2018-19:

| Sr. No. | Name of Director /KMP | Designation | Ratio of Remuneration of each director to median remuneration of employees | Percentage increase in Remuneration |
|---|---|---|---|---|
| 1 | Mr. Vivek Talwar | Chairman & Managing Director | Nil | Nil |
| 3. | *Mr. Mahesh Shah | CEO | Not Applicable | Nil |
| 4 | Mr. B.G. Borkar | CFO | Not Applicable | Nil |
| 5 | Mr. Puneet Motwani | CS | Not Applicable | 35% |

# Joined as Chief Executive Officer (CEO) of the Company w.e.f. October 24, 2018.

**Note:**

The Non- Executive Directors of the Company are entitled for sitting fees. The details of remuneration of Non-Executive Directors are provided in the Report on Corporate Governance and are governed by the Nomination and Remuneration Policy. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not provided in the above information.

**II.**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | % increase in the median remuneration of the employee in the financial year 2018-19 | 7% |
| 2 | Total number of employees of the Company as on March 31, 2019 (on Standalone basis) | 1,179 |
| 3 | Average percentile increase in the salaries of employees excluding managerial personnel during financial year 2018-19 and comparison with the percentile increase in remuneration of Executive Director and jurisdiction thereof | Average percentile increase in the salaries of the eligible employees excluding managerial personnel during financial year 2018-19 was 7%. Whereas average increase in remuneration of Executive Directors was NIL. |

It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

**For and on Behalf of Board**

**Vivek Talwar**
**Chairman & Managing Director**
DIN: 00043180
Mumbai, May 31, 2019

# MANAGEMENT DISCUSSION & ANALYSIS

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Economy

Global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks. In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind. While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices. For these economies, the sharp drop in global commodity prices in 2014/15 has continued to weigh on fiscal and external balances, while leaving a legacy of higher levels of debt.

*(source : World Economic Situation And Prospects 2019)*

## Indian Economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy.

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's foreign exchange reserves were US$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

## Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

- During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US$ 185.51 billion.
- Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.
- Net direct tax collection for 2018-19 had crossed ₹ 10 trillion (US$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at ₹ 10.70 trillion (US$ 154.69 billion) as of February 2019.
- Proceeds through Initial Public Offers (IPO) in India reached US$ 5.5 billion in 2018 and US$ 0.9 billion in Q1 2018-19.
- India's Foreign Direct Investment (FDI) equity inflows reached US$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).
- Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.
- Net employment generation in the country reached a 17-month high in January 2019.

## Government Initiatives

The interim Union Budget for 2019-20 was announced by Mr. Piyush Goyal, Union Minister for Finance, Corporate Affairs, Railways and Coal, Government of India, in Parliament on February 01, 2019. It focuses on supporting the needy farmers, economically less privileged, workers in the unorganised sector and salaried employees, while continuing the Government of India's push towards better physical and social infrastructure.

Total expenditure for 2019-20 is budgeted at ₹ 2,784,200 crore (US$ 391.53 billion), an increase of 13.30 per cent from 2018-19 (revised estimates).

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the government are listed below:

- In February 2019, the Government of India approved the National Policy on Software Products - 2019, to develop the country as a software hub.
- The National Mineral Policy 2019, National Electronics Policy 2019 and Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME II) have also been approved by the Government of India in 2019.

- Village electrification in India was completed in April 2018. Universal household electrification is expected to be achieved by March 2019 end.
- The Government of India released the maiden Agriculture Export Policy, 2018 which seeks to double agricultural exports from the country to US$ 60 billion by 2022.
- Around 1.29 million houses have been constructed up to December 24, 2018, under Government of India's housing scheme named Pradhan Mantri Awas Yojana (Urban).
- Prime Minister's Employment Generation Programme (PMEGP) will be continued with an outlay of ₹ 5,500 crore (US$ 755.36 million) for three years from 2017-18 to 2019-20, according to the Cabinet Committee on Economic Affairs (CCEA).

### Road Ahead

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by F.Y. 27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch ₹ 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers. *(Source : Indian Brand Equity Foundation)*

### Global Ceramic Tiles Industry

The global ceramic tile consumption reached a volume of 13.27 billion square meters (SQM) in CY17 (refers to the period January 01 to December 31), registering a Compounded Annual Growth Rate (CAGR) of around 4% during CY12-CY17. However, the international ceramic tiles industry exhibited a slower pace of growth in CY17, with both production and consumption growth by just 2.2% y-o-y basis. The import-export flows also reduced during CY17 for the first time in nine years. The growth in consumption during CY17, in particular, was buoyed by the recovery in construction activity across Africa (7.2%), European Union (6.3%) and North America (4%). Asia continued to remain the largest consumer at 8.98 billion SQM, equivalent to 68% of the global consumption. Nevertheless, the results for Asia reveal a slowdown in China (production down by 1.5% and exports down by 11.4%) due to the anti-dumping duty imposed by many countries on Chinese tiles. However, it is partially offset by a fresh growth in India, Iran and Vietnam. The annual production in India has already passed the billion SQM mark, while exports saw a further 23% upturn in CY17 following a growth of 39% in the previous year. (Refer Table 1 for the top 5 Consuming countries in the world)

Going forward, As per CARE Ratings Limited (CARE) estimates, the global ceramic tile industry is envisaged to grow at a CAGR of 3-5% during CY18-22 on account of increasing residential segment in the Asian & Gulf Cooperation Council (GCC), a rising replacement demand and increasing penetration of the ceramic tiles. *(Source : Care Ratings, April 01, 2019)*

### Indian Ceramic Tiles Industry

The size of Indian ceramics industry which consists of ceramic tiles, sanitary ware and crockery is estimated to be around ₹ 27,000 crore (₹ 270 billion). Ceramic tiles account for major portion of the industry, that is, about 85% of the total industry and rest is accounted for by sanitary ware and crockery. Tiles are used in residential, commercial and industrial buildings. Tiles may be ceramic or vitrified. Again, vitrified tiles may further be classified into glazed vitrified and polished vitrified tiles.

During the last ten years or so, Indian ceramic tiles industry has crossed some interesting milestones. In 2006, ceramic tiles production in India was around 340 million square meters and India ranked fifth in the world in the production of ceramic tiles. Come 2016, India's production had touched 955 MSM and had galloped into number two rank in world ceramic tiles producers list. Further, during these ten years, India's production almost trebled which no other major producer has been able to achieve.

However, there is another angle to it. During the same period, China, the largest producer of ceramic tiles in the world doubled its production from 3,000 MSM to 6,500 MSM! And even now, India the second largest producer, produces just 15% of what China produces every year. Thus, there is huge gap between the production of first and second largest producers of ceramic tiles in the world who incidentally rank in the same order in terms of population also. Though this gap is narrowing over the years, but it is happening very slowly. Further, as the second largest producer of ceramic tiles in the world, India produces hardly 7% of world's total production. This also indicates that what our ceramics industry has achieved so far is commendable but there is scope and need to cover lot more space in the coming years.

Considering the prolonged depressed condition of Indian realty sector, ceramics industry too should have been in a bad shape as most of it revenue comes from domestic realty sector. However, Indian ceramics industry is quite better off now vis-a-vis realty sector, thanks mainly to several government programs. Government schemes like Swachh Bharat Abhiyaan and Prime Minister Awas Yojana (Urban) are largely responsible for ceramic manufacturers' order book ticking even under adverse conditions. These two schemes are expected to contribute as much as 60% of the incremental demand for low to mid-priced products, such as polished vitrified tiles (PVT) and ceramic tiles.

At the beginning of this financial year cumulative sanctioned houses under PMAY (U) stood at 4.4mn. There were 1.9 mn houses undergoing construction and 0.4 mn houses were completed. In F.Y.18 alone, 2.7mn new houses were sanctioned, 1.4mn houses are undergoing construction and 0.3mn houses have been completed. While the number of houses completed is low, what has been encouraging is the sharp increase in houses under construction as this will translate into rise in demand of ceramic as well as PVT tiles in the medium term.

Replacement demand will be another area which the ceramic manufacturers will be concentrating to expand their revenue. Replacement demand is expected to grow in line with estimated GDP growth of 7.5% in F.Y. 19 and 7.8% in F.Y. 20. As replacement demand is primarily for value-added products, such as GVT, marble and quartz, growth would be determined by improvement in lifestyle.

### Factors influencing future growth

### Low penetration level

Despite being the second largest tiles manufacturer in the world, penetration level of tiles in the country is one of the lowest in the world. Mud, red oxide and cement flooring are still popular in India, especially in rural India. According to the 2011 government census, only 10.8% of Indian houses had mosaic and tile flooring and penetration in rural India is far lower. Ceramic tiles present enough attractiveness through competitive cost with long shelf life and low maintenance cost for people shift to ceramic tiles for flooring purposes. With better distribution and reach in these areas, rural India could provide significant growth impetus to this industry.

### Rapid urbanisation

Tiles penetration in urban India is seven times the rural demand. In the coming years, pace of urbanisation is expected to pick up further which in turn a good news for the ceramics industry. According to the Department of Economic and Social Affairs of the United Nations Secretariat, India would be the largest contributor to incremental urban population in the entire world until 2050.

Disposable incomes and penetration of retail finance are higher in urban areas, hence, an increase in urbanisation and the growing number of nuclear families are key drivers of tile demand.

### Low per capita tile consumption

While the global average per capita tiles consumption is 1.6 sqm, India, with 0.6 sqm per capita, has one of the lowest consumption figures. Thus, there is lot of scope for the per capita tiles consumption to go up in the coming years. Increased brand awareness thanks mainly to popularity of electronic media should help to increase this average to a decent level.

### Revival of realty sector

Demand for tiles are a derivate of real estate demand which continues to be lackluster currently. However, increasing trend of nuclear families, improving income tables, falling age of first time home buyers, fairly attractive interest rate scenario, sustained commercial demand led by India's decent GDP growth and Government initiatives (such as RERA will raise consumer confidence) should help in improving the medium-term outlook of Indian's real estate industry, in turn improving the medium-to-long-term outlook of India's home improvement industry.

### Rising disposable incomes and young population

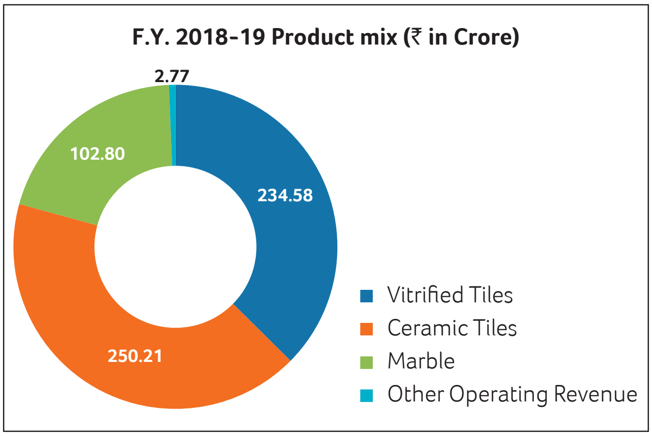
India has one of the youngest populations in the world where the median age of India's population is estimated at 28 years. India's disposable income has grown at a CAGR of 12% over the past three decades. At this rate average Indian's disposable income will double in next six years. Thus, rising income level and the young population will change demand scenario for tiles industry in the coming years. There will not only be increased demand for the tiles but also there will shift towards premium products from lower end products in the coming years. *(Source : The Indian ceramics industry A report)*

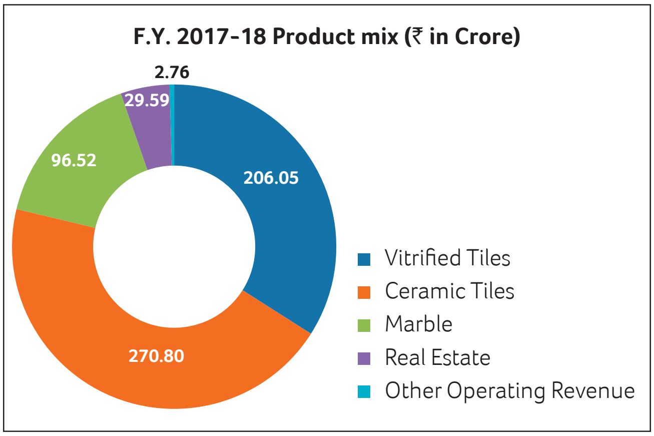
## Financial review

**Analysis of Profit and Loss statement and Balance Sheet based on standalone results isgiven below:**

During F.Y. 2018-19, Company earned Total income from operation of ₹ 59,195.89 Lakhs. Though Company's overall income from operations remained stable at ₹ 59,195.89 Lakhs in 2018-19 as compared to ₹ 59,165.81 Lakhs in 2017-18. NITCO's Income from operation of Tiles & related businesses has increased from ₹ 56,166.81 Lakhs (Net of Excise duty) in 2017-18 to ₹ 59195.89 Lakhs in 2018-19 an increase of 5.39% There was no realization from sale of Real Estate assets during the year, as against ₹ 2,958.81 Lakhs in the previous financial year. Due to sluggish economic scenario in India and depressed Real Estate market, the company could not get the desirable price for its Real Estate assets and hence the sale has been deferred.

Income from Operations - The Product Mix for last 2 years:




## EBITDA & Expense

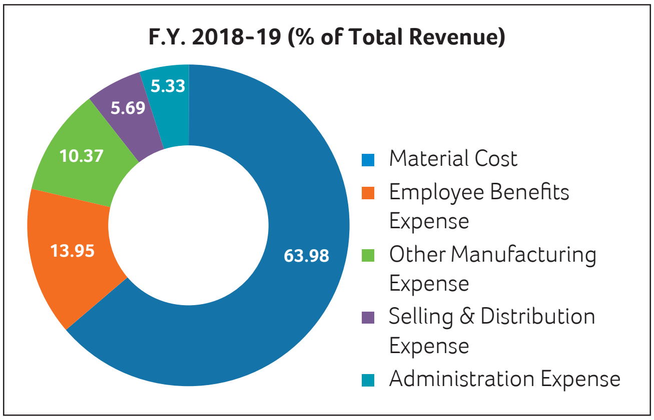
The Company achieved overall EBITDA of ₹ 398.53 Lakhs in F.Y. 2018-19 against an EBITDA of ₹ 527.40 Lakhs in F.Y. 2017-18. Drop in EBITDA was mainly on account of decrease in sales of Real Estate business. EBITDA from Tiles & related businesses have increased to ₹ 367.29 Lakhs in F.Y. 2018-19 against an EBITDA of ₹ 8.09 Lakhs in F.Y. 2017-18. EBITDA from Real Estate business have decreased to ₹ 31.24 Lakhs in F.Y. 2018-19 against an EBITDA of ₹ 519.31 Lakhs in F.Y. 2017-18 on account of lower sales.

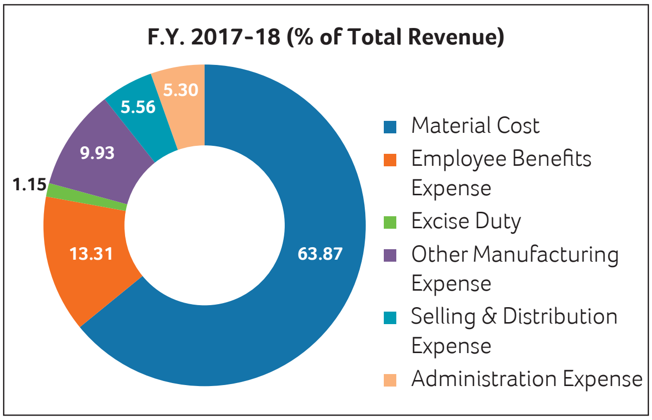
The various expenses head for F.Y. 2018-19 and F.Y. 2017-18 and a percentage of Total Revenue are as follows:

(₹ in Lakhs)

| Particulars | 2018 - 19 | % of Total Revenue | 2017 - 18 | % of Total Revenue |
|---|---|---|---|---|
| Material Cost | 37,874.69 | 63.98% | 38,769.13 | 63.87% |
| Employee Benefits expense | 8,257.93 | 13.95% | 8,081.45 | 13.31% |
| Excise Duty | - | - | 699.14 | 1.15% |
| Other Manufacturing expense | 6,141.25 | 10.37% | 6,025.37 | 9.93% |
| Selling & Distribution expenses | 3,366.80 | 5.69% | 3,376.62 | 5.56% |
| Administration expense | 3,156.69 | 5.33% | 3,218.70 | 5.30% |
| **Total expenses** | **58,797.36** | **99.33%** | **60,170.41** | **99.13%** |
| EBITDA | 398.53 | 0.67% | 527.40 | 0.87% |

There was decrease in EBITDA due to lower sales form Real Estate business.



### Finance costs

JMFARC has acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from Cut-Off date February 28, 2018. Interest on restructured loans has been provided in the books as per the Restructuring agreement with JMFARC. Further, the Company is negotiating a similar settlement agreement with LIC Pending negotiations no further adjustments have been made during the current financial year.

### Equity share capital:

The Company's equity share capital is stated at ₹ 7,185.90 Lakhs, Share Warrants at ₹ 1,750.00 Lakhs as on March 31, 2019.

### Borrowings:

The total debt of the Company is as under:

(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| Long term borrowings | 74,312.27 | 81,397.79 |
| Current maturity shown under "Current Liabilities" | 12,054.75 | 3,626.03 |
| **Total Debt** | **86,367.02** | **85,023.82** |

### Working Capital

a) Inventory has reduced from ₹ 14,427.88 Lakhs in 2017-18 to ₹ 14,336.52 Lakhs in 2018-19;

b) Inventory -Real Estate has remained unchanged at ₹ 15,575.65 Lakhs;

c) Trade receivables have increased from ₹ 18,118.89 Lakhs in 2017-18 to ₹ 20,497.82 Lakhs in 2018-19;

d) Trade payables have increased from ₹ 15,099.30 Lakhs in 2017-18 to ₹ 18,701.33 Lakhs in 2018-19.

### Managing risks at Nitco

At Nitco, risk management is a continuous process of identifying, assessing and evaluating risks and taking proactive measures to minimise or eradicate potential losses arising due to an exposure to particular risks. The consistent implementation of this framework is monitored through audits and reviews, resulting in an accurate understanding of the Company's competitive position. In doing so, the Company takes decisions that balance risks and rewards.

### Perception risk

Inability to sustain historical growth rates could adversely impact brand perception.

### Mitigation

Due to change in the business model, the Company may not be able to sustain its historical growth rate. However, owing to a dynamic and sustainable business plan, continual innovation towards a prudent sales-mix and improving operational efficiencies, the Company will be able to better its sales in absolute terms.

### Business slowdown risk

Indian economy could create a widening chasm between budgeted and actual ground realities.

### Mitigation

The Company has emerged as a one-stop shop for tile solutions, providing floor as well as wall tiles and marble. Metros and urban cities are majorly hit by an economic deceleration while in recent times a majority of the demand for consumer products is emerging from Tier-II and Tier-III locations, which usually remains largely unaffected by economic slowdowns. Thus, as a precautionary measure, the Company strengthened its distribution network in new demand pockets.

### Fuel cost risk

Rising gas prices could impact profitability.

### Mitigation

Continuously rising gas prices is completely beyond the Company's control. However towards minimizing this impact and offsetting the cost increases, the Company has made arrangements for using Coal gas at its Alibag Plant.

### Competition risk

Increasing competition can have an impact on margins.

### Mitigation

Competition from the unorganised sector is expected to decline with rising consolidation, effected by organised players partnering with unbranded players (with low-cost manufacturing expertise) as a part of their cost-efficient expansion strategy. Nitco has developed relationships with several low cost manufacturers for outsourcing its product requirements.

### Technology or software obsolescence risk

Technology or software obsolescence may result in compromise of quality standards and losing out on the competitive advantage.

### Mitigation

The Company invested in SAP ERP module, scaling up its IT infrastructure across its sales, distribution and manufacturing divisions. Design technology will further be enhanced to further strengthen NITCO's aspirational brand position in the minds of the architect, builder, dealer and community in large. The tangible digital technology and 6 color prism technology are the new and updated technologies used in the present year.

### Client attrition risk

A substantial portion of the Company's total sales comes from retail clients and large key accounts. Hence, client attrition can impact both revenues and prospective growth.

### Mitigation

Providing post-sale services to retail and key account customers and offering guidance programs for institutional customers have been an integral part of Company's initiatives to reinforce relationships. The Company also customises products to cater to specific requirements. Some of its brand-enhancing customers include Tata Group, Reliance Groupl, Prestige, Rahejas, Godrej, Oberoi Construction, DLF, L&T, Shapoorji Pallonji Group, among others.

### Human resource risk

Attrition of key executives and personnel could affect the Company's growth prospects.

### Mitigation

Nitco has initiated various measures such as deploying strategic talent management system, training and integration of learning activities. Various HR initiatives were initiated to encourage staff towards enhancing productivity and building the spirit of team work.

### Dealer attrition risk

Dealers represent the Company's face to customers. Reduction in the number of dealers could affect sales and negate brand image.

### Mitigation

The Company has introduced a fast-moving range of tiles new product launches, which has revitalised its distribution network.

# REPORT ON CORPORATE GOVERNANCE

# REPORT ON CORPORATE GOVERNANCE

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Our philosophy on Corporate Governance in Nitco emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working - workplace management, marketplace responsibility, community engagement and business decisions.

The code of conduct and the governance are based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance.

The governance processes of the Company include creation of empowered sub-committees of the Board to oversee the functions of executive management. These sub-committees of the Board mainly comprises of Executive Director and Independent Directors, which meet and deliberate regularly to discharge their obligations.

## 2. BOARD OF DIRECTORS

As on March 31, 2019, the Company's Board consists of Six members which includes 1 Executive Director, 3 Independent Directors and 2 Nominee Directors (Appointed on behalf of JMFARC). The Board is responsible for the management of the affairs of the Company's businesses.

### (i) COMPOSITION

The details of composition and Directorship held in other companies / Board committees by each member of the Board of Directors of the Company as on March 31, 2019 are as under:

| Sr. No. | Name of the Director/DIN No. | Category Independent/ Non executive / Executive) | Number of Directorships held in other Companies | Number of Board Committee Memberships/Chairmanships held in other Companies | |
|---|---|---|---|---|---|
| | | | | Memberships | Chairmanship |
| 1 | Vivek Talwar<br>DIN: 00043180 | Executive Director | 15 | 1 | - |
| 2 | Pradeep Saxena*<br>DIN: 00288321 | Non- Executive and Independent Director | 7 | - | - |
| 3 | Mr. Sharath Bolar<br>DIN: 07009701 | Non- Executive and Independent Director | - | - | - |
| 4 | Ms. Bharti Dhar<br>DIN: 00442471 | Non- Executive and Independent Director | 1 | - | - |
| 5 | Mr. Vivek Grover#<br>DIN: 00421980 | Non- Executive and Nominee Director | - | - | - |
| 6 | Mr.Samir Chawla#<br>DIN: 03499851 | Non- Executive and Nominee Director | - | - | - |

The Independent Directors of the Company meet all the criteria mandated by Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

* Mr. Pradeep Saxena has resigned as an Independent Director with effect from April 23, 2019.

# Mr. Vivek Grover and Mr. Samir Chawla were appointed as the Nominee Directors on the Board of the Company by JMFARC on September 18, 2018.

### (ii) DIRECTOR'S PROFILE

**Mr. Vivek Talwar,** son of Late Mr. Pran Nath Talwar and aged 62 years, is the Managing Director of your Company. He has a rich experience of over 38 years in the tile industry. He joined the Company as a Director in 1980. The operational responsibility and day-to-day functioning of the Company were gradually handed over to him. He was instrumental in setting up a plant at Alibaug to manufacture ceramic floor tiles and also in diversifying the business of the Company by entering into new activities such as dealing in imported marble, vitrified tiles and real estate.

**Mr. Sharath Bolar,** aged 68 years, has completed B.Sc. (Hons) First Class in Chemistry from Bombay University. Mr. Bolar joined the Company in the year 2014 and has 38 years of success in Project Management, Plant Operation, System Implementation. Mr. Bolar has retired from service with Everest Industries Ltd, Delhi as Vice President (Development) in the year 2012.

**Ms. Bharti Dhar,** joined the Company in the year 2015. She is a 1986 batch Commerce graduate and a qualified Cost and Management Accountant. She has rich and varied experience of 29 years in the field of HR. Her long working career has given her exposure and deep insight to the functioning of Government as well as Corporate sector. Nineteen years back, she envisioned Vitasta Consulting Pvt. Ltd. as a professional HR services organization. She saw the need for creating a process driven, values based organisation that would be known for its professionalism. The organisation started as a one woman proprietary concern and has blossomed into a vibrant team of 40 young and dynamic professionals, most of them being women.

**Mr. Vivek Grover,** aged 55 years, was nominated by JM Financial Asset Reconstruction Company Limited (JMFARC) as nominee director on the board of Nitco Limited in the year 2018. Mr. Vivek Grover has 11 years of experience as Executive Director in the field Head of Acquisitions of Non Performing Loans at JMFARC. Prior to joining JMFARC he has worked with companies like IDBI Bank and Mecon (India) Ltd. Mr. Grover has completed Mechanical Engineering (B. Tech) from Banaras Hindu University, Varanasi. He has also done CFA (Charter Financial Analyst) from ICFAI.

**Mr. Samir Chawla,** aged 51 years, was nominated by JM Financial Asset Reconstruction Company Limited (JMFARC) as nominee director on the board of Nitco Limited in the year 2018. Mr. Samir Chawla is working as an Executive Director with JMFARC. Prior to joining JMFARC, he has worked with top blue chip banks namely Standard Chartered Bank, ICICI Ltd, Yes Bank etc. Mr. Chawla has completed Mechanical Engineering (B. Tech) from Indian Institute of Technology, Kanpur. He has also done PGDM from Indian Institute of Management, Calcutta.

### (iii) DETAILS OF SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2019

| Sr. No. | Name of the Director | No. of Shares |
|---|---|---|
| 1 | Vivek Talwar | 6323669 |

Except for Mr. Vivek Talwar, no other director holds any shares in the Company.

### (iv) MEETINGS AND ATTENDANCE

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

| Sr. No. | Name of the Director | No. of Board Meetings held | No. of Board Meetings attended | Whether attended the last AGM |
|---|---|---|---|---|
| 1 | Vivek Talwar | 4 | 4 | Yes |
| 2 | Pradeep Saxena* | 4 | 4 | Yes |
| 3 | Mr. Sharath Bolar | 4 | 4 | Yes |
| 4 | Ms. Bharti Dhar | 4 | 4 | Yes |
| 5 | Mr. Vivek Grover# | 4 | 2 | No |
| 6 | Mr. Samir Chawla# | 4 | 2 | No |

* Mr. Pradeep Saxena has resigned as an Independent Director with effect from April 23, 2019.

#Mr. Vivek Grover and Mr. Samir Chawla were appointed as the Nominee Directors on the Board of the Company by JMFARC on September 18, 2018.

Meetings of the Board of Directors were held on May 29, 2018, August 10, 2018, October 30, 2018 and February 14, 2019.

The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company at www.nitco.in

### (v) INDEPENDENT DIRECTORS

The term Independent Director has been defined under Section 149 of the Act, the Rules framed thereunder and Regulation 16 of the Listing Regulations.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of Listing Regulations and Section 149(6) of the Act and the Rules framed thereunder and are independent of the management as required under Regulation 25 of the Listing Regulations.

The Independent Directors of the Company meet at least once in a year without the presence of Executive Directors and Management Personnel. They review the performance of Non- Independent Directors and the Board as a whole, review the performance of Chairman of the Board, assess the quality, quantity and timeliness of the flow of information between management and the Board that is necessary for it to effectively and reasonably perform its duties.

One meeting of Independent Director was held during the year on February 14, 2019.

Mr. Pradeep Saxena, an Independent Director of the Company resigned with effect from April 23, 2019 due to his pre-occupation and has confirmed that there was no other material reason for his resignation. The same was informed to the stock exchanges on April 24, 2019.

### (vi) EVALUATION CRITERIA

The Company has adopted an Evaluation policy to evaluate performance of each Director, the Board as a whole and its committees. Evaluation shall be carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Director's as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc. Separate meeting of the Independent Directors was held, inter alia, to review the performance of Non-Independent Directors, the Chairman and the Board.

## 3. COMMITTEES OF THE BOARD

### (i) Audit Committee

The Audit Committee of the Board of Directors is constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges and presently consists of Managing Director and two Independent Directors. The role of the Audit Committee is to provide directions and to oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and such other matters as may be required in terms of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges.

The terms of reference of Audit Committee are in accordance with section 177 of Companies Act, 2013, and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Part C of Schedule II of the Listing Regulations.

**Meetings and Attendance**

| Sr. No. | Name of the Member | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| 1 | *Mr. Pradeep Saxena -Chairman - Non-executive and Independent Director | 4 | 4 |
| 2 | Mr. Vivek Talwar- Managing Director | 4 | 4 |
| 3 | Mr. Sharath Bolar - Non-executive and Independent Director | 4 | 4 |

* Mr. Pradeep Saxena has resigned from the office of the Company w.e.f. April 23, 2019.

Meetings of the Audit Committee of the Board of Directors were held on May 29, 2018, August 10, 2018, October 30, 2018 and February 14, 2019.

The Chief Executive Officer, Chief Financial Officer and the Statutory Auditors are permanent invitees at the Audit Committee meetings.

The Compliance Officer acts as the Secretary of the Audit Committee.

### (ii) Stakeholders Relationship Committee

The composition and attendance of each member at the meetings held during the year ended March 31, 2019 is as follows:

**Meetings and Attendance**

| Sr. No. | Name of the Member | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| 1 | Mr. Sharath Bolar - Chairman - Non-executive and Independent Director | 4 | 4 |
| 2 | Mr. Vivek Talwar - Managing Director | 4 | 4 |
| 3 | *Mr. Pradeep Saxena - Non-executive and Independent Director | 4 | 4 |

* Mr. Pradeep Saxena has resigned from the office of the Company w.e.f. April 23, 2019.

Meetings of the Audit Committee of the Board of Directors were held on May 29, 2018, August 10, 2018, October 30, 2018 and February 14, 2019. All the complaints and requests received by the company were resolved during the year under review. There were no complaints of Shareholders pending as on March 31, 2019.

The Chief Executive Officer and Chief Financial Officer are the permanent invitees at the Stakeholders Relationship Committee meetings.

The Compliance Officer acts as the Secretary of the Stakeholders Relationship Committee.

### (iii) Nomination and Remuneration Committee

As required by Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Companies Act, 2013 a Nomination and Remuneration Committee consists of three Directors.

The Terms of Reference of the Nomination and Remuneration Committee includes identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance, laying down the evaluation criteria for performance evaluation of Independent Directors, formulating the criteria for determining qualifications, positive attributes and independence of a director etc.

The Compliance Officer acts as the Secretary of the Nomination and Remuneration Committee.

**Meetings and Attendance**

| Sr. No. | Name of the Member | No. of meetings held | No. of meetings attended |
|---|---|---|---|
| 1 | *Mr. Pradeep Saxena-Chairman- Non-executive and Independent Director | 2 | 2 |
| 2 | Mr. Sharath Bolar- Non-executive and Independent Director | 2 | 2 |
| 3 | Ms. Bharti Dhar - Non-executive and Independent Director | 2 | 2 |

* Mr. Pradeep Saxena has resigned from the office of the Company w.e.f. April 23, 2019.

Meetings of the Nomination and Remuneration Committee of the Board of Directors were held on October 30, 2018 and February 14, 2019.

### (iv) Corporate Social Responsibility Committee

With respect to profits reflected due to restructuring of the Company's debt in the F.Y. 2017-18 the Company has formed the CSR Committee in accordance with the provisions of section 135 of the Companies Act, 2013 the Company shall do all the necessary things and deeds to comply with the said provisions.

There were no meetings of Corporate Social Responsibility Committee held during the F.Y. 2018-19.

## REMUNERATION OF DIRECTORS

The remuneration of the Managing Director is fixed by the Board of Directors and approved by shareholders in the Annual General Meeting. The remuneration of the Non-Executive Directors is restricted only to sitting fees for attending the Board/Committee meetings.

The details of remuneration to Directors for the year ended March 31, 2019 are as under:

(₹ in lacs)

| Name of Directors | Category | Salary | Perquisites and other benefits | Commission | Sitting fees | Total |
|---|---|---|---|---|---|---|
| Mr. Vivek Talwar* | Managing Director | - | - | - | - | - |
| Mr. Pradeep Saxena# | Independent Director | - | - | - | 2.35 | 2.35 |
| Mr. Sharath Bolar | Independent Director | - | - | - | 2.35 | 2.35 |
| Ms. Bharti Dhar | Independent Director | - | - | - | 1.35 | 1.35 |
| Mr. Vivek Grover@ | Nominee Director | - | - | - | 0.60 | 0.60 |
| Mr. Samir Chawla@ | Nominee Director | - | - | - | 0.60 | 0.60 |

*Mr. Vivek Talwar the Managing Director was not paid any salary during the year 2018-19.

#Mr. Pradeep Saxena has resigned from the office of the Company w.e.f. April 23, 2019.

@Sitting fees on behalf of Nominee Directors i.e. Mr. Vivek Grover and Mr. Samir Chawla is paid to JM Financial Asset Reconstruction Company Limited (JMFARC)

None of the Directors hold any instrument convertible to shares.

## 4. SUBSIDIARY COMPANIES

Subsidiary companies of the Company are managed by their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of significant unlisted subsidiary company, inter alia, by the following means:

(a) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.

(b) All significant transactions and arrangements entered into by the subsidiary company are placed before the Audit Committee.

## 5. DISCLOSURES

### (i) Related Party Transactions

In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 36 to the Standalone Financial Statements forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s).

The Board has approved a policy on materiality of related party transactions and dealing with related party transactions which is available on the Company's website at http://nitco.in/Investors/Nitco-Policy.aspx.

### (ii) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

### (iii) Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at www.nitco.in.

### (iv) CEO / CFO certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the certificate forms a part of this Annual Report.

### (v) Accounting treatment

The Company has followed accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) as specified under Section 133 of the Act and other relevant provision of the Act and has uniformly applied the Accounting Polices during the year under review. The financial statements have been prepared on accrual basis except for the non-provision of interest on borrowing as described in note no. 19 of the Financial Statements.

### (vi) Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy and the same is available on Company's website at http://nitco.in/Investors/PDFFiles/Nitco-Whistle-Blower-Policy.pdf.

### (vii) Remuneration to Statutory Auditors

M/s. Nayak & Rane, Chartered Accountants (ICAI Firm Registration No. 117249W) the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

M/s. Nayak & Rane, Chartered Accountants, was paid Professional fees of ₹ 13.15 Lakhs during the financial year 2018-19.

None of the subsidiary companies have availed any services from the statutory auditors of the Company during the financial year 2018-19.

### (viii) Details of Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review. However your company had raised in the previous financial year an amount of ₹ 97.5 crore through preferential allotment of shares/warrants out of which ₹ 15.40 crores have been utilized during the year towards working capital requirements of the company.

**(ix) Commodity price risk, foreign exchange risk and hedging activities**

The Company does not deal in commodities and has no foreign exchange or hedging exposures hence disclosures relating to risk management policy with respect to commodities, commodity price risks, foreign exchange risk and hedging thereof in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not applicable.

**(x) Certificate from Company Secretary in Practice**

M/s. Mayur More & Associates, Practicing Company Secretary (Certificate of Practice No. 13104) have certified that as on the date of the report, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the Board/Ministry of Corporate Affairs or any such statutory authority.

**(xi) Recommendation of Committees**

All recommendations/submissions made by various Committees of the Board during the financial year 2018-19 were accepted by the Board of the Company during the year under review.

**(xii) Credit Ratings**

There was no requirement of obtaining any Credit Ratings during the year under review.

## 6. MEANS OF COMMUNICATION

- The quarterly and half-yearly results of the Company were published within 48 hours in one English language and in one Marathi newspaper with wide circulation. The results, press releases and the shareholding pattern of the Company are displayed on the Company's website at www.nitco.in from time to time. Presentations, if any, made to institutional investors and analysts after the declaration of quarterly, half-yearly and annual results are also displayed on the Company's website.
- The Company also informs, by way of intimation, to the stock exchanges all price-sensitive matters or such other matters which in its opinion are material and relevant to shareholders.
- All data/reports required to be filed with the stock exchanges have been regularly filed with them.
- **Management Discussion and Analysis:** A report on Management Discussion and Analysis is appended and forms a part of this annual report.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web based application designed by NSE for Corporates. All periodical compliances which include filing of Shareholding Pattern, Corporate Governance Report, Announcements, etc. are filed electronically on NEAPS.
- **BSE Listing Centre:** The BSE Listing Centre is a web based application designed by BSE for Corporates. All periodical compliances which include filing of Shareholding Pattern, Corporate Governance Report, Announcements, etc. are filed electronically on BSE Listing Centre.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## 7. SHAREHOLDER'S INFORMATION

**(i)** The **Annual General Meeting** is scheduled to be held on September 19, 2019 at 11:00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4$^{th}$ Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.

**(ii) Financial year:** The Company follows April-March as its financial year.

**(iii) General Body Meeting:**

The details of General Body Meeting held in the past 3 years.

| Financial Year | Date | Day | Time | Location | Whether passed any Special Resolution |
|---|---|---|---|---|---|
| 2017-18 | September 18, 2018 | Tuesday | 11.00 a.m. | M. C. Ghia Hall, Bhogilal Hargovindas Building, 4$^{th}$ Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 | NO |
| 2016-17 | September 20, 2017 | Wednesday | 11.00 a.m. | M. C. Ghia Hall, Bhogilal Hargovindas Building, 4$^{th}$ Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 | Yes* |
| 2015-16 | September 21, 2016 | Wednesday | 11.00 a.m. | M. C. Ghia Hall, Bhogilal Hargovindas Building, 4$^{th}$ Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 | Yes# |

* Re-appointment of Mr. Vivek Talwar as the Managing Director

# Adoption of new set of Articles of Association

**(iv) Postal Ballot:** During the year, one special resolution relating to NITCO - Employee Stock Option Plan (ESOP) - 2019 was passed through the Postal Ballot process pursuant to Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management & Administration) Rules 2014, which was conducted by Ms. Krupa Joisar, Practicing Company Secretary, Mumbai, in terms of the Board resolution dated February 14, 2019. The details of voting pattern are as follows:

| Category | Mode of Voting | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes - in favour | No. of Votes - Against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|---|---|---|---|---|---|---|---|---|
| | | [1] | [2] | [3]={[2]/[1]}*100 | [4] | [5] | [6]={[4]/[2]}*100 | [7]={[5]/[2]}*100 |
| Promoter and Promoter Group | E-Voting | 38077701 | 37210076 | 97.7214 | 37210076 | 0 | 100.0000 | 0.0000 |
| | Poll | | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| | Postal Ballot | | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| | **Total** | | **37210076** | **97.7214** | **37210076** | **0** | **100.0000** | **0.0000** |
| Public Institutions | E-Voting | 17871548 | 17159617 | 96.0164 | 17159617 | 0 | 100.0000 | 0.0000 |
| | Poll | | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| | Postal Ballot | | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| | **Total** | | **17159617** | **96.0164** | **17159617** | **0** | **100.0000** | **0.0000** |
| Public Non Institutions | E-Voting | 15909706 | 1643995 | 10.3333 | 1643739 | 256 | 99.9844 | 0.0156 |
| | Poll | | 0 | 0.0000 | 0 | 0 | 0.0000 | 0.0000 |
| | Postal Ballot | | 1732 | 0.0109 | 1732 | 0 | 100.0000 | 0.0000 |
| | **Total** | | **1645727** | **10.3442** | **1645471** | **256** | **99.9844** | **0.0156** |
| **Total** | | **71858955** | **56015420** | **77.9519** | **56015164** | **256** | **99.9995** | **0.0005** |

**(v) Date of book closure:** September 13, 2019 TO September 19, 2019 (Both Days Inclusive)

**(vi) Dividend Payment Date:** Not Applicable.

**(vii) Listing on stock exchanges:** The Company's equity shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company has paid listing fees to the stock exchanges for the financial year 2019-20.

**(viii) Stock code/symbol:** BSE - 532722

NSE - NITCO

Demat International Security Identification Number in NSDL and CDSL for equity shares- ISIN - INE858F01012

**(ix) Registrar and Share Transfer Agent/Address for correspondence :**

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai- 400 083
Tel: 022 4918 6000; Fax: 022 2594 6969
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

**(x) Market Price Data at BSE and NSE :**

| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April '18 | 96.90 | 93.80 | 96.50 | 94.00 |
| May '18 | 89.95 | 85.80 | 90.15 | 85.35 |
| June '18 | 67.40 | 64.65 | 67.55 | 64.55 |
| July '18 | 72.65 | 70.00 | 72.75 | 70.25 |
| August '18 | 68.55 | 65.85 | 68.60 | 66.50 |
| September '18 | 47.05 | 42.60 | 47.45 | 42.15 |
| October '18 | 34.80 | 33.85 | 35.00 | 33.70 |
| November '18 | 35.25 | 33.50 | 35.90 | 33.50 |
| December '18 | 43.30 | 40.90 | 43.35 | 41.95 |
| January '19 | 36.05 | 35.05 | 36.80 | 34.95 |
| February '19 | 38.25 | 37.65 | 38.40 | 37.80 |
| March '19 | 39.70 | 38.45 | 40.00 | 38.70 |

### (xi) Shareholding pattern as on March 31, 2019:

| Category | | No. of shares held | Percentage of total Shareholding |
|---|---|---|---|
| **(A)** | **Promoter's holding** | | |
| | Promoters & Promoters' group | 38087851 | 53.00 |
| | **Sub-total** | **38087851** | **53.00** |
| **(B)** | **Public shareholding** | | |
| | Institutions | 17509758 | 24.37 |
| | Central/State Government | 2000 | 0 |
| | Non-Institutions | 16259346 | 22.63 |
| | **Sub-total** | **33771104** | **47.00** |
| | **Grand Total (A + B )** | **71858955** | **100.00** |

### (xii) Distribution of shareholding as on March 31, 2019:

| No. of equity shares | No. of share holders | Percentage of Share holders | Share Amount (₹) | Percentage of Share holding |
|---|---|---|---|---|
| 1 - 5000 | 16205 | 83.78 | 22109670 | 3.08 |
| 5001 - 10000 | 1537 | 7.95 | 12828630 | 1.78 |
| 10001 - 20000 | 780 | 4.03 | 11984870 | 1.67 |
| 20001 - 30000 | 265 | 1.37 | 6776110 | 0.94 |
| 30001 - 40000 | 116 | 0.60 | 4187510 | 0.58 |
| 40001 - 50000 | 98 | 0.51 | 4684050 | 0.65 |
| 50001 - 100000 | 146 | 0.75 | 11114050 | 1.55 |
| 100001 and above | 195 | 1.01 | 644904660 | 89.75 |
| **Total** | **19342** | **100.00** | **718589550** | **100.00** |

The Company has not issued any GDRs / ADRs and there are no warrants or any convertible instruments.

### (xiii) Transfer of Unclaimed / Unpaid Dividend:

The Company has transferred all the unclaimed / unpaid dividends to the Investor Education and Protection Fund, established by the Central Government, in terms of the provisions of Section 125 of the Companies Act, 2013. There is no amount lying in the unpaid dividend account of the company.

### (xiv) Unclaimed shares (Equity shares in the Suspense Account) :

As per SEBI's circular CIR/CFD/DIL/10/2010 dated December 16, 2010 read with Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opened Unclaimed Suspense Account, i.e. "Nitco Limited - Unclaimed Securities Suspense Account" with LKP Securities Limited and the unclaimed shares lying with the Company have been dematerialized and credited to Nitco Tiles Limited - Unclaimed Suspense Account.

| Securities | As on April 1, 2018 | | Shareholders who approached the Registrar and Shares transferred in their favour during the year | | Balance as on March 31, 2019 | |
|---|---|---|---|---|---|---|
| | No. of records | No. of shares | No. of records | No. of shares | No. of records | No. of shares |
| Equity Shares | 01 | 785 | 0 | 0 | 01 | 785 |

The voting rights shall remain frozen till the rightful owner of such shares claims the shares.

### (xv) Nomination facility:

Shareholders holding shares in the physical form and desirous of making a nomination in respect of their holding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Company the prescribed Form SH-13 for this purpose.

**(xvi) Consolidation of folios and avoidance of multiple mailing**

In order to enable the Company to reduce costs and duplicity of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent indicating the folio numbers to be consolidated.

**(xvii) National Electronic Clearing Services (NECS) Mandate**

Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrar and Transfer Agent.

**(xviii) Outstanding Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Warrants or any convertible instruments, conversion date and likely impact on Equity**

Company has allotted 61,31,745 Convertible Warrants to JMFARC on March 7, 2018. Each warrant is convertible into one equity share at a conversion price of ₹ 114.16 within a period of 18 months from the date of allotment of Warrants.

**For and on behalf of the Board**

**Vivek Talwar**
**Chairman & Managing Director**
DIN: 00043180
Mumbai, May 31, 2019

# DECLARATION

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the stock exchanges, I hereby confirm and declare that all the Board of Directors and the senior management personnel of the Company have affirmed compliance with the 'Code of Conduct for Board Members and Senior Management' laid down for them for the financial year ended March 31, 2019.

**For Nitco Limited**

**Vivek Talwar**
**Chairman & Managing Director**
DIN: 00043180
Mumbai, May 31, 2019

# AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
**Nitco Limited**

We have examined the compliance of conditions of Corporate Governance procedures implemented by NITCO Limited for the year ended March 31, 2019, as stipulated in Regulation 27 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, of the said Company with the stock exchanges of India.

The compliance with the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the 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 hereby certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Nayak & Rane,**
**Chartered Accountants**
**FRN: 117249W**

**Suraj Nayak**
**Partner**
**Membership No. 049645**
Mumbai, May 31, 2019

# MD/CEO/CFO Certification Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
**NITCO Limited**

This is to certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief, we state that:
   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 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 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 have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 taken or proposed to be taken to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. 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.

| | | |
|---|---|---|
| **Vivek Talwar** | **Mahesh Shah** | **B. G. Borkar** |
| **Chairman & Managing Director** | **Chief Executive Officer** | **Chief Financial Officer** |
| DIN: 00043180 | | |
| Mumbai, May 31, 2019 | | |

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

**To the Members of NITCO Limited**

**Report on the Audit of the Standalone Financial Statements**

## Opinion

We have audited the standalone financial statements of NITCO Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (Other comprehensive income), the standalone statement of changes in Equity and the Statement of Cash Flows for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

We draw your attention to Note 19 of the Standalone financial statements, regarding borrowing. "Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuring of its facility (outstanding ₹ 19.05 crs.) on terms similar to restructuring done by JMFARC. Pending negotiations with LIC no further adjustments in respect of LIC facility has been made.

Pending realisation from sale of non core assets of the Company, there was default in repayment of installments of loans amounting to ₹ 1101.71 lakhs., which were repayable by March 31, 2019. As such, the Company has classified these dues as Current Liabilities during the year.

Our opinion is not modified in respect of the above matter."

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The Key Audit matter | How the matter was addressed in our audit |
|---|---|
| The Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.<br><br>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. | Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –<br><br>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;<br><br>• Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;<br><br>• Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard; |

| The Key Audit matter | How the matter was addressed in our audit |
|---|---|
| The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods. | • Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and<br>• Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. |

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profits/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error , design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion , forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act , we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of managements use of the going concern basis of accounting and , based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence , and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The standalone Balance Sheet, the standalone Statement of Profit and Loss ( including other comprehensive income), and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e. On the basis of the written representations received from the directors as on 31$^{st}$ March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31$^{st}$ March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 (c) to the financial statements;
      ii. The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Nayak & Rane**
**Chartered Accountants**
F. R. No: 117249W

**Suraj Nayak**
**Partner**
Membership No : 049645
Place : Mumbai
Date : May 31, 2019

# Annexure A to the Independent Auditor's Report

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to in the Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2019, we report the following:**

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;

b. The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for one immoveable property which amounts to gross block of ₹ 145.66 Lakh and net block of ₹ 130.62 Lakh whose title deed is not held in the name of the Company. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

ii. The inventory (excluding stock with third parties) has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect with the inventory lying with third parties, these have been substantially confirmed by them. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

iii. (a) The Company has granted unsecured interest free loans to six subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are re-payable on demand, to the parties covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the Company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. There is no stipulation as to the date of payment of interest.

(c) There is no amount of loans granted to companies, firm or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.

v. According to information and explanations given to us, The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. Pursuant to rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added taxes which have not been deposited by the Company on account of disputes, except for the following:

| Name of the Statute | Nature of the Dues | Total | Period | Forum where dispute is pending |
|---|---|---|---|---|
| Central Sales Tax | Pending "C" forms | 3,512,644 | Various periods | Sales Tax Tribunal, Maharashtra |
| | | 3,307,590 | Various periods | Jt. Comm of Sales Tax Appeal, Maharashtra |
| | | 256,000 | 2012-13 | Dy. Commissioner of Sales tax, Maharashtra |
| Excise Duty | Input Tax Credit | 1,446,188 | Various periods | CESTAT - Mumbai |
| Income Tax | Income Tax | 3,372,786 | Various periods | Commissioners of Income Tax (appeals) |
| | Income Tax | 3,063,678 | Various periods | High court |
| Service Tax | Input Tax Credit | 3,434,904 | Various periods | Asst. Commissioner of CGST |
| | | 3,029,734 | Various periods | Asst. Commissioner- Silvassa |

| Name of the Statute | Nature of the Dues | Total | Period | Forum where dispute is pending |
|---|---|---|---|---|
| Service Tax | Input Tax Credit | 61,449,278 | Various periods | CESTAT – Mumbai |
| | | 2,426,847 | Various periods | CESTAT – Ahmadabad |
| | | 3,419,954 | Various periods | COMMISIONER (APPEAL) - Baroda |
| | | 1,961,078 | Various periods | COMMISIONER (APPEAL) – SURAT |
| | | 3,274,183 | Various periods | Commissioner (Appeals) |
| | | 1,662,436 | Various periods | Commissioner of CGST |
| VAT | Input Tax Credit | 14,633,085 | 2008 to 10 | Sales Tax Tribunal, Maharashtra |
| | | 48,274,003 | Various periods | Jt. Commissioner of Sales Tax Appeal, Maharashtra |
| | | 6,994,726 | Various periods | Sr. Joint Commissioner- Revision Board, West Bengal |
| | | 133,534 | 2013-14 | Tribunal, ORISSA |
| | | 12,605,581 | 2013 to 15 | Dy. Commissioner of Commercial Tax, Gujarat |
| | | 59,045,864 | 2013 to 15 | Tribunal, UP |
| | | 885,000 | Various periods | Addl. Commissioner, UP |
| | | 844,608 | Various periods | Asst. Commissioner, Tamil Nadu |
| | | 58,000 | 2014-15 | Jt. Commissioner of Commercial Tax (Appeal), KARNATAKA |
| | | 101,656 | Various periods | Dy. Commissioner of Commercial Tax (Appeal), KERALA |

viii. According to the explanations and information given to us, the Company has defaulted in repayment of dues, the amount of default to a financial institutions was ₹ 1,904.63 Lakh (period of default- 49 months), to a bank was ₹ 101.71 Lakh (Period of default - 18 months) and to ARC ₹ 1000.00 Lakh (Period of default – 1 day).

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Hence reporting under clause 3(xi) of the order is not applicable to the company.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

**For Nayak & Rane**
**Chartered Accountants**
F. R. No.: 117249W

**Suraj Nayak**
**Partner**
Membership No.: 049645
Place : Mumbai
Date : May 31, 2019

# Annexure B to the Independent Auditor's Report

**Referred to in paragraph (f) under 'Report on The Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of NITCO LIMITED ("the Holding Company") as of 31 March 2019, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

### Meaning of Internal Financial Controls with reference to Financial Statements

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

### Opinion

In our opinion, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Nayak & Rane**
**Chartered Accountants**
F. R. No.: 117249W

**Suraj Nayak**
**Partner**
Membership No.: 049645
Place : Mumbai
Date : May 31, 2019

# BALANCE SHEET
as at March 31, 2019

(Amount in Rupees Lakh, unless otherwise stated)

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 44,118.73 | 46,429.21 |
| Capital work-in-progress | | 502.80 | 326.56 |
| Intangible assets | 4 | 10.72 | 9.41 |
| Financial assets | | | |
| Investments | 5 | 2,734.72 | 2,735.36 |
| Other Financial assets | 6 | 2,273.64 | 2,248.25 |
| Other non-current assets | 7 | 3,427.00 | 2,933.72 |
| | | **53,067.61** | **54,682.51** |
| **Current assets** | | | |
| Inventories | 8 | 14,336.52 | 14,427.88 |
| Inventories - Real Estate | 9 | 15,575.65 | 15,575.65 |
| Financial assets | | | |
| Trade receivables | 10 | 20,497.82 | 18,118.89 |
| Cash and cash equivalents | 11 | 1,416.98 | 1,279.60 |
| Other bank balances | 12 | 4,423.26 | 4,851.01 |
| Loans | 13 | 8,988.65 | 9,042.42 |
| Other financial assets | 14 | 1,436.35 | 1,448.40 |
| Other current assets | 15 | 5,564.44 | 5,633.92 |
| | | **72,239.67** | **70,377.77** |
| **Total Assets** | | **125,307.28** | **125,060.28** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 16 | 7,185.90 | 7,185.90 |
| Share warrants | 17 | 1,750.00 | 1,750.00 |
| Other equity | 18 | 2,789.73 | 7,465.10 |
| | | **11,725.63** | **16,401.00** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 74,312.27 | 81,397.79 |
| Provisions | 20 | 179.26 | 189.96 |
| Deferred tax liabilities | 21 | - | - |
| | | **74,491.53** | **81,587.75** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 22 | 18,866.33 | 15,099.30 |
| Other financial liabilities | 23 | 13,450.45 | 4,746.32 |
| Other current liabilities | 24 | 6,440.08 | 6,905.98 |
| Provisions | 25 | 333.26 | 319.93 |
| | | **39,090.12** | **27,071.53** |
| **Total Equity and Liabilities** | | **125,307.28** | **125,060.28** |

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(Amount in Rupees Lakh, unless otherwise stated)

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue From Operations | 26 | 59,036.61 | 60,572.57 |
| Other Income | 27 | 159.28 | 125.24 |
| **Total Income** | | **59,195.89** | **60,697.81** |
| **EXPENSES** | | | |
| Cost of materials consumed | 28 | 11,631.10 | 12,949.88 |
| Purchase of stock-in-trade | | 26,738.13 | 23,470.10 |
| Changes in inventories of finished goods, stock in trade and work-in-progress | 29 | (494.54) | 2,349.15 |
| Excise duty on sale of goods | | - | 699.14 |
| Employee benefits expense | 30 | 8,257.93 | 8,081.45 |
| Finance costs | 31 | 1,977.37 | 845.50 |
| Depreciation and amortisation expense | 32 | 3,111.80 | 7,245.87 |
| Other expenses | 33 | 12,664.74 | 12,620.69 |
| **Total Expenses** | | **63,886.53** | **68,261.78** |
| **Profit /(Loss) before tax before exceptional items** | | **(4,690.64)** | **(7,563.97)** |
| Exceptional items | | - | (24,786.41) |
| **Profit /(Loss) before tax after exceptional items** | | **(4,690.64)** | **17,222.44** |
| Tax expense: | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Excess provision of Tax for earlier years written back | | - | (2,034.84) |
| **Profit /(Loss) for the year** | | **(4,690.64)** | **19,257.28** |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit & loss in subsequent periods | | | |
| Re-measurement gains (losses) on defined benefit plans | 34 | 15.27 | (20.49) |
| Income tax effect on such items | | - | - |
| Total other comprehensive income for the year, net of tax | | 15.27 | (20.49) |
| **Total comprehensive income/(Loss) for the year, net of tax** | | **(4,675.37)** | **19,236.79** |
| Earnings per equity share (computed on the basis of profit for the year): | | | |
| (1) Basic | 35 | (6.51) | 34.43 |
| (2) Diluted | | (6.51) | 34.43 |

The above statement of profit & loss should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# STATEMENT OF CHANGE IN EQUITY

for the year ended March 31, 2019

## A. Equity share capital

(₹ in Lakh)

| Particulars | Amount |
|---|---|
| As at April 1, 2018 | 7,185.90 |
| Changes during the year | - |
| **As at March 31, 2019** | **7,185.90** |

## B. Share warrants

(₹ in Lakh)

| Particulars | Amount |
|---|---|
| As at April 1, 2018 | 1,750.00 |
| Changes during the year | - |
| As at March 31, 2019 | 1,750.00 |

## C. Other equity

| Particulars | Reserves and Surplus | | | | | Total equity |
|---|---|---|---|---|---|---|
| | Capital reserve | Share Premium Account | Capital redemption reserve | General Reserve | Retained earnings / (Losses) | |
| **As at April 1, 2018** | **125.68** | **42,591.33** | **965.00** | **3,846.91** | **(40,063.82)** | **7,465.10** |
| Net income / (loss) for the year | - | - | - | - | (4,690.64) | (4,690.64) |
| Other comprehensive income | - | - | - | - | 15.27 | 15.27 |
| Total comprehensive income | - | - | - | - | (4,675.37) | (4,675.37) |
| Share Premium Account | - | - | - | - | - | - |
| **As at March 31, 2019** | **125.68** | **42,591.33** | **965.00** | **3,846.91** | **(44,739.19)** | **2,789.73** |
| | | | | | | |
| **As at April 1, 2017** | **125.68** | **35,471.47** | **965.00** | **3,846.91** | **(59,300.61)** | **(18,891.55)** |
| Net income / (loss) for the year | - | | | | 19,257.28 | 19,257.28 |
| Other comprehensive income | - | - | - | | (20.49) | (20.49) |
| Total comprehensive income | | | | | 19,236.79 | 19,236.79 |
| Share Premium Account | - | 7,299.23 | - | | | 7,299.23 |
| Share issue expenses | | (179.37) | | | | (179.37) |
| **As at March 31, 2018** | **125.68** | **42,591.33** | **965.00** | **3,846.91** | **(40,063.82)** | **7,465.10** |

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# CASH FLOW STATEMENT

for the year ended March 31, 2019

(Amount in Rupees Lakhs, unless otherwise stated)

| | | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|---|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| | Net Profit before tax | | (4,675.37) | | 17,201.95 |
| | *Adjusted for :* | | | | |
| | Depreciation & amortisation expense | 3,111.80 | | 7,245.87 | |
| | (Profit)/Loss on sale of Property, plant & equipment (Net) | 9.90 | | 9.87 | |
| | Interest received | (374.58) | | (94.95) | |
| | Finance costs | 2,287.11 | | 968.34 | |
| | Net unrealised exchange (gain)/loss | 64.84 | | (27.89) | |
| | | | 5,099.07 | | 8,101.24 |
| | Operating Profit before Working Capital Changes | | 423.70 | | 25,303.19 |
| | *Working capital adjustments:* | | | | |
| | Adjustment for (increase)/decrease: | | | | |
| | (Increase)/decrease in inventories | 91.36 | | 5,534.68 | |
| | (Increase)/decrease in trade and other receivables | (2,064.01) | | 8,957.38 | |
| | Increase/(decrease) in trade and other payables | 3,304.02 | | 3,068.07 | |
| | Increase/(decrease) in provisions | 2.63 | | 149.31 | |
| | | | 1,334.00 | | 17,709.44 |
| | Cash Generated from Operations | | 1,757.70 | | 43,012.63 |
| | Taxes paid (net of refunds) | | - | | - |
| | **Net Cash from operating activities** | | **1,757.70** | | **43,012.63** |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| | Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress) | (988.77) | | (531.64) | |
| | **Net Cash used in Investing Activities** | | **(988.77)** | | **(531.64)** |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| | Increase/(decrease) in Share Capital | - | | 8,835.83 | |
| | Proceeds from Issue of Share warrants | - | | 1,750.00 | |
| | Proceeds/ (Repayment) of Long Term Borrowings (Net) | 1,343.20 | | (52,958.46) | |
| | Proceeds/ (Repayment) of Short Term Borrowings (Net) | - | | (11,357.41) | |
| | Proceeds of Redeemable Non-Convertible Preference Shares | - | | 15,000.00 | |
| | Proceeds of Redeemable Non-convertible Debentures | - | | 5,000.00 | |
| | Advance to Subsidiary companies | 2.62 | | (8,195.89) | |
| | Interest Received | 374.58 | | 94.95 | |
| | Finance costs | (2,287.11) | | (968.34) | |
| | **Net Cash flow from/(used in) Financing Activities** | | **(566.71)** | | **(42,799.32)** |
| | **Net increase in Cash and Cash Equivalents (A+B+C)** | | **202.22** | | **(318.33)** |
| | Cash and Cash Equivalents at the beginning of the year | | 1,279.60 | | 1,570.04 |
| | Effect of exchange difference on restatement of foreign currency cash and cash equivalents | | (64.84) | | 27.89 |
| | **Cash and Cash Equivalents at the end of the year** | | **1,416.98** | | **1,279.60** |

# CASH FLOW STATEMENT

for the year ended March 31, 2019

(Amount in Rupees Lakhs, unless otherwise stated)

| | | | | |
|---|---|---|---|---|
| Notes : | | | | |
| 1. The above Cash Flow Statement should be read in conjunction with the accompanying notes | | | | |
| 2. Purchase of fixed assets represents net additions to property, plant and equipment and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment. | | | | |
| 3. Cash and cash equivalents included in the Statement of cash flows comprise the following: | | | | |
| Components of cash and cash equivalents | | | | |
| Cash on hand | | 9.44 | | 2.98 |
| Balance in current account and deposits with banks | | 1,407.54 | | 1,276.62 |
| Cash and Cash Equivalents at the end of the year | | **1,416.98** | | **1,279.60** |

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# NOTES ON THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

## 1. CORPORATE INFORMATION

NITCO Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The company is one of the leading player in the tiles and marble business. The Company has manufacturing facilities in Maharashtra and Silvassa and sells primarily in India through independent dealers/distributors and modern trade.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 2.1 Basis of preparation and compliance with Ind AS

a. The financial statements of the Company have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

   The financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

b. The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost. Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

   1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
   2. Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
   3. Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

c. The company's presentation and functional currency is Indian Rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Lakh.

d. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

**Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, fair value measurement etc. difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

### 2.2 Significant accounting policies

#### a. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognized at their cash values. All identifiable costs incurred up to the asset put to its intended use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Intangible Assets are stated at the cost of acquisitions less accumulated amortization. In case of an internally generated assets cost includes all directly allocable expenditures. Cost associated with maintaining software programs are recognized as an expense as incurred.

Depreciation is now provided on straight line basis on economic useful lives of the assets. Further the remaining useful life has also been revised whenever appropriate based on the evaluation. Depreciation on addition to/deductions from, owned assets is calculated pro rata to the period of use. The aggregate depreciation provided as per the requirement of Part C of Schedule II to Companies Act 2013. Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase.

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

| Class of assets | Basis | Useful life/ rate of depreciation |
|---|---|---|
| Office equipment - mobile | SLM | 2 years |
| Motor vehicles | SLM | 4 years |
| Computer software | SLM | 5 years |
| Showroom Building (civil) | SLM | 10 years |
| Plant and machineries - Punch & Dies | SLM | 2 years |

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by management. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss with other gains/(losses)

**b. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals on assets under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

**c. Inventories**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence if any. Cost is determined on a moving weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods includes material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production.

**d. Impairment of non-financial assets**

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. The recoverable amount is higher of asset's or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

**e. Revenue recognition**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, and GST (on goods manufactured and outsourced).

Sale of services is recognised in the accounting period in which the service is rendered.

Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest. Dividend income on investments is recognised when the right to receive dividend is established.

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

**f. Foreign currency transactions**

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency. Transactions in foreign currencies are translated into functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are generally recognised in Statement of Profit or Loss.

Foreign exchanges differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss, within finance cost. All other foreign exchange gains and losses as presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using exchange rates on dates of initial recognition.

**g. Fair Value Measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**h. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**i. Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

**ii. Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost:**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income:**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**iii. Derecognition**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

**(b) Financial liabilities**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**i. Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**iii. Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(d) Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts if any, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

**i. Employee Benefits**

**i. Short term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, bonuses and performance incentives.

**ii. Long term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

**iii. Post-employment benefit plan**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company operates a defined benefit gratuity plan with approved gratuity fund, and contributions are made to a separately administered approved gratuity fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Liabilities regarding compensated absences have been classified as current/ non-current at the present value of the defined benefit obligation at the balance sheet date as per Acturial valuation report and other benefits like gratuity have been classified as current.

**j. Provisions and Contingencies**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**k. Taxes on Income**

Taxes on income Current tax is the amount of tax payable on taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

**l. Finance Costs**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred

**m. Segment reporting**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.Earnings Per Share

**n. Earning per share**

In determining the earnings per share, the Company considers the net profit/(loss) after tax and post tax effect of any extra-ordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares as may be applicable. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

**o. Cash flow statement**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit /(Loss) for the effects of:

i. Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses

and

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet

**p. Standards issued and implemented during the year**

The Company applied Ind AS 115 for the first time. On transition to Indian Accounting Standard (IND AS) 115, Revenue from Contracts with Customers w.e.f. April 1, 2018, the management has performed a detailed evaluation of the implications under the new standard and has concluded that there are no material implications on account of applicability of Ind AS 115.

## 3. Property, plant and equipment

(₹ in Lakh)

| Particulars | Freehold Land | Buildings | Office Equipment | Plant & Equipment | Electrical Installation | Furniture & Fixture | Windmill | Vehicles (finance lease) | Total Assets |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| As at April 1, 2017 | 6,003.57 | 19,537.40 | 1,114.32 | 55,140.65 | 1,032.19 | 2,463.36 | 3,680.54 | 796.37 | 89,768.40 |
| Additions | - | 157.13 | 27.58 | 127.37 | 1.52 | 47.04 | - | 36.91 | 397.55 |
| Disposals | - | - | 32.95 | 8.67 | - | 4.15 | - | 83.65 | 129.42 |
| **As at March 31, 2018** | **6,003.57** | **19,694.53** | **1,108.95** | **55,259.35** | **1,033.71** | **2,506.25** | **3,680.54** | **749.63** | **90,036.53** |
| | | | | | | | | | |
| Additions | - | 167.20 | 59.89 | 279.78 | 13.52 | 214.50 | - | 79.69 | 814.58 |
| Disposals | - | - | 20.19 | 64.96 | - | 3.03 | - | 47.50 | 135.68 |
| **As at March 31, 2019** | **6,003.57** | **19,861.73** | **1,148.65** | **55,474.17** | **1,047.23** | **2,717.72** | **3,680.54** | **781.82** | **90,715.43** |
| | | | | | | | | | |
| Depreciation | | | | | | | | | |
| As at April 1, 2017 | - | 7,170.78 | 1,018.71 | 22,920.14 | 831.48 | 1,899.36 | 2,041.07 | 634.76 | 36,516.30 |
| Depreciation charge for the year | - | 1,804.20 | 43.04 | 4,741.09 | 95.02 | 310.27 | 151.36 | 65.50 | 7,210.48 |
| Disposals | - | - | 32.87 | 6.74 | - | 3.73 | - | 76.12 | 119.46 |
| **As at March 31, 2018** | **-** | **8,974.98** | **1,028.88** | **27,654.49** | **926.50** | **2,205.90** | **2,192.43** | **624.14** | **43,607.32** |
| | | | | | | | | | |
| Depreciation charge for the year | - | 636.69 | 38.95 | 2,063.51 | 59.92 | 71.87 | 151.36 | 81.20 | 3,103.50 |
| Disposals | - | - | 20.00 | 46.64 | - | 0.61 | - | 46.87 | 114.12 |
| **As at March 31, 2019** | **-** | **9,611.67** | **1,047.83** | **29,671.36** | **986.42** | **2,277.16** | **2,343.79** | **658.47** | **46,596.70** |
| | | | | | | | | | |
| Net book value : | | | | | | | | | |
| **As at March 31, 2019** | **6,003.57** | **10,250.06** | **100.82** | **25,802.81** | **60.81** | **440.56** | **1,336.75** | **123.35** | **44,118.73** |
| **As at March 31, 2018** | **6,003.57** | **10,719.55** | **80.07** | **27,604.86** | **107.21** | **300.35** | **1,488.11** | **125.49** | **46,429.21** |

Notes:

Property, plant and equipment pledged as security, refer to note 19.1 for information on property, plant and equipment pledged as security by the Company.

## 4. Intangible assets (Computer Software)

(₹ in Lakh)

| | Amount |
|---|---|
| **Cost** | |
| As at April 1, 2017 | 422.60 |
| Additions | - |
| Disposals | - |
| **As at March 31, 2018** | **422.60** |
| | |
| Additions | 6.56 |
| Disposals | - |
| **As at March 31, 2019** | **429.16** |
| **Amortisation** | |
| As at April 1, 2017 | 380.80 |
| Amortisation charge for the year | 32.39 |
| Disposals | - |
| **As at March 31, 2018** | **413.19** |
| | |
| Amortisation charge for the year | 5.25 |
| Disposals | - |
| **As at March 31, 2019** | **418.44** |
| Net book value : | |
| **As at March 31, 2019** | **10.72** |
| **As at March 31, 2018** | **9.41** |

## 5. Investments

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Investments in subsidiaries | | |
| (a) Investments in equity shares (unquoted) | | |
| Nitco Realities Private Limited: | | |
| 2,00,000 Equity shares of ₹1 each fully paid up | 694.59 | 694.59 |
| *Nitco Holdings HK Co. Ltd | | |
| 10,000 Equity shares | - | 0.64 |
| New Vardhman Vitrified Private Limited: | | |
| 1,27,50,000 Equity shares of ₹10 each fully paid up | 1,561.35 | 1,561.35 |
| | **2,255.94** | **2,256.58** |
| (b) Investments in preference shares (unquoted) | | |
| New Vardhman Vitrified Private Limited: | | |
| 47,87,763 Equity shares of ₹10 each fully paid up | 478.78 | 478.78 |
| **Total** | **478.78** | **478.78** |
| **Aggregate value of unquoted investments** | **2,734.72** | **2,735.36** |

* The Company had incorporated wholly owned subsidiaries in Hongkong namely "Nitco Holdings HK Co. Ltd." in order to promote export of tiles to third countries. The Company had invested an amount of ₹0.64 Lakhs in this subsidiary by way of Equity. Due to adverse change in the business environment, there were no commercial operations in this company since F.Y. 2012-13. The Company had applied for deregistration of its subsidiary "Nitco Holdings HK Co. Ltd." to the authorities on September 21, 2018 and as a result investment of ₹ 0.64 lakhs is written off in the books.

## 6. Other financial assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balances with Banks - Held as Margin Money | 2,264.79 | 2,239.40 |
| Security Deposits | 8.85 | 8.85 |
| **Total** | **2,273.64** | **2,248.25** |

## 7. Other non-current assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Income Tax Payment (Net) | 1,842.60 | 1,652.60 |
| *Capital Advances | 1,453.78 | 1,147.49 |
| Prepaid Lease rental | 130.62 | 133.63 |
| **Total** | **3,427.00** | **2,933.72** |

* Capital advance includes advances of ₹1165.99 Lakh pertaining Real estate and ₹ 287.79 Lakh pertaining to Marble business.

## 8. Inventories

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Raw Materials | 2,094.31 | 2,535.88 |
| Work-in-progress | 221.14 | 364.94 |
| Finished Goods | 10,776.35 | 10,486.68 |
| Stock in trade | 488.25 | 149.92 |
| Stores and spares | 756.47 | 890.46 |
| **Total** | **14,336.52** | **14,427.88** |

## 9. Inventories - Real Estate

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Land at Kanjurmarg | 15,000.00 | 15,000.00 |
| Biz Park at Thane | 575.65 | 575.65 |
| **Total** | **15,575.65** | **15,575.65** |

## 10. Trade receivables

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade receivables - Unsecured | | |
| Considered good | **20,497.82** | **18,118.89** |
| Considered doubtful | 869.06 | 693.13 |
| | **21,366.88** | **18,812.02** |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance)* | (869.06) | (693.13) |
| **Total** | **20,497.82** | **18,118.89** |

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). Also refer Note 42 (iii).

(₹ in Lakh)

| | Amount |
|---|---|
| **Balance as at April 1, 2017** | **583.38** |
| Add : Created during the year | 132.55 |
| Less : Released during the year | (22.80) |
| **Balance as at March 31, 2018** | **693.13** |
| Add : Created during the year | 181.42 |
| Less : Released during the year | (5.49) |
| **Balance as at March 31, 2019** | **869.06** |

## 11. Cash and cash equivalents

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balances with banks | | |
| On current accounts | 1,407.54 | 1,276.62 |
| Cash on hand | 9.44 | 2.98 |
| **Total** | **1,416.98** | **1,279.60** |

## 12. Other bank balances

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balances with Banks - Earmarked for Unpaid Dividend | - | 1.01 |
| Fixed Deposits with Banks | 4,423.26 | 4,850.00 |
| **Total** | **4,423.26** | **4,851.01** |

## 13. Loans

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Loans to Related Parties - refer note 36 (c) | | |
| Unsecured, Considered Good | 8,982.71 | 8,980.09 |
| Other Loans & Advances | | |
| Unsecured, Considered Good | 5.94 | 62.33 |
| **Total** | **8,988.65** | **9,042.42** |

**Disclosure required by SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015:**

**Loans and advances in the nature of loans given to the subsidiary:**

(₹ in Lakh)

| | Loans Outstanding as at | | Maximum amount outstanding during the year ended on | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Nitco Realties Pvt. Ltd. | 7,038.59 | 7,038.22 | 7,038.59 | 15,234.12 |
| New Vardhman Vitrified Pvt. Ltd. | 1,941.87 | 1,941.87 | 1,941.87 | 1,941.87 |
| Meghdoot Properties Pvt. Ltd. | 0.57 | - | 0.57 | - |
| Maxwealth Properties Pvt Ltd | 0.57 | - | 0.57 | - |
| Feel Better Housing Pvt. Ltd. | 0.57 | - | 0.57 | - |
| Silver-Sky Real Estates Pvt Ltd | 0.55 | - | 0.55 | - |

## 14. Other financial assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Security Deposits | 1,397.86 | 1,413.76 |
| Others (Unsecured considered good unless otherwise stated) | 38.49 | 34.64 |
| **Total** | **1,436.35** | **1,448.40** |

## 15. Other current assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance with statutory authorities | 3,300.26 | 3,026.82 |
| Advances for supply of goods and rendering of services | 1,883.49 | 2,230.72 |
| Prepaid expenses/Other Receivables | 224.17 | 209.28 |
| Other Assets | 156.52 | 167.10 |
| **Total** | **5,564.44** | **5,633.92** |

## 16. Equity share capital

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Nos. | ₹ in Lakh | Nos. | ₹ in Lakh |
| **Authorised:** | | | | |
| **Equity Shares:** | | | | |
| Equity shares of ₹10/- each | 8,00,00,000 | 8,000.00 | 8,00,00,000 | 8,000.00 |
| **Preference Shares:** | | | | |
| Redeemable Preference Shares of ₹10 each | 15,00,00,000 | 1,50,00.00 | 15,00,00,000 | 1,50,00.00 |
| | | | | |
| **Issued, Subscribed and Paid-up** | | | | |
| **Equity Shares:** | | | | |
| Equity shares of ₹10/- each | 7,18,58,955 | 7,185.90 | 7,18,58,955 | 7,185.90 |
| **Total** | **7,18,58,955** | **7,185.90** | **7,18,58,955** | **7,185.90** |

### A. Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in Lakh)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| At the beginning of the year | 7,18,58,955 | 7,185.90 | 5,46,99,338 | 5,469.93 |
| Issued during the year | - | - | 1,71,59,617 | 1,715.97 |
| Outstanding at the end of the year | 7,18,58,955 | 7,185.90 | 7,18,58,955 | 7,185.90 |

### B. Following shareholders hold equity shares more than 5% of the total equity shares of the Company:

(₹ in Lakh)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number of shares held having face value of ₹10 each | % of holding in class | Number of shares held having face value of ₹10 each | % of holding in class |
| Aurella Estates And Investments Pvt Ltd | 2,56,76,949 | 35.73% | 2,56,76,949 | 35.73% |
| Vivek Prannath Talwar | 63,23,669 | 8.80% | 63,23,669 | 8.80% |
| JM Financial Asset Reconstruction Company | 1,71,59,617 | 23.88% | 1,71,59,617 | 23.88% |

### C. Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 17. Share warrants

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| 6131745 Warrants (convertible into Equity) of ₹10/- each 25% paid up | 1,750.00 | 1,750.00 |
| **Total** | **1,750.00** | **1,750.00** |

During F.Y. 2017-18, Company issued 61,31,745 Convertible Warrants (the "Warrants") at an issue price of ₹ 114.16 per warrant to JMFARC, entitling the Warrant Holder to apply for and get allotted one Equity Share of the face value of ₹ 10/- each fully paid-up at a premium of ₹ 104.16 against each Warrant within a period of 18 months from the date of allotment of Warrants. ₹ 1750 lakhs, being 25% of the consideration of total the Warrants issued, was received by the company before allotment of the Warrants and the balance consideration i.e. 75% is payable at the time of exercise of option of conversion against each such warrant.

## 18. Other equity

(₹ in Lakh)

| | | Amount |
|---|---|---|
| a) | **Capital Reserve** | |
| | As at April 1, 2017 | 125.68 |
| | Changes during the year | - |
| | **As at March 31, 2018** | **125.68** |
| | Changes during the year | - |
| | **As at March 31, 2019** | **125.68** |
| b) | **Securities Premium Reserve** | |
| | As at April 1, 2017 | 35,471.47 |
| | Changes during the year | 7,119.86 |
| | **As at March 31, 2018** | **42,591.33** |
| | Changes during the year | - |
| | **As at March 31, 2019** | **42,591.33** |
| c) | **Capital Redemption Reserve** | |
| | As at April 1, 2017 | 965.00 |
| | Changes during the period | - |
| | **As at March 31, 2018** | **965.00** |
| | Changes during the period | - |
| | **As at March 31, 2019** | **965.00** |

(₹ in Lakh)

| | | Amount |
|---|---|---|
| **d)** | **General Reserve** | |
| | As at April 1, 2017 | 3,846.91 |
| | Changes during the period | - |
| | **As at March 31, 2018** | **3,846.91** |
| | Changes during the period | - |
| | **As at March 31, 2019** | **3,846.91** |
| **e)** | **Retained Earnings** | |
| | **As at April 1, 2017** | **(59,300.61)** |
| | Profit/(Loss) for the year 2017-18 | 19,236.79 |
| | Less: Transfer to general reserve | - |
| | **As at March 31, 2018** | **(40,063.82)** |
| | Profit/(Loss) for the year 2018-19 | (4,675.37) |
| | Less: Transfer to general reserve | - |
| | **As at March 31, 2019** | **(44,739.19)** |
| | **Total other equity** | |
| | **As at March 31, 2019** | **2,789.73** |
| | **As at March 31, 2018** | **7,465.10** |

## 19. Borrowings

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Redeemable Non-Convertible Preference Shares (refer Note-i) | 15000.00 | 15000.00 |
| Redeemable Non-convertible Debentures (refer Note-ii) | 5000.00 | 5000.00 |
| Term Loan (secured) | | |
| From Banks / Financial Institutions | - | - |
| From Others | 54,252.25 | 61,365.62 |
| Long term maturities of finance lease | 60.02 | 32.17 |
| **Total** | **74,312.27** | **81,397.79** |

i. Since the preference shares and debentures have been allotted consequent to restructuring of the company's debt, there is no active market available for the aforesaid financial instruments, therefore the Company has not re-measured Redeemable Non-convertible Preference Shares and Redeemable Non Convertible debenture.

ii. During F.Y. 2017-18, based on the Techno Economic Viability (TEV) study conducted by MITCON and its findings thereof, the debt of the Company was required to be restructured to a sustainable level to ensure continuity of business resulting in long-term growth beneficial for all stakeholders. Accordingly a restructuring plan was drawn followed by a business plan reviewed by a reputed financial and tax consultancy firm. Pursuant to the same the restructuring was implemented as per which loans have been converted into term loans. The Company is negotiating a similar settlement agreement with other lender(s), Pending negotiations no further adjustments have been made.

### 19.1 Interest and repayment schedule for secured long term borrowings

| Type of loan | Loan outstanding as on 31.3.2019 | | | Rate of interest | Repayment terms | Security Guarantee |
|---|---|---|---|---|---|---|
| | Non current | Current | Total | | | |
| **Term loans assigned to JM Financial Asset Reconstruction Company Limited** | | | | | | |
| Term loans Facility 1 (secured) | 19,615.10 | 2,000.00 | 21,615.10 | 9% | 20 structured quarterly installments commencing from F.Y. 2019 | • First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Company<br>• Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Company<br>• Pledge of shares held by promoters in Nitco Limited and six associate companies,<br>• Pledge of shares held by Aurella Estate & Investments Pvt. Ltd. in Nitco Limited, shares held by Nitco Realties Pvt. Ltd. in one of its subsidiary company and shares held by Nitco Limited in New Vardhman Vitirfied Pvt. Ltd.<br>• Negative lien on Non-Core Assets of the Company<br>• Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by six subsidiary/fellow subsidiary/associate companies |
| Term loans Facility 2 (secured) | 20,605.00 | 7,999.72 | 28,604.72 | 9% | Repayable from the proceeds of sale of identified assets over a period of five years commencing from F.Y. 2018 | |
| Others | 14,032.15 | - | 14,032.15 | - | The loan will be settled after fulfillment of certain conditions. | |
| Redeemable Non-Convertible Preference Shares | 15,000.00 | - | 15,000.00 | 0.1% | Preference Shares shall be repaid at par in 8 equal annual installments commencing from the end of 10 years from the effective date February 28, 2018. | |
| Redeemable Non-convertible Debentures | 5,000.00 | - | 5,000.00 | 5% | The Debenture shall be redeemed at the end of 10 years from the effective date (i.e. February 28, 2018). | |
| **Total (A)** | **74,252.25** | **9,999.72** | **84,251.97** | | | |
| **Term loans not assigned to JM Financial Asset Reconstruction Company Limited** | | | | | | |
| Loan from Financial institutions - Term Loan | - | 1,666.67 | 1,666.67 | 11.25% | 32 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Loan from Financial institutions - FITL | - | 237.96 | 237.96 | 10.75% | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package | |
| Term loan from Bank | - | 101.71 | 101.71 | 3M LIBOR Plus 2.60% | 12 structured quarterly installments commencing from March 31, 2015. | Pari passu charge on Silvassa Plant and guaranteed by promoters |

| Type of loan | Loan outstanding as on 31.3.2019 | | | Rate of interest | Repayment terms | Security Guarantee |
|---|---|---|---|---|---|---|
| | Non current | Current | Total | | | |
| Vehicle Loans | 60.02 | 48.69 | 108.71 | | Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan. | Secured against the hypothecation of underlying company owned vehicles. |
| **Total (B)** | **60.02** | **2,055.03** | **2,115.05** | | | |
| **Grand Total (A+B)** | **74,312.27** | **12,054.75** | **86,367.02** | | | |

i. JMFARC representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis vide their sanction letter dated January 23, 2018. Based on the agreement entered into with JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s).

ii. Loans from Lenders are secured against the mortgage of fixed assets of the Company, hypothecation of present and future stocks of raw materials, stock-in-process, finished goods, stock-in-trade, stores and spares, consumables, book debts and against collateral securities and personal guarantee given by promoters and related parties.

## 20. Provisions

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Provision for employee benefits | 179.26 | 189.96 |
| **Total** | **179.26** | **189.96** |

## 21. Income taxes

In view to accumulated losses, no provision for tax has been made for the year.

## 22. Trade payables

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade payables | | |
| - total outstanding dues of micro and small enterprises | 2,200.30 | 1,193.51 |
| - total outstanding dues of creditors other than micro and small enterprises | 16,666.03 | 13,905.79 |
| **Total** | **18,866.33** | **15,099.30** |

Notes:

I. Disclosure with respect to related party transactions is given in note 36.

II. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due and remaining unpaid | 2,200.30 | 1,193.51 |
| - Interest due and unpaid on the above amount | - | - |
| Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006 | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable | - | - |

## 23. Other financial liabilities

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Current maturities of long term debt | 12,054.75 | 3,626.03 |
| Deposits received | 846.35 | 786.05 |
| Other Advances | 461.62 | 272.52 |
| Amount payable to capital creditors | 66.50 | 60.71 |
| Interest accrued but not due on borrowings | 21.23 | - |
| Unclaimed dividends | - | 1.01 |
| **Total** | **13,450.45** | **4,746.32** |

## 24. Other current liabilities

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Other payable | 6,440.08 | 6,905.98 |
| **Total** | **6,440.08** | **6,905.98** |

## 25. Provisions

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Provision for Leave Encashment | 87.70 | 82.34 |
| Provision for Gratuity | 245.56 | 237.59 |
| **Total** | **333.26** | **319.93** |

## 26. Revenue from operations

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Sales | | |
| Tiles & Related products | 58,760.07 | 57,337.69 |
| Real estate | - | 2,958.81 |
| | **58,760.07** | **60,296.50** |
| Other operating revenues | | |
| Labour charges | 96.74 | 181.29 |
| Lease rental | 63.41 | 40.24 |
| Other Operating income | 116.39 | 54.54 |
| | **276.54** | **276.07** |
| **Total** | **59,036.61** | **60,572.57** |

## 27. Other income

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Rent Received | 32.69 | 35.92 |
| Miscellaneous income | 126.59 | 89.32 |
| **Total** | **159.28** | **125.24** |

## 28. Cost of material consumed

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Body Material | 2,086.12 | 1,404.97 |
| Glaze Material | 1,521.93 | 1,919.03 |
| Marble blocks/slabs | 7,114.03 | 6,213.99 |
| Packing Material | 909.02 | 993.95 |
| Others (Real Estate) | - | 2,417.94 |
| **Total** | **11,631.10** | **12,949.88** |

## 29. Changes in inventories of finished goods, stock in trade and work-in-progress

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Stock in Trade - Opening | 149.92 | 743.53 |
| Stock in Trade - Closing | 488.25 | 149.92 |
| | **(338.33)** | **593.61** |
| Work in Progress - Opening | 364.94 | 381.30 |
| Work in Progress - Closing | 221.14 | 364.94 |
| | **143.80** | **16.36** |
| Finished Goods (Mfg.) - Opening | 10,490.15 | 12,229.33 |
| Finished Goods (Mfg.) - Closing | 10,790.16 | 10,490.15 |
| | **(300.01)** | **1,739.18** |
| **Total Change in Inventories** | **(494.54)** | **2,349.15** |

## 30. Employee benefits expense

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Salaries, wages and amenities | 7,578.01 | 7,425.00 |
| Contribution to provident fund and other funds | 456.48 | 435.68 |
| Staff welfare expenses | 223.44 | 220.77 |
| **Total** | **8,257.93** | **8,081.45** |

## 31. Finance costs

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Interest on debt and borrowings | 1,841.22 | 788.35 |
| Other financial charges | 71.31 | 85.04 |
| Applicable net gain/loss on foreign currency transactions and translation | 64.84 | (27.89) |
| **Total** | **1,977.37** | **845.50** |

JMFARC representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis. Based on the sanction received from JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation no further adjustments have been made.

## 32. Depreciation and amortisation expense

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 3,103.50 | 7,210.48 |
| Amortisation of intangible Assets (refer note 4) | 5.25 | 32.39 |
| Amortisation of other assets | 3.05 | 3.00 |
| **Total** | **3,111.80** | **7,245.87** |

## 33. Other expenses

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Other Manufacturing Expenses** | | |
| *Power and fuel | 4,775.82 | 4,582.96 |
| Consumption of stores and spare parts. | 891.68 | 888.75 |
| | **5,667.50** | **5,471.71** |
| **Repairs and Maintenance** | | |
| Buildings | 45.20 | 47.72 |
| Machinery | 260.33 | 224.16 |
| Others Repairs & Maintenance | 168.22 | 281.78 |
| | **473.75** | **553.66** |
| **Administrative Expenses** | | |
| Rent Rates and Taxes | 591.00 | 786.32 |
| Electricity Charges Office & Depot | 127.23 | 134.76 |
| Processing Charges Mosaico/Marble | 156.97 | 144.72 |
| Water Charges | 9.72 | 9.52 |
| Postage and Telephone | 141.00 | 161.44 |
| Printing and Stationery | 16.54 | 17.89 |
| Insurance | 265.26 | 147.83 |
| Legal and Professional Fees | 318.27 | 276.25 |
| Traveling & Conveyance Expenses | 1,026.73 | 948.74 |
| Audit Fees | 10.00 | 14.35 |
| Hire Charges | 191.19 | 182.23 |
| Security Charges | 124.77 | 122.38 |
| Miscellaneous Expenses | 178.01 | 272.27 |
| | **3,156.69** | **3,218.70** |
| **Selling and distribution expenses** | | |
| Advertisement & Sales Promotion Expenses | 1,277.13 | 1,260.40 |
| Freight Forwarding & Distribution Expenses | 1,653.36 | 1,657.87 |
| C&F Charges | 230.88 | 299.85 |
| Provision for Doubtful Debts | 175.94 | 52.41 |
| Bad Debts | 29.49 | 106.09 |
| | **3,366.80** | **3,376.62** |
| **Total** | **12,664.74** | **12,620.69** |

*The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During the year the company has sold power to MSEDCL amounting to ₹ 662.12 lakhs (previous year ₹ 569.33 lakhs) and the same has been netted out against power purchased from MSEDCL for its plant located at Alibaug, Maharashtra. The power generated through windmills was sold to MSEDCL under 13 year Power Purchase Agreement which has expired on March 22, 2019. Post expiry of Power Purchase Agreement, generation from windmill may be used for Captive consumption/Sale under Power Purchase Agreement with MSEDCL as may be permitted under the prevailing government policy.

## 34. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**During the year ended March 31, 2019**

(₹ in Lakh)

| | Retained Earnings | Total |
|---|---|---|
| Remeasurement gains (losses) on defined benefit plans | 15.27 | 15.27 |
| Income tax effect | - | - |
| **Total** | **15.27** | **15.27** |

**During the year ended March 31, 2018**

(₹ in Lakh)

| | Retained Earnings | Total |
|---|---|---|
| Remeasurement gains (losses) on defined benefit plans | (20.49) | (20.49) |
| Income tax effect | - | - |
| **Total** | **(20.49)** | **(20.49)** |

## 35. Earnings per share (EPS)

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Profit/ (Loss) for the year (₹) | (4,675.37) | 19,236.79 |
| Equity shares at the beginning of the year (nos.) | 718.59 | 546.99 |
| Equity shares issued during the year | - | 171.60 |
| Equity shares at the end of the year (nos.) | 718.59 | 718.59 |
| Weighted average equity shares for the purpose of calculating basic earnings per share (nos.) | 718.59 | 558.75 |
| Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.) | 718.59 | 558.75 |
| Earnings per share-basic (face value of ₹10/- each) (₹) | (6.51) | 34.43 |
| Earnings per share-diluted (face value of ₹10/- each) (₹) | (6.51) | 34.43 |

## 36. Related party disclosures as required by IND As 24 "Related Party Disclosures" are given below:

**(A) List of related parties**

**I. Entities substantially owned directly or indirectly by the Company, irrespective of whether transactions have occurred or not.**

| Particulars | Country of Incorporation | % age of ownership interest either directly or through subsidiaries | |
|---|---|---|---|
| | | As at March 31, 2019 | As at March 31, 2018 |
| **Subsidiaries** | | | |
| New Vardhman Vitrified Pvt. Ltd. | India | 51 | 51 |
| Nitco Realties Private Limited | India | 100 | 100 |
| Nitco Holdings HK Company Ltd. | Hong Kong | 100 | 100 |
| **Fellow Subsidiaries** | | | |
| Maxwealth Properties Pvt. Ltd. | India | 100 | 100 |
| Meghdoot Properties Pvt. Ltd. | India | 100 | 100 |
| Roaring - Lion Properties Pvt. Ltd. | India | 100 | 100 |
| Feel Better Housing Pvt. Ltd. | India | 100 | 100 |

| Particulars | Country of Incorporation | % age of ownership interest either directly or through subsidiaries | |
|---|---|---|---|
| | | As at March 31, 2019 | As at March 31, 2018 |
| Quick-Solution Properties Pvt. Ltd. | India | 100 | 100 |
| Silver-Sky Real Estates Pvt. Ltd. | India | 100 | 100 |
| Opera Properties Pvt. Ltd. | India | 100 | 100 |
| Ferocity Properties Pvt. Ltd. | India | 100 | 100 |
| Glamorous Properties Pvt. Ltd. | India | 75 | 75 |
| Nitco IT Parks Pvt. Ltd. | India | 100 | 100 |
| Nitco Aviation Pvt. Ltd. | India | 100 | 100 |
| Aileen Properties Pvt. Ltd. | India | 100 | 100 |

**II. Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise with whom transactions have taken place:**

**Entity having significant influence over the Company**

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar - Chairman & Managing Director

**Key Management Personnel (KMP)**

Mr. Vivek Talwar - Chairman & Managing Director

**Relative of Key Management Personnel (KMP)**

Anjali Talwar - Wife

Rohan Talwar - Son

Poonam Talwar - Sister

**Post - employment benefit plans**

Nitco Limited Employees Group Gratuity Schemes

Nitco Tiles Ltd. Superannuation Fund

**Entities where control / significant influence by KMPs and their relatives exists and with whom transaction have taken place.**

Eden Garden Builders Pvt. Ltd.

Enjoy Builders Pvt. Ltd.

Lavender Properties Pvt. Ltd.

Prakalp Properties Pvt. Ltd.

Rang Mandir Builders Pvt. Ltd.

Usha Kiran Builders Pvt. Ltd.

Saisha Trading LLP

IB Hospitality Pvt. Ltd.

Glamorous Properties Pvt. Ltd.

Watco Trading Pvt. Ltd.

Watco Engineering Pvt. Ltd.

Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd

Nitco Sales Corporation Delhi

Nitco Tiles Sales Corporation

Northern India Tiles Sales Corporation

**B) Transactions with related parties**

| Transactions | Year ended March 31, 2019 | | | | | Year ended March 31, 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| **Sale of Goods** | | | | | | | | | | |
| Poonam Talwar | | | - | | - | | | 19.66 | | 19.66 |
| New Vardhman Vitrified Pvt. Ltd. | 0.54 | | | | 0.54 | - | | | | - |
| **Other Income** | | | | | | | | | | |
| Nitco Holdings HK Company Ltd. | - | | | | - | 5.22 | | | | 5.22 |
| **Purchase of Traded Goods** | | | | | | | | | | |
| New Vardhman Vitrified Pvt. Ltd. | 6,166.57 | | | | 6,166.57 | 13,890.16 | | | | 13,890.16 |
| **Power & fuel expenses** | | | | | | | | | | |
| Saisha Trading LLP | | | 397.47 | | 397.47 | | | 394.71 | | 394.71 |
| **Other Expenses** | | | | | | | | | | |
| IB Hospitality Pvt. Ltd. | | | 3.01 | | 3.01 | | | 14.37 | | 14.37 |
| Nitco Holdings HK Company Ltd. | 0.64 | | | | 0.64 | - | | | | - |
| **Directors Sitting Fees** | | | | | | | | | | |
| Pradeep Saxena | | 2.35 | | | 2.35 | | 2.80 | | | 2.80 |
| Sharath Padmanabh Bolar | | 2.35 | | | 2.35 | | 2.80 | | | 2.80 |
| Bharti Pradeep Dhar | | 1.35 | | | 1.35 | | 1.80 | | | 1.80 |
| Vivek Grover | | 0.60 | | | 0.60 | | - | | | - |
| Samir Chawla | | 0.60 | | | 0.60 | | - | | | - |
| **Rent Paid** | | | | | | | | | | |
| Eden Garden Builders Pvt. Ltd. | | | 3.18 | | 3.18 | | | 3.18 | | 3.18 |
| Enjoy Builders Pvt. Ltd. | | | 4.37 | | 4.37 | | | 4.37 | | 4.37 |
| Lavender Properties Pvt. Ltd. | | | 3.16 | | 3.16 | | | 3.16 | | 3.16 |
| Prakalp Properties Pvt. Ltd. | | | 3.02 | | 3.02 | | | 3.02 | | 3.02 |
| Rang Mandir Builders Pvt. Ltd. | | | 4.18 | | 4.18 | | | 4.18 | | 4.18 |

| Transactions | Year ended March 31, 2019 | | | | | Year ended March 31, 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| Usha Kiran Builders Pvt. Ltd. | | | 3.16 | | 3.16 | | | 3.16 | | 3.16 |
| **Rent Received** | | | | | | | | | | |
| Saisha Trading LLP | | | 2.83 | | 2.83 | | | 2.81 | | 2.81 |
| **Loans & Advances Given** | | | | | | | | | | |
| Meghdoot Properties Pvt. Ltd. | 0.57 | | | | 0.57 | - | | | | - |
| Maxwealth Properties Pvt. Ltd. | 0.57 | | | | 0.57 | - | | | | - |
| Feel Better Housing Pvt. Ltd. | 0.57 | | | | 0.57 | - | | | | - |
| Silver-Sky Real Estates Pvt. Ltd. | 0.55 | | | | 0.55 | - | | | | - |
| **Loans & Advances Returned/ Adjusted** | | | | | | | | | | |
| Nitco Realties Pvt. Ltd. | 0.37 | | | | 0.37 | 8195.89 | | | | 8195.89 |
| Aurella Estate & Investment Pvt. Ltd. | | | - | | - | | | 788.00 | | 788.00 |
| Nitco Paints Pvt. Ltd. | | | 55.00 | | 55.00 | | | - | | - |
| **Loans & Advances Received** | | | | | | | | | | |
| Aurella Estate & Investment Pvt. Ltd. | | | - | | - | | | 788.00 | | 788.00 |
| Nitco Paints Pvt. Ltd. | | | 55.00 | | 55.00 | | | - | | - |
| **Interest on loans paid/payable** | | | | | | | | | | |
| Aurella Estate & Investment Pvt. Ltd. | | | - | | - | | | 8.08 | | 8.08 |

**(C) Balances outstanding as at the year end**

| Transactions | Year ended March 31, 2019 | | | | | Year ended March 31, 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| **Amount Receivable/(Payable)** | | | | | | | | | | |
| Nitco Realties Pvt. Ltd. | 7,038.59 | | | | 7,038.59 | 7,038.22 | | | | 7,038.22 |
| New Vardhman Vitrified Pvt. Ltd | 1,941.87 | | | | 1,941.87 | 1,941.87 | | | | 1,941.87 |
| Meghdoot Properties Pvt. Ltd. | 0.57 | | | | 0.57 | - | | | | - |
| Maxwealth Properties Pvt. Ltd | 0.57 | | | | 0.57 | - | | | | - |
| Feel Better Housing Pvt. Ltd. | 0.57 | | | | 0.57 | - | | | | - |
| Silver-Sky Real Estates Pvt. Ltd. | 0.55 | | | | 0.55 | - | | | | - |
| Saumya Buildcon Pvt. Ltd. | | | 995.99 | | 995.99 | | | 995.99 | | 995.99 |
| Eden Garden Builders Pvt. Ltd. | | | 150.00 | | 150.00 | | | 150.00 | | 150.00 |
| Enjoy Builders Pvt. Ltd. | | | 205.00 | | 205.00 | | | 205.00 | | 205.00 |
| Lavender Properties Pvt. Ltd. | | | 150.00 | | 150.00 | | | 150.00 | | 150.00 |
| Prakalp Properties Pvt. Ltd. | | | 145.00 | | 145.00 | | | 145.00 | | 145.00 |
| Rang Mandir Builders Pvt. Ltd. | | | 200.00 | | 200.00 | | | 200.00 | | 200.00 |
| Usha Kiran Builders Pvt. Ltd. | | | 150.00 | | 150.00 | | | 150.00 | | 150.00 |
| New Vardhman Vitrified Pvt. Ltd. | (220.82) | | | | (220.82) | (1,707.18) | | | | (1,707.18) |
| Eden Garden Builders Pvt. Ltd. | | | (15.81) | | (15.81) | | | (13.21) | | (13.21) |
| Enjoy Builders Pvt. Ltd. | | | (25.01) | | (25.01) | | | (21.42) | | (21.42) |
| Lavender Properties Pvt. Ltd. | | | (19.59) | | (19.59) | | | (17.01) | | (17.01) |
| Prakalp Properties Pvt. Ltd. | | | (18.09) | | (18.09) | | | (15.62) | | (15.62) |
| Rang Mandir Builders Pvt. Ltd. | | | (26.02) | | (26.02) | | | (22.61) | | (22.61) |
| Usha Kiran Builders Pvt. Ltd. | | | (19.43) | | (19.43) | | | (16.85) | | (16.85) |
| Saisha Trading LLP | | | (390.13) | | (390.13) | | | (394.58) | | (394.58) |
| IB Hospitality Pvt. Ltd. | | | (0.11) | | (0.11) | | | (0.01) | | (0.01) |
| Pradeep Saxena | | - | | | - | | (0.27) | | | (0.27) |

| Transactions | Year ended March 31, 2019 | | | | | Year ended March 31, 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | subsidiaries | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| Sharath Padmanabh Bolar | | - | | | - | | (0.27) | | | (0.27) |
| Bharti Pradeep Dhar | | - | | | - | | (0.27) | | | (0.27) |
| Glamorous Properties Pvt. Ltd. | | | (0.02) | | (0.02) | | | (0.02) | | (0.02) |
| Watco Trading Private Limited | | | (115.70) | | (115.70) | | | (115.70) | | (115.70) |
| Watco Engineering Pvt. Ltd. | | | (23.40) | | (23.40) | | | (23.40) | | (23.40) |
| Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd. | | | 1.00 | | 1.00 | | | 1.00 | | 1.00 |
| Nitco Sales Corporation Delhi | | | (0.02) | | (0.02) | | | (0.02) | | (0.02) |
| Nitco Tiles Sales Corporation | | | (0.23) | | (0.23) | | | (0.23) | | (0.23) |
| Northern India Tiles Sales Corporation | | | (1.73) | | (1.73) | | | (1.73) | | (1.73) |
| Poonam Talwar | | | 9.19 | | 9.19 | | | 15.12 | | 15.12 |
| **Guarantee Received** | | | | | | | | | | |
| Promoter Group | | 86,258.31 | | | 86,258.31 | | 86,258.31 | | | 86,258.31 |
| Subsidiary companies | 86,258.31 | | | | 86,258.31 | 86,258.31 | | | | 86,258.31 |
| **Investment** | | | | | | | | | | |
| Nitco Realties Pvt. Ltd. | 694.59 | | | | 694.59 | 694.59 | | | | 694.59 |
| Nitco Holdings HK Company Ltd. | - | | | | - | 0.64 | | | | 0.64 |
| New Vardhman Vitrified Pvt. Ltd. | 2,040.13 | | | | 2,040.13 | 2,040.13 | | | | 2,040.13 |

## 37. Employee benefit plans

### a) Defined Contribution Plans

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company's contribution to the provident fund, superannuation fund and national pension scheme is ₹ 353.76 Lakh for the year ended March 31, 2019 (March 31, 2018 ₹ 315.81 Lakh)

### b) Defined benefit Plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2019 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

#### A. Movements in present value of defined benefit obligation

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Defined benefit obligation at the beginning of the year | 820.82 | 724.56 |
| Current service cost | 78.41 | 74.63 |
| Interest Expense or Cost | 59.06 | 49.23 |
| Past Service Cost | - | 14.38 |
| Benefits paid | (56.67) | (62.80) |
| Actuarial (gain)/ loss | (17.00) | 20.82 |
| Defined benefit obligation at the end of the year | **884.62** | **820.82** |

#### B. Movements in the fair value of plan assets

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 583.22 | 599.92 |
| Investment income | 41.97 | 40.77 |
| Contribution by employer | 72.28 | 1.91 |
| Benefits paid | (56.67) | (59.74) |
| Expected Interest Income on plan assets | (1.74) | 0.36 |
| Fair value of plan assets at the end of the year | **639.06** | **583.22** |

#### C. Amount recognized in the balance sheet

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Fair value of plan assets | 884.62 | 820.82 |
| Defined benefit obligation | 639.06 | 583.22 |
| Net Asset/ (Liability) recognised in the Balance Sheet | (245.56) | (237.60) |
| Effects of Asset Ceiling, if any | - | - |
| Amount recognised in the Balance Sheet | **(245.56)** | **(237.60)** |

**D. Amount recognised in Statement of Profit and Loss**

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current service cost | 78.41 | 74.63 |
| Past service cost | - | 14.38 |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 17.09 | 8.46 |
| Amount recognised in Statement of Profit and Loss | **95.50** | **97.47** |

**E. Amount recognised in Other Comprehensive Income**

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Actuarial changes arising from changes in demographic assumptions | (6.02) | 7.96 |
| Actuarial changes arising from changes in financial assumptions | 5.32 | (12.01) |
| Experience adjustments | (16.29) | 21.81 |
| Return on plan assets, excluding amount recognized in net interest expense | 1.75 | 2.73 |
| Amount recognised in Other Comprehensive Income | **(15.27)** | **20.49** |

**F. The major categories of plan assets of the fair value of the total plan assets are as follows:**

| Gratuity | March 31, 2019 | March 31, 2018 | April 1, 2017 |
|---|---|---|---|
| Investment Details | Funded | Funded | Funded |
| Funds managed by Insurer | **100%** | **100%** | **100%** |

**G. The principal assumptions used in determining gratuity liability for the Company's plans are shown below:**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount rate (per annum) | 7.00% | 7.20% |
| Salary growth rate (per annum) | 5.00% | 5.00% |
| Retirement age | 60 for PI employees and 58 for rest of the employees | 60 for PI employees and 58 for rest of the employees |

**H. A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:**

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Defined Benefit Obligation (Base) | 884.62 | 820.82 |

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 916.45 | 854.98 | 846.91 | 796.30 |
| (% change compared to base due to sensitivity) | 3.6% | -3.4% | 3.2% | -3.0% |
| Salary Growth Rate (- / + 1%) | 854.76 | 915.98 | 795.84 | 846.78 |
| (% change compared to base due to sensitivity) | -3.40% | 3.50% | -3.0% | 3.2% |
| Attrition Rate (- / + 50% of attrition rates) | 857.59 | 895.62 | 792.93 | 831.50 |
| (% change compared to base due to sensitivity) | -3.10% | 1.20% | -3.4% | 1.3% |
| Mortality Rate (- / + 10% of mortality rates) | 884.53 | 884.71 | 820.75 | 820.89 |
| (% change compared to base due to sensitivity) | 0.0% | 0.0% | 0.0% | 0.0% |

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The following payments are expected contributions to the defined benefit plan in future years (In absolute terms i.e. undiscounted):

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 314.57 | 261.88 |
| Between 2 and 5 years | 471.61 | 531.82 |
| Between 6 and 10 years | 261.79 | 197.47 |
| Beyond 10 years | 111.45 | 59.91 |

## 38. Disclosure pursuant to Ind AS 108 "Operating Segment"

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two principal operating and reporting segments; viz. Tiles and related products and Real Estate.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**A. Business Segment:**

(₹ in Lakh)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **1** | **Net sales / Income from operations** | | |
| | - Tiles and other related products | 58,973.20 | 57,573.51 |
| | - Real estate | 63.41 | 2,999.06 |
| | **Total Revenue** | **59,036.61** | **60,572.57** |
| | | | |
| **2** | **Segment results** | | |
| | - Tiles and other related products | (2,741.41) | (7,234.68) |
| | - Real estate | 28.14 | 516.21 |
| | **Total Segment Profit/(Loss)** | **(2,713.27)** | **(6,718.47)** |
| | Interest and other financial cost | 1,977.37 | 845.50 |
| | Exceptional items | - | (24,786.41) |
| | **Profit /(Loss) Before Tax** | **(4,690.64)** | **17,222.44** |
| | Other Comprehensive Income | 15.27 | (20.49) |
| | **Total Comprehensive Income** | **(4,675.37)** | **17,201.95** |
| | Provision for current tax/ Deferred Tax | - | (2,034.84) |
| | **Profit /(Loss) After Tax** | **(4,675.37)** | **19,236.79** |

| | | Segment Asset | | Segment Liabilities | |
|---|---|---|---|---|---|
| **3** | **Capital Employed** | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| | - Tiles and other related products | 92,689.14 | 91,647.99 | 26,841.05 | 23,288.58 |
| | - Real estate | 26,352.29 | 26,909.70 | 194.33 | 156.93 |
| | - Unallocated/ Corporate | 6,265.85 | 6,502.59 | - | - |
| | **Total Capital Employed** | **125,307.28** | **125,060.28** | **27,035.38** | **23,445.51** |

**B. Geographical Segment :**

Geographical revenues are segregated based on the revenue of the respective clients.

| Particulars | India | | Rest of the world | | Total | |
|---|---|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 |
| Segment revenue | 55,412.07 | 58,603.19 | 3,624.54 | 1,969.38 | 59,036.61 | 60,572.57 |
| Carrying cost of Segment assets | 124,947.68 | 1,24,739.53 | 359.60 | 320.75 | 125,307.28 | 125,060.28 |
| Addition of fixed assets and tangible assets | 814.58 | 397.55 | - | - | 814.58 | 397.55 |

## 39. Commitments & Contingencies

### (a) Leases

**(i) Operating Lease**

The Company have entered into a long term lease agreement for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at March 31, 2019 aggregating ₹130.62 (March 31, 2018 - ₹ 133.62 Lakh) is included in other non-current assets.

**(ii) Finance Leases**

The Company have taken certain vehicles under finance lease. Lease term ranges between 3-5 years. There is option to purchase the assets at the end of lease terms. The obligation under finance lease are secured by the leased assets. There is no restriction such as those concerning dividends, additional debts and further leasing imposed by the lease agreement. The interest rate underlying all obligations under finance leases are fixed at respective contract dates.

For net carrying amount of assets acquired under finance lease as at March 31, 2019. Refer note 3 Property, Plant and Equipment.

Maturity profile of finance lease obligations are as under :

| Particulars | Outstanding as at | | Future Interest | | Future Obligations | |
|---|---|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| With one year | 48.69 | 50.67 | 2.56 | 2.64 | 51.25 | 53.31 |
| Later than one year and not later than five years | 60.02 | 32.17 | 14.07 | 8.61 | 74.09 | 40.78 |
| After five year | - | - | - | - | - | - |
| **Total** | **108.71** | **82.84** | **16.63** | **11.25** | **125.34** | **94.09** |

### (b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as March 31, 2019 are ₹65.42 Lakh (March 31, 2018 - ₹ 17.76 Lakh).

### (c) Contingent Liabilities

(₹ in Lakh)

| | | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| a) | Bank Guarantee given by the company (refer to note (ii) below) | | 779.70 | 480.37 |
| b) | Demands against the company not acknowledged as debts and not provided for against | | | |
| | i. | Penalty levied by DGFT, Delhi (refer to note (iii) below) | 16,980.00 | 16,980.00 |
| | ii. | Demand order for unearned income (refer to note (iv) below) | 5,105.88 | 5,105.88 |
| | iii. | In respect of Value added tax, Service Tax, GST, Custom Duty and Income Tax Demands pending before various authorities and in dispute | 1,783.26 | 64.36 |
| c) | Legal matters | | 268.46 | 110.34 |

i. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings.

ii. Expired Bank Guarantees which have not been returned to the company amounting to ₹ 3,673.77 lakhs have not been included in the above point no. a. above.

iii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of ₹ 17,000 lakhs for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The company has been advised that the order is bad in law and accordingly will agitate the matter before the appropriate forum. No provision has been made in the Accounts for the same.

iv. Pursuant to scheme of amalgamation sanctioned by the Hon'ble Bombay High Court with Particle Board India Limited during 2011, a land parcel held by Particle Board India Limited was transferred to the Company. Revenue department has raised a demand for unearned income of ₹ 5,105.88 Lakh in this regard. The company has filed a filed writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing.

v. Under the restructuring agreement the Company, after obtaining approval from JMFARC had written back borrowings amounting to ₹ 40,560.23 Lakh in the F.Y. 2017-18. Under the restructuring agreement JMFARC has the right to revoke in the case of default, all the reliefs and concessions granted to the company.

## 40. Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value.

The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

(₹ in Lakh)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| Debt# | A | 86,367.01 | 85,023.82 |
| Cash & cash equivalent | B | 5,840.24 | 6,130.61 |
| Net Debt | C=(A-B) | 80,526.77 | 78,893.21 |
| Equity | D | 11,725.63 | 16,401.00 |
| Net Debt to Equity ratio | E=(C/D) | 6.87 | 4.81 |

# Debt is defined as long term, short term borrowings and current maturities of long term debts and finance lease obligations as prescribed in note 19 and also includes interest accrued but not due on borrowings.

## 41. Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There is no fair valuation of financial instruments.

The carrying values of the financial instruments by categories were as follows

(₹ in Lakh)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets at amortised cost:** | | | | |
| Cash and cash equivalents (Refer Note 11) | 1,416.98 | 1,416.98 | 1,279.60 | 1,279.60 |
| Bank Balances (Refer Note 12) | 4,423.26 | 4,423.26 | 4,851.01 | 4,851.01 |
| Trade Receivables (Refer Note 10) | 20,497.82 | 20,497.82 | 18,118.89 | 18,118.89 |
| Loans (Refer Note 13) | 8,988.65 | 8,988.65 | 9,042.42 | 9,042.42 |
| Other Financial Assets (Refer Note 6 & 14) | 3,709.99 | 3,709.99 | 3,696.65 | 3,696.65 |
| **Total** | **39,036.70** | **39,036.70** | **36,988.57** | **36,988.57** |
| **Financial assets at fair value through Statement of Profit and Loss** | - | - | - | - |
| Investments | - | - | - | - |
| **Financial assets at fair value through Other Comprehensive Income:** | Nil | Nil | Nil | Nil |
| | | | | |
| **Financial liabilities at amortised cost:** | | | | |
| Trade Payables (Refer note 22) | 18,866.33 | 18,866.33 | 15,099.30 | 15,099.30 |
| Other Financial Liabilities (Refer Note 23) | 1,395.70 | 1,395.70 | 1,120.29 | 1,120.29 |
| Borrowings (Refer Note 19, 23) | 86,367.02 | 86,367.02 | 85,023.82 | 85,023.82 |
| **Total** | **106,629.05** | **106,629.05** | **101,243.41** | **101,243.41** |
| **Financial liabilities at fair value through Statement of Profit and Loss** | Nil | Nil | Nil | Nil |
| **Financial liabilities at fair value through Other Comprehensive Income** | Nil | Nil | Nil | Nil |

## 42. Financial risk management objectives

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's principal financial liabilities comprise of loan from banks and financial institutions, finance lease obligations and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

### i. Foreign currency risk

The Company does not have material revenue from overseas operations. However, the entity makes imports of Raw material and capital goods. Further the Company holds monetary assets in the form of investments in currency other than its functional currency i.e. Indian Rupee. Foreign currency risk, as defined in Ind AS 107, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

While the company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of equity shares of future movements in foreign exchange rates. The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant.

| | % Change in foreign currency rate | Effect on profit /(Loss) before tax | | | | |
|---|---|---|---|---|---|---|
| | | USD | EUR | AED | AUD | Total |
| **As at March 31, 2019** | +5% | (7.08) | (3.44) | (0.98) | - | (11.51) |
| | (5%) | 7.08 | 3.44 | 0.98 | - | 11.51 |
| **As at March 31, 2018** | +5% | (16.47) | 7.06 | (0.92) | 0.40 | (9.93) |
| | (5%) | 16.47 | (7.06) | 0.92 | (0.40) | 9.93 |

## ii. Interest Rate Risk

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through Statement of Profit and Loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to Interest Rate Risk**

Interest rate risk of the Company arises from borrowings. The Company endeavor to adopt a policy of ensuring that maximum of its interest rate risk exposure is at fixed rate. The Company's interest-bearing financial instruments are reported as below:

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Fixed Rate Borrowings | 84,360.67 | 82,816.90 |
| Floating Rate Borrowings | 2,006.34 | 2,206.92 |
| **Total Borrowing** | **86,367.01** | **85,023.82** |

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended March 31, 2019 would decrease/increase by ₹ 10.03 lakh (for the year ended March 31, 2018: decrease/increase by ₹ 11.03 Lakh)

## iii. Credit risk

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by the Company and based, in part, on the age of specific receivable balance and the current and expected collection trends. As such, in addition to the age of its Financial Assets, the Company also considers the age of its orders in progress, as well as the existence of any deferred revenue or down payments on orders on the same project or with the same client. The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The Company is still pursuing the recovery for the receivable for which allowance made for bad and doubtful debts.

Ageing of current trade receivables (Note 10) considered by the Management for this purpose are as under:

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Trade Receivables outstanding for a period exceeding six months from the date they are due for payment. | 4,974.28 | 4,480.05 |
| Other trade receivables | 15,523.54 | 13,638.84 |
| | **20,497.82** | **18,118.89** |

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2019 on account of carrying amount of loans /advances /deposit, trade and other receivables and guarantees is disclosed in note 13 on related party transactions. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated. Credit risk relating to unrelating parties is minimised as the Company deals only with reputed parties.

Cash and cash equivalents are held with reputable and credit-worthy banks.

### iv. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Liquidity table:**

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

(₹ in Lakh)

| | On demand | < 1 year | 1-3 yers | 3-5 years | > 5 years | Total | Carrying Amount |
|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2019** | | | | | | | |
| Borrowings | | 12,115.05 | 14,515.10 | 25,704.72 | 34,032.15 | 86,367.02 | 86,367.02 |
| Trade payables | | 18,866.33 | | | | 18,866.33 | 18,866.33 |
| Other financial liabilities | 846.35 | 549.35 | | | | 1,395.70 | 1,395.70 |
| **Total** | **846.35** | **31,530.73** | **14,515.10** | **25,704.72** | **34,032.15** | **1,06,629.05** | **1,06,629.05** |
| **Year ended March 31, 2018** | | | | | | | |
| Borrowings | - | 3,626.03 | 14,669.76 | 32,695.88 | 34,032.15 | 85,023.82 | 85,023.82 |
| Trade payables | - | 15,099.30 | - | - | - | 15,099.30 | 15,099.30 |
| Other financial liabilities | 787.06 | 333.23 | - | - | - | 1,120.29 | 1,120.29 |
| **Total** | **787.06** | **19,058.56** | **14,669.76** | **32,695.88** | **34,032.15** | **1,01,243.41** | **1,01,243.41** |

## 43. Research and development expenditure

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment) | 84.92 | 119.63 |

## 44. Balance confirmation

Balances of sundry debtors, sundry creditors, loans and advances, deposits are subject to confirmation and reconciliation. Accounts receivables are net of advances.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# INDEPENDENT AUDITOR'S REPORT

**To the Members of NITCO Limited**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of **NITCO Limited** (the Company) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its 3 subsidiaries together referred to as "the Group"); which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and the consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

We draw your attention to Note 19 of the Consolidated financial statements, regarding borrowing. "Restructuring of company's debt was approved by JMFARC on January 23, 2018. The company is negotiating with LIC for restructuring of its facility (outstanding ₹ 19.05 crs.) on terms similar to restructuring done by JMFARC. Pending negotiations with LIC no further adjustments in respect of LIC facility has been made.

Pending realisation from sale of non core assets of the Company, there was default in repayment of installments of loans amounting to ₹ 1101.71 lakhs, which was repayable by March 31, 2019. As such, the Company has classified these dues as Current Liabilities during the year.

Our opinion is not modified in respect of the above matter."

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| The Key Audit matter | How the matter was addressed in our audit |
|---|---|
| The Company has adopted Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115') which is the new revenue accounting standard. The application and transition to this accounting standard is complex and is an area of focus in the audit.<br><br>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. | Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), which is the new revenue accounting standard, include –<br><br>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue accounting standard;<br><br>• Evaluated the detailed analysis performed by management on revenue streams by selecting samples for the existing contracts with customers and considered revenue recognition policy in the current period in respect of those revenue streams;<br><br>• Evaluated the changes made to IT systems to reflect the changes required in revenue recognition as per the new accounting standard; |

| The Key Audit matter | How the matter was addressed in our audit |
|---|---|
| The Company adopted Ind AS 115 and applied the available exemption provided therein, to not restate the comparative periods. | • Evaluated the cumulative effect adjustments as at 1 April 2018 for compliance with the new revenue standard; and<br>• Evaluated the appropriateness of the disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. |

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion , forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act , we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of managements use of the going concern basis of accounting and , based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence , and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other matter

We did not audit the financial statements of fourteen subsidiaries included in the consolidated results included in the Statement, whose financial statements reflects total assets aggregating Rs. 20,812.98 Lakh, liabilities aggregating Rs. 17,367.06 Lakh as at March 31, 2019, income aggregating Rs. 5,885.81 Lakh and total expenses Rs. 7,327.91 Lakh and Loss before tax Rs. 1,442.10 Lakh for the year ended March 31, 2019, as considered in the consolidated results included in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated results included in the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial statement of one subsidiary namely "NITCO Holdings HK Company Limited", which has closed the business and applied for deregistration to the respective authorities whose total assets aggregating Rs. Nil Lakh, liabilities aggregating Rs. Nil Lakh as at March 31, 2019, as considered in the consolidated results. This financial statement is unaudited and has been furnished to us by the Management of the Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the Management of the Company, these financial statements/ financial information are not material to the Group.

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

## Report on Other Legal and Regulatory Requirements

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

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

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

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss ( including other comprehensive income), and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 40 (c) to the financial statements;

ii. The Company do not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

**For Nayak & Rane**

**Chartered Accountants**

F. R. No.: 117249W

**Suraj Nayak**

**Partner**

Membership No.: 049645

Place : Mumbai

Date : May 31, 2019

# Annexure A to the Independent Auditor's Report

**Referred to in paragraph (f) under 'Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of **NITCO LIMITED** ("the Holding Company") as of 31 March 2019, we have audited the internal financial controls with reference to the financial statements of the Holding Company and its subsidiaries, which are incorporated in India as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system with reference to financial statements of the Holding Company and its subsidiaries which are incorporated in India.

## Meaning of Internal Financial Controls with reference to Financial Statements

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

### Opinion

In our opinion, the Holding Company and its subsidiaries which are incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to financial statements criteria established by the Holding Company and its subsidiaries which are incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Nayak & Rane**

**Chartered Accountants**

F. R. No.: 117249W

**Suraj Nayak**

**Partner**

Membership No.: 049645

Place : Mumbai

Date : May 31, 2019

# CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(Amount in Rupees Lakh, unless otherwise stated)

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 51,377.58 | 54,474.59 |
| Capital work-in-progress | | 604.90 | 428.66 |
| Intangible assets | 4 | 10.72 | 9.84 |
| Goodwill on consolidation | | 323.77 | 323.77 |
| Financial assets | | | |
| Investments | 5 | 25.15 | 25.15 |
| Other Financial assets | 6 | 2,273.65 | 2,248.24 |
| Other non-current assets | 7 | 3,427.00 | 2,933.72 |
| | | **58,042.77** | **60,443.97** |
| **Current assets** | | | |
| Inventories | 8 | 14,991.56 | 16,543.06 |
| Inventories - Real Estate | 9 | 19,395.44 | 19,395.44 |
| Financial assets | | | |
| Trade receivables | 10 | 20,975.76 | 20,261.10 |
| Cash and cash equivalents | 11 | 1,593.20 | 1,806.29 |
| Other bank balances | 12 | 4,423.26 | 4,851.01 |
| Loans | 13 | 3,862.43 | 3,912.85 |
| Other financial assets | 14 | 1,612.91 | 1,625.23 |
| Other current assets | 15 | 5,857.66 | 5,931.27 |
| | | **72,712.22** | **74,326.25** |
| **Total Assets** | | **1,30,754.99** | **1,34,770.22** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 16 | 7,185.90 | 7,185.90 |
| Share Warrants | 17 | 1,750.00 | 1,750.00 |
| Other equity | 18 | 2,236.15 | 7,586.60 |
| Non-controlling interest | | 1,060.08 | 1,700.28 |
| | | **12,232.13** | **18,222.78** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 74,897.28 | 81,988.27 |
| Provisions | 20 | 179.26 | 189.96 |
| Deferred tax liabilities | 21 | 3.86 | 135.24 |
| | | **75,080.40** | **82,313.47** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 22 | 1,548.98 | 1,525.03 |
| Trade payables | 23 | 20,709.35 | 16,612.32 |
| Other financial liabilities | 24 | 14,290.97 | 6,917.39 |
| Other current liabilities | 25 | 6,553.13 | 8,816.46 |
| Provisions | 26 | 340.03 | 362.77 |
| | | **43,442.46** | **34,233.97** |
| **Total Equity and Liabilities** | | **1,30,754.99** | **1,34,770.22** |

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(Amount in Rupees Lakh, unless otherwise stated)

| | Notes | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue From Operations | 27 | 59,645.67 | 61,701.75 |
| Other Income | 28 | 199.89 | 479.20 |
| **Total Income** | | **59,845.56** | **62,180.95** |
| **EXPENSES** | | | |
| Cost of materials consumed | 29 | 13,542.47 | 18,149.56 |
| Purchase of stock-in-trade | | 21,501.98 | 11,957.53 |
| Changes in inventories of finished goods, stock in trade and work-in-progress | 30 | 834.51 | 2,480.09 |
| Excise duty on sale of goods | | - | 744.46 |
| Employee benefits expense | 31 | 8,430.45 | 8,527.32 |
| Finance costs | 32 | 2,306.61 | 1,385.53 |
| Depreciation and amortisation expense | 33 | 3,923.00 | 8,053.48 |
| Other expenses | 34 | 15,443.82 | 19,485.57 |
| **Total Expenses** | | **65,982.84** | **70,783.54** |
| Profit before tax before exceptional items | | **(6,137.28)** | **(8,602.59)** |
| Exceptional items | | - | (24,786.41) |
| **Profit before tax after exceptional items** | | **(6,137.28)** | **16,183.82** |
| **Tax expense:** | | | |
| Current Tax | | (0.18) | - |
| Deferred Tax | | (131.38) | (257.42) |
| Excess provision of Tax for earlier years written back | | - | (2,034.84) |
| **Profit for the year** | | **(6,005.72)** | **18,476.08** |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit & loss in subsequent periods | | | |
| Re-measurement gains (losses) on defined benefit plans | 35 | 15.27 | (20.49) |
| Income tax effect on such items | | - | - |
| **Total other comprehensive income, net of tax** | | **15.27** | **(20.49)** |
| **Total comprehensive income for the period, net of tax** | | **(5,990.45)** | **18,455.59** |
| Profit for the year attributable to: | | | |
| Owners of the Company | | (5,365.52) | 18,889.07 |
| Non-controlling interests | | (640.20) | (412.99) |
| **Other comprehensive income for the year attributable to:** | | | |
| Owners of the Company | | 15.27 | (20.49) |
| Non-controlling interests | | | - |
| **Total comprehensive income for the year attributable to:** | | | |
| Owners of the Company | | (5,350.25) | 18,868.58 |
| Non-controlling interests | | (640.20) | (412.99) |
| Earnings per equity share (computed on the basis of profit for the year): | | | - |
| Basic & Diluted | 36 | (7.45) | 33.77 |

The above statement of profit & loss should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Suraj Nayak**
Partner
Membership No.: 049645

Place : Mumbai
Dated: May 31, 2019

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the year ended March 31, 2019

## A. Equity share capital

(₹ in Lakh)

| Particulars | Amount |
|---|---|
| **As at April 1, 2017** | **5,469.93** |
| Changes during the year | 1,715.97 |
| **As at March 31, 2018** | **7,185.90** |
| Changes during the year | - |
| **As at March 31, 2019** | **7,185.90** |

## B. Share warrants

(₹ in Lakh)

| Particulars | Amount |
|---|---|
| **As at April 1, 2017** | **-** |
| Changes during the year | 1,750.00 |
| **As at March 31, 2018** | **1,750.00** |
| Changes during the year | - |
| **As at March 31, 2019** | **1,750.00** |

## C. Other equity

| Particulars | Reserves and Surplus | | | | | Other Comprehensive income | | Total equity |
|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Share Premium Account | Capital redemption reserve | General Reserve | Retained earnings / (Losses) | Exchange differences on translating the financial statements of foreign operation | Other items of other comprehensive income (Remeasurement of defined benefit obligations | |
| **As at April 1, 2018** | **325.66** | **42,591.33** | **966.00** | **3,846.91** | **(40,106.83)** | **0.01** | **(36.48)** | **7,586.60** |
| Net income / (loss) for the year | - | - | - | - | (5,365.52) | | - | (5,365.52) |
| Other comprehensive income | **-** | **-** | **-** | **-** | | | **15.27** | **15.27** |
| Total comprehensive income | - | - | - | - | (5,365.52) | - | 15.27 | (5,350.25) |
| Impact of business combination | (0.19) | - | - | - | - | (0.01) | | (0.20) |
| **As at March 31, 2019** | **325.47** | **42,591.33** | **966.00** | **3,846.91** | **(45,472.35)** | **-** | **(21.21)** | **2,236.15** |
| **As at April 1, 2017** | **325.66** | **35,471.47** | **966.00** | **3,846.91** | **(58,995.90)** | **(0.13)** | **(15.99)** | **(18,401.98)** |
| Net income / (loss) for the year | - | - | - | - | 18,889.07 | | - | 18,889.07 |
| Other comprehensive income | **-** | **-** | **-** | **-** | | | **(20.49)** | **(20.49)** |
| Total comprehensive income | - | - | - | - | 18,889.07 | - | (20.49) | 18,868.58 |
| Share Premium Account | - | 7,299.23 | - | - | - | - | - | 7,299.23 |
| Share issue expenses | - | (179.37) | - | - | - | - | - | (179.37) |
| Impact of business combination | - | - | - | - | - | 0.14 | | 0.14 |
| **As at March 31, 2018** | **325.66** | **42,591.33** | **966.00** | **3,846.91** | **(40,106.83)** | **0.01** | **(36.48)** | **7,586.60** |

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Suraj Nayak**
Partner
Membership No.: 049645

Place : Mumbai
Dated: May 31, 2019

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

(Amount in Rupees Lakhs, unless otherwise stated)

| | | Year ended March 31, 2019 | | Year ended March 31, 2018 | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| | Net Profit before tax | | (5,350.25) | | 18,868.58 |
| | *Adjusted for :* | | | | |
| | Depreciation & amortisation expense | 3,923.00 | | 8,053.48 | |
| | (Profit)/Loss on sale of Property, plant & equipment (Net) | 9.90 | | 9.87 | |
| | Interest received | (390.90) | | (131.83) | |
| | Finance costs | 2,632.67 | | 1,545.25 | |
| | Net unrealised exchange (gain)/loss | 64.84 | | (27.89) | |
| | | | 6,239.51 | | 9,448.88 |
| | Operating Profit before Working Capital Changes | | 889.26 | | 28,317.46 |
| | *Working capital adjustments:* | | | | |
| | Adjustment for (increase)/decrease: | | | | |
| | (Increase)/decrease in inventories | 1,551.50 | | 14,045.23 | |
| | (Increase)/decrease in trade and other receivables | (396.73) | | (8,009.36) | |
| | Increase/(decrease) in trade and other payables | 1,215.88 | | 4,735.55 | |
| | Increase/(decrease) in provisions | (33.45) | | 185.00 | |
| | | | 2,337.20 | | 10,956.42 |
| | Cash Generated from Operations | | 3,326.46 | | 39,273.43 |
| | Taxes paid (net of refunds) | | (131.56) | | (2,292.27) |
| | Net Cash from operating activities | | 3,094.90 | | 36,981.16 |
| | | | | | |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| | Change in Purchase of Property, plant & equipment (after adjustment of change in capital work-in-progress) | (1,013.01) | | (596.21) | |
| | Net Cash used in Investing Activities | | (1,013.01) | | (596.21) |
| | | | | | |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| | Increase/(decrease) in Share Capital | - | | 8,835.83 | |
| | Proceeds from Issue of Share warrants | - | | 1,750.00 | |
| | Proceeds/ (Repayment) of Long Term Borrowings (Net) | 627.89 | | (54,047.94) | |
| | Proceeds/ (Repayment) of Short Term Borrowings (Net) | 23.95 | | (11,398.19) | |
| | Proceeds of Redeemable Non-Convertible Preference Shares | - | | 15,000.00 | |
| | Proceeds of Redeemable Non-convertible Debentures | - | | 5,000.00 | |
| | Increase/(decrease) in Minority interest | (640.20) | | (412.99) | |
| | Increase/(decrease) in reserve on consolidation | (0.01) | | 0.14 | |
| | Interest received | 390.90 | | 131.83 | |
| | Finance costs paid | (2,632.67) | | (1,545.25) | |
| | **Net Cash flow from in Financing Activities** | | (2,230.14) | | (36,686.57) |
| | **Net increase in Cash and Cash Equivalents (A+B+C)** | | **(148.25)** | | **(301.62)** |
| | Cash and Cash Equivalents at the beginning of the year | | 1,806.29 | | 2,080.02 |
| | Effect of exchange difference on restatement of foreign currency cash and cash equivalents | | (64.84) | | 27.89 |
| | **Cash and Cash Equivalents at the end of the year** | | **1,593.20** | | **1,806.29** |

Notes :

1. The above Cash Flow Statement should be read in conjunction with the accompanying notes
2. Purchase of fixed assets represents net additions to property, plant and equipment and other intangible assets adjusted for movement of capital-work-in-progress for property, plant and equipment.
3. Cash and cash equivalents included in the Statement of cash flows comprise the following:

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Components of cash and cash equivalents | | |
| Cash on hand | 12.87 | 20.24 |
| Balance in current account and deposits with banks | 1,580.33 | 1,786.05 |
| Cash and Cash Equivalents at the end of the year | **1,593.20** | **1,806.29** |

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Suraj Nayak**
Partner
Membership No.: 049645

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

# NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2019

## 1. CORPORATE INFORMATION

NITCO Limited (the 'Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The company is one of the leading player in the tiles and marble business. The company has manufacturing facilities in Maharashtra and Silvassa and sells primarily in India through independent dealers/distributors and modern trade.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### 2.1 Basis of preparation and compliance with Ind AS

a. The Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

   The Consolidated financial statements comply in all material aspects with Ind AS, notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act.

b. The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS. The carrying value of all the items of property, plant and equipment and investment property as on date of transition is considered as the deemed cost. Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

   1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
   2. Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
   3. Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

c. The company's presentation and functional currency is Indian Rupees. All amounts in these financial statements, except per share amounts and unless as stated otherwise, have been rounded off to two decimal places and have been presented in Lakh.

d. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

**Going Concern**

Considering that the debts of the Company have been restructured by JM Financial Asset Reconstruction Company Limited (JMFARC) on a sustainable basis and fresh infusion of funds by way of equity and convertible warrants, the management considers it appropriate to prepare its financial statements on a going concern basis.

**Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, Intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, fair value measurement etc. difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

### 2.2 Basis of consolidation

a. The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

b. Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary.

c. The consolidated financial statements of the Group combines financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests and have been shown separately in the financial statements.

d. Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

e. The gains/losses in respect of part divestment/dilution of stake in subsidiary companies not resulting in ceding of control, are recognised directly in other equity attributable to the owners of the Parent Company.

f. The gains/losses in respect of divestment of stake resulting in ceding of control in subsidiary companies are recognised in the Statement of Profit and Loss. The investment representing the interest retained in a former subsidiary, if any, is initially recognised at its fair value with the corresponding effect recognised in the Statement of Profit and Loss as on the date the control is ceded. Such retained interest is subsequently accounted as an associate or a joint venture or a financial asset.

## 2.3 Goodwill on consolidation

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's share in the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the net worth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

Goodwill on consolidation arising on acquisitions on or after the date of transition represents the excess of the cost of acquisition at each point of time of making the investment in the subsidiary, over the Group's share in the fair value of the net assets of a subsidiary.

Goodwill on consolidation is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the acquisition.

The following subsidiaries have been considered in preparation of the consolidated financial statements:

| Particulars | Country of Incorporation | % age of ownership interest either directly or through subsidiaries | |
|---|---|---|---|
| | | As at March 31, 2019 | As at March 31, 2018 |
| **Subsidiaries** | | | |
| New Vardhman Vitrified Pvt. Ltd. | India | 51 | 51 |
| Nitco Realties Private Limited | India | 100 | 100 |
| Nitco Holdings HK Company Limited | Hong Kong | 100 | 100 |
| **Fellow Subsidiaries** | | | |
| Maxwealth Properties Pvt. Ltd. | India | 100 | 100 |
| Meghdoot Properties Pvt. Ltd. | India | 100 | 100 |
| Roaring - Lion Properties Pvt. Ltd. | India | 100 | 100 |
| Feel Better Housing Pvt. Ltd. | India | 100 | 100 |
| Quick-Solution Properties Pvt. Ltd. | India | 100 | 100 |
| Silver-Sky Real Estates Pvt. Ltd. | India | 100 | 100 |
| Opera Properties Pvt. Ltd. | India | 100 | 100 |
| Ferocity Properties Pvt. Ltd. | India | 100 | 100 |
| Glamorous Properties Pvt. Ltd. | India | 75 | 75 |
| Nitco IT Parks Pvt. Ltd. | India | 100 | 100 |
| Nitco Aviation Pvt. Ltd. | India | 100 | 100 |
| Aileen Properties Pvt. Ltd. | India | 100 | 100 |

## 2.4 Significant accounting policies

### a. Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Property, plant and equipment acquired on hire purchase basis are recognized at their cash values. All identifiable costs incurred up to the asset put to its intended use are capitalized. Costs include purchase price (including non-refundable taxes/duties) and borrowing costs for the assets that necessarily take a substantial period of time to get ready for its intended use. Stores and spares which meet the definition of Property Plant and Equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as Property, Plant and Equipment.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

Intangible Assets are stated at the cost of acquisitions less accumulated amortization. In case of an internally generated assets cost includes all directly allocable expenditures. Cost associated with maintaining software programs are recognized as an expense as incurred.

Depreciation is now provided on straight line basis on economic useful lives of the assets. Further the remaining useful life has also been revised whenever appropriate based on the evaluation. Depreciation on addition to/deductions from, owned assets is calculated pro rata to the period of use. The aggregate depreciation provided as per the requirement of Part C of Schedule II to Companies Act 2013. Assets costing upto ₹ 5,000/- are fully depreciated in the year of purchase.

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method (SLM) based on the useful life of the asset as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013 except on some assets, where useful life has been taken based on external / internal technical evaluation as given below:

| Class of assets | Basis | Useful life/ rate of depreciation |
|---|---|---|
| Office equipment - mobile | SLM | 2 years |
| Motor vehicles | SLM | 4 years |
| Computer software | SLM | 5 years |
| Showroom Building (civil) | SLM | 10 years |
| Plant and machineries - Punch & Dies | SLM | 2 years |

The property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by management. The residual values are not more than 5% of the original cost of the asset. The asset’s residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss with other gains/(losses).

**b. Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals on assets under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to the company are classified as Finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

**c. Inventories**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence if any. Cost is determined on a moving weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods includes material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production.

**d. Impairment of non-financial assets**

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the company estimates the asset’s recoverable amount. The recoverable amount is higher of asset’s or Cash-Generating Units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

**e. Revenue recognition**

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, and GST (on goods manufactured and outsourced).

Sale of services is recognised in the accounting period in which the service is rendered.

Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest. Dividend income on investments is recognised when the right to receive dividend is established.

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

**f. Foreign currency transactions**

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional and presentation currency. Transactions in foreign currencies are translated into functional currency using the exchange rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are generally recognised in Statement of Profit and Loss.

Foreign exchanges differences regarded as adjustments to borrowing costs are presented in the Statement of Profit and Loss, within finance cost. All other foreign exchange gains and losses as presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively). Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using exchange rates on dates of initial recognition.

**g. Fair Value Measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in The Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**h. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**i. Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

**ii. Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost:**

  A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income:**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**iii. Derecognition**

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

**(b) Financial liabilities**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**i. Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortised cost**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**iii. Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(d) Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts if any, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

**i. Employee Benefits**

**i. Short term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave, bonuses and performance incentives.

**ii. Long term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

**iii. Post-employment benefit plan**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The Company's contribution to the Provident Fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to Statement of Profit and Loss.

The Company operates a defined benefit gratuity plan with approved gratuity fund, and contributions are made to a separately administered approved gratuity fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Liabilities regarding compensated absences have been classified as current/ non-current at the present value of the defined benefit obligation at the balance sheet date as per Acturial valuation report and other benefits like gratuity have been classified as current.

**j. Provisions and Contingencies**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**k. Taxes on Income**

Current tax is the amount of tax payable on taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

**l. Finance Costs**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalised/inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred

**m. Segment reporting**

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

**n. Earning per share**

In determining the earnings per share, the Company considers the net profit/loss after tax and post tax effect of any extra-ordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares considered for computing diluted earnings per share comprises the weighted average number of shares used for deriving the basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares as may be applicable. The number of shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issues.

**o. Cash flow statement**

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

i. Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;

ii. Non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses

iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet

**p. Standards issued and implemented during the year**

The Company applied Ind AS 115 for the first time. On transition to Indian Accounting Standard (IND AS) 115, Revenue from Contracts with Customers w.e.f. April 1, 2018, the management has performed a detailed evaluation of the implications under the new standard and has concluded that there are no material implications on account of applicability of Ind AS 115.

## 3. Property, plant and equipment

(₹ in Lakh)

| Particulars | Freehold Land | Buildings | Office Equipment | Plant & Equipment | Electrical Installation | Furniture & Fixture | Windmill | Vehicles (finance lease) | Livestock | Total Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | | |
| As at April 1, 2017 | 6,057.45 | 20,808.97 | 1,170.47 | 66,064.99 | 1,044.27 | 2,511.53 | 3,680.54 | 911.87 | 113.91 | 1,02,364.00 |
| Additions | 3.03 | 157.13 | 40.84 | 179.18 | 2.69 | 50.32 | - | 43.04 | - | 476.23 |
| Disposals | - | - | 32.95 | 8.67 | - | 4.15 | - | 83.65 | 14.24 | 143.66 |
| **As at March 31, 2018** | **6,060.48** | **20,966.10** | **1,178.36** | **66,235.50** | **1,046.96** | **2,557.70** | **3,680.54** | **871.26** | **99.67** | **1,02,696.57** |
| | | | | | | | | | | |
| Additions | - | 167.20 | 59.94 | 301.75 | 13.52 | 215.98 | - | 79.69 | 43.34 | 881.42 |
| Disposals | - | - | 20.19 | 64.96 | - | 3.03 | - | 47.50 | 42.59 | 178.27 |
| **As at March 31, 2019** | **6,060.48** | **21,133.30** | **1,218.11** | **66,472.29** | **1,060.48** | **2,770.65** | **3,680.54** | **903.45** | **100.42** | **103,399.72** |
| | | | | | | | | | | |
| Depreciation | | | | | | | | | | |
| As at April 1, 2017 | - | 7,350.87 | 1,066.78 | 26,419.51 | 834.91 | 1,923.62 | 2,041.07 | 686.91 | - | 40,323.67 |
| Depreciation charge for the year | - | 1,845.35 | 48.73 | 5,481.55 | 96.31 | 313.96 | 151.36 | 80.50 | - | 8,017.76 |
| Disposals | - | - | 32.87 | 6.74 | - | 3.73 | - | 76.11 | - | 119.44 |
| **As at March 31, 2018** | **-** | **9,196.22** | **1,082.64** | **31,894.32** | **931.22** | **2,233.85** | **2,192.43** | **691.30** | **-** | **48,221.99** |
| | | | | | | | | | | |
| Depreciation charge for the year | - | 677.84 | 44.34 | 2,807.08 | 61.25 | 75.61 | 151.36 | 96.80 | - | 3,914.28 |
| Disposals | - | - | 20.00 | 46.64 | - | 0.61 | - | 46.88 | - | 114.13 |
| **As at March 31, 2019** | **-** | **9,874.06** | **1,106.98** | **34,654.76** | **992.47** | **2,308.86** | **2,343.79** | **741.22** | **-** | **52,022.14** |
| | | | | | | | | | | |
| Net book value : | | | | | | | | | | |
| **As at March 31, 2019** | **6,060.48** | **11,259.24** | **111.13** | **31,817.53** | **68.01** | **461.79** | **1,336.75** | **162.23** | **100.42** | **51,377.58** |
| **As at March 31, 2018** | **6,060.48** | **11,769.88** | **95.72** | **34,341.18** | **115.74** | **323.85** | **1,488.11** | **179.96** | **99.67** | **54,474.59** |

Notes:

Property, plant and equipment pledged as security, refer to note 19.1 for information on property, plant and equipment pledged as security by the Company.

## 4. Intangible assets

(₹ in Lakh)

| | Goodwill on consolidation | Other intangible assets | Amount |
|---|---|---|---|
| **Cost** | | | |
| As at April 1, 2017 | 323.77 | 424.55 | 748.32 |
| Additions | - | 0.14 | 0.14 |
| Disposals | - | - | - |
| **As at March 31, 2018** | **323.77** | **424.69** | **748.46** |
| | | | |
| Additions | - | 6.55 | 6.55 |
| Disposals | - | - | |
| **As at March 31, 2019** | **323.77** | **431.24** | **755.01** |
| | | | |
| **Amortisation** | | | |
| As at April 1, 2017 | - | 382.13 | 382.13 |
| Amortisation charge for the year | - | 32.72 | 32.72 |
| Disposals | - | - | - |
| **As at March 31, 2018** | **-** | **414.85** | **414.85** |
| | | | |
| Amortisation charge for the year | - | 5.67 | 5.67 |
| Disposals | - | - | - |
| **As at March 31, 2019** | **-** | **420.52** | **420.52** |
| | | | |
| **Net book value :** | | | |
| **As at March 31, 2019** | **323.77** | **10.72** | **334.49** |
| **As at March 31, 2018** | **323.77** | **9.84** | **333.61** |

## 5. Investments

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Investments in equity shares (unquoted) | | |
| Aero Ports & Infrastructure Projects Pvt. Ltd.: 50,000 Equity shares of ₹10 each fully paid up | 5.00 | 5.00 |
| J M Township & Real Estate Pvt. Ltd.: 2,00,000 Equity shares of ₹10 each fully paid up | 20.00 | 20.00 |
| (b) Investments in Government or Trust Securities (unquoted) | 0.15 | 0.15 |
| **Aggregate value of unquoted investments** | 25.15 | 25.15 |

## 6. Other financial assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balances with Banks - Held as Margin Money | 2,264.79 | 2,239.40 |
| Security Deposits | 8.86 | 8.84 |
| **Total** | **2,273.65** | **2,248.24** |

## 7. Other non-current assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Income Tax Payment (Net) | 1,842.60 | 1,652.60 |
| Capital Advances | 1,453.78 | 1,147.49 |
| Prepaid Lease rental | 130.62 | 133.63 |
| **Total** | **3,427.00** | **2,933.72** |

## 8. Inventories

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Raw Materials | 2,299.82 | 2,842.67 |
| Work-in-progress | 244.88 | 557.74 |
| Finished Goods | 11,071.59 | 11,937.69 |
| Stock in trade | 488.25 | 149.92 |
| Stores and spares | 866.56 | 1,033.96 |
| Goods in transit | 20.46 | 21.08 |
| **Total** | **14,991.56** | **16,543.06** |

## 9. Inventories - Real Estate

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Land at Kanjurmarg | 15,000.00 | 15,000.00 |
| Others | 4,395.44 | 4,395.44 |
| **Total** | **19,395.44** | **19,395.44** |

## 10. Trade receivables (unsecured)

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade receivables - Unsecured | | |
| Considered good | **20,975.76** | **20,261.10** |
| Considered doubtful | 869.06 | 693.13 |
| | **21,844.82** | **20,954.23** |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance)* | (869.06) | (693.13) |
| **Total** | **20,975.76** | **20,261.10** |

*Movement in the allowance for bad and doubtful receivables [expected credit loss allowance - also refer Note 43(iii)].

(₹ in Lakh)

| | Amount |
|---|---|
| **Balance as at April 1, 2017** | **583.38** |
| Add : Created during the year | 132.55 |
| Less : Released during the year | (22.80) |
| **Balance as at March 31, 2018** | **693.13** |
| Add : Created during the year | 181.42 |
| Less : Released during the year | (5.49) |
| **Balance as at March 31, 2019** | **869.06** |

## 11. Cash and cash equivalents

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balances with banks | | |
| On current accounts | 1,580.33 | 1,786.05 |
| Cash on hand | 12.87 | 20.24 |
| **Total** | **1,593.20** | **1,806.29** |

## 12. Other bank balances

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balances with Banks - Earmarked for Unpaid Dividend | - | 1.01 |
| Fixed Deposits with Banks | 4,423.26 | 4,850.00 |
| **Total** | **4,423.26** | **4,851.01** |

## 13. Loans

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Loans to Related Parties (refer note 37 c) | | |
| Unsecured, Considered Good | 965.50 | 965.50 |
| Other Loans & Advances | | |
| Unsecured, Considered Good | 2,896.93 | 2,947.35 |
| **Total** | **3,862.43** | **3,912.85** |

**Disclosure required by SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015:**

**Loans and advances in the nature of loans given to related party:**

(₹ in Lakh)

| | Loans Outstanding as at | | Maximum amount outstanding during the year ended on | |
|---|---|---|---|---|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| JM Township & Real Estate Pvt. Ltd. | 965.50 | 965.50 | 965.50 | 965.50 |

## 14. Other financial assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Security Deposits | 1,397.86 | 1,413.76 |
| Others (Unsecured considered good unless otherwise stated) | 215.05 | 211.47 |
| **Total** | **1,612.91** | **1,625.23** |

## 15. Other current assets

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance with statutory authorities | 3,300.26 | 3,026.82 |
| Advances for supply of goods and rendering of services | 2,164.70 | 2,513.59 |
| Prepaid expenses/Other Receivables | 226.02 | 213.62 |
| Other Assets | 166.68 | 177.24 |
| **Total** | **5,857.66** | **5,931.27** |

## 16. Equity share capital

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Nos. | ₹ in Lakh | Nos. | ₹ in Lakh |
| **Authorised:** | | | | |
| **Equity Shares:** | | | | |
| Equity shares of ₹10/- each | 8,00,00,000 | 8,000.00 | 8,00,00,000 | 8,000.00 |
| **Preference Shares:** | | | | |
| Redeemable Preference Shares of ₹10 each | 15,00,00,000 | 150,00.00 | 15,00,00,000 | 150,00.00 |
| | | | | |
| **Issued, Subscribed and Paid-up** | | | | |
| **Equity Shares:** | | | | |
| Equity shares of ₹10/- each | 7,18,58,955 | 7,185.90 | 7,18,58,955 | 7,185.90 |
| **Total** | **7,18,58,955** | **7,185.90** | **7,18,58,955** | **7,185.90** |

### A. Reconciliation of the shares outstanding at the beginning and at the end of the year

(₹ in Lakh)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | No of shares | Amount | No of shares | Amount |
| At the beginning of the year | 7,18,58,955 | 7,185.90 | 5,46,99,338 | 5,469.93 |
| Issued during the year | - | - | 1,71,59,617 | 1,715.97 |
| Outstanding at the end of the year | 7,18,58,955 | 7,185.90 | 7,18,58,955 | 7,185.90 |

Terms/Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### B. Following shareholders hold equity shares more than 5% of the total equity shares of the Company:

(₹ in Lakh)

| Name of Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number of shares held having face value of ₹10 each | % of holding in class | Number of shares held having face value of ₹10 each | % of holding in class |
| Aurella Estates And Investments Pvt. Ltd. | 2,56,76,949 | 35.73% | 2,56,76,949 | 35.73% |
| Vivek Prannath Talwar | 63,23,669 | 8.80% | 63,23,669 | 8.80% |
| JM Financial Asset Reconstruction Company Ltd. | 1,71,59,617 | 23.88% | 1,71,59,617 | 23.88% |

## 17. Share warrants

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| 61,31,745 Warrants (convertible into Equity) of ₹10/- each 25% paid-up | 1,750.00 | 1,750.00 |
| **Total** | **1,750.00** | **1,750.00** |

Note :

During F.Y. 2017-18, Company issued 61,31,745 Convertible Warrants (the "Warrants") at an issue price of ₹ 114.16 per warrant to JMFARC, entitling the Warrant Holder to apply for and get allotted one Equity Share of the face value of ₹ 10/- each fully paid-up at a premium of ₹ 104.16 against each Warrant within a period of 18 months from the date of allotment of Warrants. ₹ 1750 lakhs, being 25% of the consideration of total the Warrants issued, was received by the company before allotment of the Warrants and the balance consideration i.e. 75% is payable at the time of exercise of option of conversion against each such warrant.

## 18. Other equity

(₹ in Lakh)

| | | Amount |
|---|---|---|
| **a)** | **Capital Reserve** | |
| | As at April 1, 2017 | 325.66 |
| | Changes during the year | - |
| | **As at March 31, 2018** | **325.66** |
| | Changes during the year | (0.19) |
| | **As at March 31, 2019** | **325.47** |
| **b)** | **Securities Premium Reserve** | |
| | As at April 1, 2017 | 35,471.47 |
| | Changes during the year | 7,119.86 |
| | **As at March 31, 2018** | **42,591.33** |
| | Changes during the year | - |
| | **As at March 31, 2019** | **42,591.33** |
| **c)** | **Capital Redemption Reserve** | |
| | As at April 1, 2017 | 966.00 |
| | Changes during the period | - |
| | **As at March 31, 2018** | **966.00** |
| | Changes during the period | - |
| | **As at March 31, 2019** | **966.00** |
| **d)** | **General Reserve** | |
| | As at April 1, 2017 | 3,846.91 |
| | Changes during the period | - |
| | **As at March 31, 2018** | **3,846.91** |
| | Changes during the period | - |
| | **As at March 31, 2019** | **3,846.91** |
| **e)** | **Retained Earnings** | |
| | **As at April 1, 2017** | **(59,011.89)** |
| | Profit/(Loss) for the year 2017-18 | 18,868.58 |
| | Less: Transfer to general reserve | - |
| | **As at March 31, 2018** | **(40,143.31)** |
| | Profit/(Loss) for the year 2018-19 | (5,350.25) |
| | Less: Transfer to general reserve | - |
| | **As at March 31, 2019** | **(45,493.56)** |
| **Total other equity** | | |
| **As at March 31, 2019** | | **2,236.15** |
| **As at March 31, 2018** | | **7,586.60** |

## 19. Borrowings

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Redeemable Non-Convertible Preference Shares (refer Note-i) | 15,000.00 | 15,000.00 |
| Redeemable Non-convertible Debentures (refer Note-ii) | 5,000.00 | 5,000.00 |
| Term Loan (secured) | | |
| From Banks / Financial Institutions | - | - |
| From Others | 54,837.26 | 61,933.49 |
| Long term maturities of finance lease | 60.02 | 54.78 |
| **Total** | **74,897.28** | **81,988.27** |

i. Since the preference shares and debentures have been allotted consequent to restructuring of the company's debt, there is no active market available for the aforesaid financial instruments, therefore the Company has not re-measured Redeemable Non-convertible Preference Shares and Redeemable Non Convertible debenture

ii. JMFARC had acquired 98% of the Company's debt from its lenders and sanctioned debt restructuring effective from the Cut-Off date February 28, 2018. The Company is negotiating a similar settlement agreement with other lender(s), Pending negotiations no further adjustments have been made

### 19.1 Interest and repayment schedule for secured long term borrowings

| Type of loan | Loan outstanding as on 31.3.2019 | | | Rate of interest | Repayment terms | Security Guarantee |
|---|---|---|---|---|---|---|
| | Non current | Current | Total | | | |
| **Term loans assigned to JM Financial Asset Reconstruction Company Limited** | | | | | | |
| Term loans Facility 1 (secured) | 19,615.10 | 2,000.00 | 21,615.10 | 9% | 20 structured quarterly installments commencing from F.Y. 2019 | • First ranking pari passu charge on all of the fixed assets (both movable and immovable) of the Company<br>• Hypothecation of current assets including trade receivables, cash flow from windmill and trademarks of the Company<br>• Pledge of shares held by promoters in Nitco Limited and six associate companies,<br>• Pledge of shares held by Aurella Estate & Investments Pvt. Ltd. in Nitco Limited, shares held by Nitco Realties Pvt. Ltd. in one of its subsidiary company and shares held by Nitco Limited in New Vardhman Vitirfied Pvt. Ltd.<br>• Negative lien on Non-Core Assets of the Company<br>• Personal guarantee of Promoters Mr. Vivek Talwar and Corporate Guarantee by six subsidiary/fellow subsidiary/associate companies |
| Term loans Facility 2 (secured) | 20,605.00 | 7,999.72 | 28,604.72 | 9% | Repayable from the proceeds of sale of identified assets over a period of five years commencing from F.Y. 2018 | |
| Others | 14,032.15 | - | 14,032.15 | | The loan will be settled after fulfillment of certain conditions. | |
| Redeemable Non-Convertible Preference Shares | 15,000.00 | - | 15,000.00 | 0.1% | Preference Shares shall be repaid at par in 8 equal annual installments commencing from the end of 10 years from the effective date February 28, 2018. | |
| Redeemable Non-convertible Debentures | 5,000.00 | - | 5,000.00 | 5% | The Debenture shall be redeemed at the end of 10 years from the effective date (i.e. February 28, 2018). | |
| **Total (A)** | **74,252.25** | **9,999.72** | **84,251.97** | | | |

| Type of loan | Loan outstanding as on 31.3.2019 | | | Rate of interest | Repayment terms | Security Guarantee |
|---|---|---|---|---|---|---|
| | Non current | Current | Total | | | |
| **Term loans not assigned to JM Financial Asset Reconstruction Company Limited** | | | | | | |
| Loan from Financial institutions - Term Loan | - | 1,666.67 | 1,666.67 | 11.25% | 32 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package | Pari passu first charge on the fixed assets of Alibaug plant, and pari passu second charge on Silvassa Plant and also pari passu second charge on the current assets of the Company. Further, secured by personal guarantee by promoters and pledge of shares by promoters. |
| Loan from Financial institutions - FITL | - | 237.96 | 237.96 | 10.75% | 24 structured quarterly installments commencing from June 30, 2014 as prescribed in approved CDR package | |
| Term loan from Bank | - | 101.71 | 101.71 | 3M LIBOR Plus 2.60 % | 12 structured quarterly installments commencing from March 31, 2015. | Pari passu charge on Silvassa Plant and guaranteed by promoters |
| Vehicle Loans | 60.02 | 48.69 | 108.71 | | Equated monthly installments as per specific repayment schedule predetermined in case of each vehicle loan. | Secured against the hypothecation of underlying company owned vehicles. |
| **Total (B)** | **60.02** | **2,055.03** | **2,115.05** | | | |
| **Unsecured Long Term loans by Subsidiary Company** | | | | | | |
| From Others | 585.01 | - | 585.01 | - | Payable on demand after 3 years | Unsecured |
| **Total (C)** | **585.01** | **-** | **585.01** | **-** | | |
| **Grand Total (A+B+C)** | **74,897.28** | **12,054.75** | **86,952.03** | | | |

Note :

i. JMFARC representing 98% of the Company's debt has restructured the debt of the holding company on sustainable basis vide their sanction letter dated January 23, 2018. Based on the agreement entered into with JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s).

ii. Loans from Lenders are secured against the mortgage of fixed assets of the Company, hypothecation of present and future stocks of raw materials, stock-in-process, finished goods, stock-in-trade, stores and spares, consumables, book debts and against collateral securities and personal guarantee given by promoters and related parties.

## 20. Provisions

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Provision for employee benefits | 179.26 | 189.96 |
| **Total** | **179.26** | **189.96** |

## 21. Income taxes

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Deferred tax liabilities (Net) | 3.86 | 135.24 |
| **Total** | **3.86** | **135.24** |

In view to accumulated losses, no provision for tax has been made in the books of holding company.

## 22. Borrowings (Short term)

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Loan repayable on demand | | |
| Secured | | |
| **From Banks** | | |
| Cash Credit - Holding Company | - | - |
| Cash Credit - Subsidiary Company | 1,548.98 | 1,525.03 |
| **Total** | **1,548.98** | **1,525.03** |

## 23. Trade payables

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Trade payables | | |
| - total outstanding dues of micro and small enterprises | 2,200.30 | 1,193.51 |
| - total outstanding dues of creditors other than micro and small enterprises | 18,509.05 | 15,418.81 |
| **Total** | **20,709.35** | **16,612.32** |

Notes:

I. Disclosure with respect to related party transactions is given in note 37

II. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due and remaining unpaid | 2,200.30 | 1,193.51 |
| - Interest due and unpaid on the above amount | - | - |
| Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006 | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining due and payable | - | - |

## 24. Other financial liabilities

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Current maturities of long term debt | 12,054.75 | 4,335.87 |
| Deposits received | 846.35 | 786.04 |
| Amount payable to capital creditors | 738.12 | 1,353.31 |
| Loans & Advances | 630.52 | 441.16 |
| Interest accrued but not due on borrowings | 21.23 | - |
| Unclaimed dividends | - | 1.01 |
| **Total** | **14,290.97** | **6,917.39** |

## 25. Other current liabilities

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Advances from customers | 33.18 | 1,615.56 |
| Statutory dues payable | 59.38 | 270.09 |
| Other payable | 6,460.57 | 6,930.81 |
| **Total** | **6,553.13** | **8,816.46** |

## 26. Provisions

(₹ in Lakh)

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Provision for Leave Encashment | 87.70 | 82.34 |
| Provision for Gratuity | 245.56 | 237.59 |
| Provision for Others | 6.77 | 42.84 |
| **Total** | **340.03** | **362.77** |

## 27. Revenue from operations

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Sales | | |
| Tiles | 59,152.13 | 58,241.34 |
| Real estate | 217.00 | 3,184.34 |
| | **59,369.13** | **61,425.68** |
| Other operating revenues | | |
| Labour charges | 96.74 | 181.29 |
| Lease rental | 63.41 | 40.24 |
| Other Operating income | 116.39 | 54.54 |
| | **276.54** | **276.07** |
| **Total** | **59,645.67** | **61,701.75** |

## 28. Other income

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Duty Drawback | - | 0.74 |
| Creditors W/off | - | 274.12 |
| Rent Received | 32.69 | 35.92 |
| Miscellaneous income | 167.20 | 168.42 |
| **Total** | **199.89** | **479.20** |

## 29. Cost of material consumed

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Body Material | 3,062.11 | 4,538.33 |
| Glaze Material | 2,011.67 | 2,961.12 |
| Marble blocks/slabs | 7,114.03 | 6,213.99 |
| Packing Material | 1,159.28 | 1,819.38 |
| Others (Real Estate) | 195.38 | 2,616.74 |
| **Total** | **13,542.47** | **18,149.56** |

## 30. Changes in inventories of finished goods, stock in trade and work-in-progress

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Stock in Trade - Opening | 149.92 | 743.53 |
| Stock in Trade - Closing | 488.25 | 149.92 |
| | **(338.33)** | **593.61** |
| Work in Progress - Opening | 557.74 | 405.05 |
| Work in Progress - Closing | 244.88 | 557.74 |
| | **312.86** | **(152.69)** |
| Finished Goods (Mfg.) - Opening | 11,941.16 | 13,980.33 |
| Finished Goods (Mfg.) - Closing | 11,081.18 | 11,941.16 |
| | **859.98** | **2,039.17** |
| **Total Change in Inventories** | **834.51** | **2,480.09** |

## 31. Employee benefits expense

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Salaries, wages and amenities | 7,711.20 | 7,803.27 |
| Contribution to provident fund and other funds | 458.90 | 438.72 |
| Staff welfare expenses | 260.35 | 285.33 |
| **Total** | **8,430.45** | **8,527.32** |

## 32. Finance costs

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Interest on debt and borrowings | 2,081.39 | 1,173.72 |
| Other borrowing costs | 61.94 | 114.89 |
| Other financial charges | 98.44 | 124.81 |
| Applicable net gain/loss on foreign currency transactions and translation | 64.84 | (27.89) |
| **Total** | **2,306.61** | **1,385.53** |

Note : JMFARC representing 98% of the Company's debt has restructured the debt of the Company on sustainable basis. Based on the sanction received from JMFARC the debts of the Company have been reclassified. The Company is negotiating a similar settlement agreement with the other lender(s). Pending negotiation no further adjustments have been made.

## 33. Depreciation and amortisation expense

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 3,914.28 | 8,017.76 |
| Amortisation of intangible Assets (refer note 4) | 5.67 | 32.72 |
| Amortisation of other assets | 3.05 | 3.00 |
| **Total** | **3,923.00** | **8,053.48** |

## 34. Other expenses

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| **Other Manufacturing Expenses** | | |
| Power and fuel * | 6,118.84 | 8,101.36 |
| Consumption of stores and spare parts. | 1,142.33 | 1,842.32 |
| | **7,261.17** | **9,943.68** |
| **Repairs and Maintenance** | | |
| Buildings | 45.20 | 47.72 |
| Machinery | 617.54 | 369.50 |
| Others Repairs & Maintenance | 168.22 | 281.78 |
| | **830.96** | **699.00** |
| **Administrative Expenses** | | |
| Rent Rates and Taxes | 609.47 | 803.49 |
| Electricity Charges Office & Depot | 693.34 | 1,593.26 |
| Processing Charges Mosaico/Marble | 274.97 | 683.39 |
| Water Charges | 9.72 | 9.52 |
| Postage and Telephone | 157.26 | 167.33 |
| Printing and Stationery | 17.88 | 21.44 |
| Insurance | 272.38 | 154.63 |
| Legal and Professional Fees | 352.29 | 342.15 |
| Travelling & Conveyance Expenses | 1,028.86 | 950.77 |
| Audit Fees | 13.58 | 17.64 |
| Hire Charges | 202.76 | 183.60 |

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---:|---:|
| Security Charges | 153.06 | 147.20 |
| Miscellaneous Expenses | 198.09 | 389.78 |
| | **3,983.66** | **5,464.20** |
| **Selling and distribution expenses** | | |
| Advertisement & Sales Promotion Expenses | 1,278.33 | 1,261.50 |
| Freight Forwarding & Distribution Expenses | 1,653.39 | 1,658.84 |
| C&F Charges | 230.88 | 299.85 |
| Provision for Doubtful Debts | 175.94 | 52.41 |
| Bad Debts | 29.49 | 106.09 |
| | **3,368.03** | **3,378.69** |
| **Total** | **15,443.82** | **19,485.57** |

*The company has windmills located within the State of Maharashtra where the power generated is sold to MSEDCL. During the year the company has sold power to MSEDCL amounting to ₹ 662.12 lakhs (previous year ₹ 569.33 lakhs) and the same has been netted out against power purchased from MSEDCL for its plant located at Alibaug, Maharashtra. The power generated through windmills was sold to MSEDCL under 13 year Power Purchase Agreement which has expired on March 22, 2019. Post expiry of Power Purchase Agreement, generation from windmill may be used for Captive consumption/Sale under Power Purchase Agreement with MSEDCL as may be permitted under the prevailing government policy.

## 35. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

**During the year ended March 31, 2019**

(₹ in Lakh)

| | Retained Earnings | Total |
|---|---:|---:|
| Remeasurement gains (losses) on defined benefit plans | 15.27 | 15.27 |
| Income tax effect | - | - |
| **Total** | **15.27** | **15.27** |

**During the year ended March 31, 2018**

(₹ in Lakh)

| | Retained Earnings | Total |
|---|---:|---:|
| Remeasurement gains (losses) on defined benefit plans | (20.49) | (20.49) |
| Income tax effect | - | - |
| **Total** | **(20.49)** | **(20.49)** |

## 36. Earnings per share (EPS)

(₹ in Lakh)

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Profit/ (Loss) for the year (₹) | (5,350.25) | 18,868.58 |
| | | |
| Equity shares at the beginning of the year (nos.) | 718.59 | 546.99 |
| Equity shares issued during the year | - | 171.60 |
| Equity shares at the end of the year (nos.) | 718.59 | 718.59 |
| Weighted average equity shares for the purpose of calculating basic earnings per share (nos.) | 718.59 | 558.75 |
| Weighted average equity shares for the purpose of calculating diluted earnings per share (nos.) | 718.59 | 558.75 |
| Earnings per share-basic (face value of ₹10/- each) (₹) | (7.45) | 33.77 |
| Earnings per share-diluted (face value of ₹10/- each) (₹) | (7.45) | 33.77 |

## 37. Related party disclosures as required by IND As 24 "Related Party Disclosures" are given below:

### (A) List of related parties

Enterprise owned by Key Management Personnel or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise with whom transactions have taken place:

**Entity having significant influence over the Company**

Aurella Estate & Investment Pvt. Ltd.

Mr. Vivek Talwar - Chairman & Managing Director

**Key Management Personnel (KMP)**

Mr. Vivek Talwar - Chairman & Managing Director

Mr. Rajeshbhai J Likhiya - Director

Mr. Rajesh Sunderlal Shah - Director

Mr. Rameshchandra Mithalal Derasariya - Director

**Relative of Key Management Personnel (KMP)**

Anjali Talwar

Rohan Talwar

Poonam Talwar

Abhishek Sureshbhai Mehta

Ashvinbhai Raghavjibhai Jivani

Dhirubhai Bhurabhai Boda

Hardik Rajeshbhai Likhiya

Hina Yogesh Gandhi

Jayesh Mavjibhai Chaniyra

Karan Pravinbhai Shah

Khushbuben Rameshbhai Derasariya

Meenaben C. Gandhi

Nayna Pravinbhai Mehta

Payal Vishal Gandhi

Pravinchandra Sevantilal Sheth - HUF

Rajesh S. Shah

Rameshbhai Babulal Bhadja

Sadhna Sureshbhai Mehta

Utsav V. Mehta

**Post - employment benefit plans**

Nitco Limited Employees Group Gratuity Schemes

Nitco Tiles Ltd. Superannuation Fund

**Entities where control / significant influence by KMPs and their relatives exists and with whom transaction have taken place.**

Eden Garden Builders Pvt.Ltd.

Enjoy Builders Pvt.Ltd.

Lavender Properties Pvt.Ltd.

Prakalp Properties Pvt.Ltd.

Rang Mandir Builders Pvt.Ltd.

Usha Kiran Builders Pvt.Ltd.

Saisha Trading LLP

IB Hospitality Pvt Ltd

Watco Trading Private Limited

Watco Engineering Pvt.Ltd.

Nitco Tiles & Marble Industries (Andhra) Pvt Ltd

Nitco Sales Corporation Delhi

Nitco Tiles Sales Corporation

Northern India Tiles Sales Corporation

Gem manufacturing India Pvt Ltd

Unique Cera Tileware Pvt Ltd

Multistone Granito Pvt Ltd

Patidar Power Pvt Ltd

Vardhman Vitrified Pvt Ltd

Nilcity Plast Pvt Ltd

**(B) Transactions with related parties**

| Transactions | Year ended March 31, 2019 | | | | Year ended March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| **Sale of Goods** | | | | | | | | |
| Poonam Talwar | | - | | - | | 19.66 | | 19.66 |
| **Purchase of Traded Goods** | | | | | | | | |
| Nilcity Plast Pvt. Ltd. | | - | | - | | 23.01 | | 23.01 |
| Vardhman Vitrified Pvt. Ltd. | | - | | - | | 21.00 | | 21.00 |
| **Power & fuel expenses** | | | | | | | | |
| Saisha Trading LLP | | 397.47 | | 397.47 | | 394.71 | | 394.71 |
| **Other Expenses** | | | | | | | | |
| IB Hospitality Pvt. Ltd. | | 3.01 | | 3.01 | | 14.37 | | 14.37 |
| **Compensation Key Managerial Personnel** | | | | | | | | |
| Veetenkumar H. Kavar | - | | | - | 4.50 | | | 4.50 |
| **Directors Sitting Fees** | | | | | | | | |
| Pradeep Saxena | 2.35 | | | 2.35 | 2.80 | | | 2.80 |
| Sharath Padmanabh Bolar | 2.35 | | | 2.35 | 2.80 | | | 2.80 |
| Bharti Pradeep Dhar | 1.35 | | | 1.35 | 1.80 | | | 1.80 |
| Vivek Grover | 0.60 | | | 0.60 | - | | | - |
| Samir Chawla | 0.60 | | | 0.60 | - | | | - |
| **Rent Paid** | | | | | | | | |
| Eden Garden Builders Pvt. Ltd. | | 3.18 | | 3.18 | | 3.18 | | 3.18 |
| Enjoy Builders Pvt. Ltd. | | 4.37 | | 4.37 | | 4.37 | | 4.37 |
| Lavender Properties Pvt. Ltd. | | 3.16 | | 3.16 | | 3.16 | | 3.16 |
| Prakalp Properties Pvt. Ltd. | | 3.02 | | 3.02 | | 3.02 | | 3.02 |
| Rang Mandir Builders Pvt. Ltd. | | 4.18 | | 4.18 | | 4.18 | | 4.18 |
| Usha Kiran Builders Pvt. Ltd. | | 3.16 | | 3.16 | | 3.16 | | 3.16 |
| **Rent Received** | | | | | | | | |
| Saisha Trading LLP | | 2.83 | | 2.83 | | 2.81 | | 2.81 |

| Transactions | Year ended March 31, 2019 | | | | Year ended March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| **Loans & Advances Given/Adjusted** | | | | | | | | |
| Aurella Estate & Investment Pvt. Ltd. | | - | | - | | 788.00 | | 788.00 |
| Nitco Paints Pvt. Ltd. | | 55.00 | | 55.00 | | - | | - |
| **Loans & Advances Received** | | | | | | | | |
| Aurella Estate & Investment Pvt. Ltd. | | - | | - | | 788.00 | | 788.00 |
| Nitco Paints Pvt. Ltd. | | 55.00 | | 55.00 | | - | | - |
| **Interest on loans paid/payable** | | | | | | | | |
| Aurella Estate & Investment Pvt. Ltd. | | - | | - | | 8.08 | | 8.08 |
| **Contributions made** | | | | | | | | |
| Nitco Limited Employees Group Gratuity Schemes | | | 72.28 | 72.28 | | | 5.01 | 5.01 |
| Nitco Tiles Ltd. Superannuation Fund | | | 12.57 | 12.57 | | | 6.63 | 6.63 |

**(C) Balances outstanding as at the year end**

| Transactions | As at March 31, 2019 | | | | As at March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| **Amount Receivable/(Payable)** | | | | | | | | |
| Saumya Buildcon Pvt. Ltd. | | 995.99 | | 995.99 | | 995.99 | | 995.99 |
| Eden Garden Builders Pvt. Ltd. | | 150.00 | | 150.00 | | 150.00 | | 150.00 |
| Enjoy Builders Pvt. Ltd. | | 205.00 | | 205.00 | | 205.00 | | 205.00 |
| Lavender Properties Pvt. Ltd. | | 150.00 | | 150.00 | | 150.00 | | 150.00 |
| Prakalp Properties Pvt. Ltd. | | 145.00 | | 145.00 | | 145.00 | | 145.00 |
| Rang Mandir Builders Pvt. Ltd. | | 200.00 | | 200.00 | | 200.00 | | 200.00 |
| Usha Kiran Builders Pvt. Ltd. | | 150.00 | | 150.00 | | 150.00 | | 150.00 |
| Poonam Talwar | | 9.19 | | 9.19 | | 15.12 | | 15.12 |
| Nitco Tiles & Marble Industries (Andhra) Pvt. Ltd. | | 1.00 | | 1.00 | | 1.00 | | 1.00 |
| Eden Garden Builders Pvt. Ltd. | | (15.81) | | (15.81) | | (13.21) | | (13.21) |
| Enjoy Builders Pvt. Ltd. | | (25.01) | | (25.01) | | (21.42) | | (21.42) |
| Lavender Properties Pvt. Ltd. | | (19.59) | | (19.59) | | (17.01) | | (17.01) |
| Prakalp Properties Pvt. Ltd. | | (18.09) | | (18.09) | | (15.62) | | (15.62) |
| Rang Mandir Builders Pvt. Ltd. | | (26.02) | | (26.02) | | (22.61) | | (22.61) |
| Usha Kiran Builders Pvt. Ltd. | | (19.43) | | (19.43) | | (16.85) | | (16.85) |
| Saisha Trading LLP | | (390.13) | | (390.13) | | (394.58) | | (394.58) |
| IB Hospitality Pvt. Ltd. | | (0.11) | | (0.11) | | (0.01) | | (0.01) |
| Pradeep Saxena | - | | | - | (0.27) | | | (0.27) |
| Sharath Padmanabh Bolar | - | | | - | (0.27) | | | (0.27) |
| Bharti Pradeep Dhar | - | | | - | (0.27) | | | (0.27) |
| Watco Trading Private Limited | | (115.70) | | (115.70) | | (115.70) | | (115.70) |
| Watco Engineering Pvt. Ltd. | | (23.40) | | (23.40) | | (23.40) | | (23.40) |
| Nitco Sales Corporation Delhi | | (0.02) | | (0.02) | | (0.02) | | (0.02) |
| Nitco Tiles Sales Corporation | | (0.23) | | (0.23) | | (0.23) | | (0.23) |

| Transactions | As at March 31, 2019 | | | | As at March 31, 2018 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total | Key Management Personnel | Entities where control/ significant influence by KMPs and their relative exist | Post-employment benefit plan | Total |
| Northern India Tiles Sales Corporation | | (1.73) | | (1.73) | | (1.73) | | (1.73) |
| JM Township & Real Estate Pvt. Ltd. | | 965.50 | | 965.50 | | 965.50 | | 965.50 |
| Rajeshbhai Likhiya | (19.50) | | | (19.50) | (19.50) | | | (19.50) |
| Abhishek Sureshbhai Mehta | | (21.50) | | (21.50) | | (21.50) | | (21.50) |
| Ashvinbhai Raghavjibhai Jivani | | (13.00) | | (13.00) | | (13.00) | | (13.00) |
| Dhirubhai Bhurabhai Boda | | (2.00) | | (2.00) | | (2.00) | | (2.00) |
| Hardik Rajeshbhai Likhiya | | (12.50) | | (12.50) | | (12.50) | | (12.50) |
| Hina Yogesh Gandhi | | (96.49) | | (96.49) | | (96.49) | | (96.49) |
| Jayesh Mavjibhai Chaniyra | | (26.90) | | (26.90) | | (26.90) | | (26.90) |
| Karan Pravinbhai Shah | | (10.59) | | (10.59) | | (10.59) | | (10.59) |
| Khushbuben Rameshbhai Derasariya | | (7.50) | | (7.50) | | (7.50) | | (7.50) |
| Meenaben C.Gandhi | | (87.35) | | (87.35) | | (87.35) | | (87.35) |
| Nayna Pravinbhai Mehta | | (14.50) | | (14.50) | | (14.50) | | (14.50) |
| Payal Vishal Gandhi | | (21.17) | | (21.17) | | (21.17) | | (21.17) |
| Pravinchandra Sevantilal Sheth - HUF | | (16.29) | | (16.29) | | (16.29) | | (16.29) |
| Rajesh S. Shah | | (21.17) | | (21.17) | | (21.17) | | (21.17) |
| Rameshbhai Babulal Bhadja | | (10.75) | | (10.75) | | (10.75) | | (10.75) |
| Sadhna Sureshbhai Mehta | | (27.00) | | (27.00) | | (27.00) | | (27.00) |
| Utsav V Mehta | | (7.00) | | (7.00) | | (7.00) | | (7.00) |
| Vardhman Vitrified Pvt. Ltd. | | 18.94 | | 18.94 | | 18.94 | | 18.94 |
| Nilcity Plast Pvt. Ltd. | | (0.71) | | (0.71) | | (0.71) | | (0.71) |
| Vardhman Vitrified Pvt. Ltd. | | (1.00) | | (1.00) | | (1.00) | | (1.00) |
| Guarantee Received - Promoter Group | 86,258.31 | | | 86,258.31 | 86,258.31 | | | 86,258.31 |
| Nitco Limited Employees Group Gratuity Schemes | | | (245.56) | (245.56) | | | (237.60) | (237.60) |
| Nitco Tiles Ltd. Superannuation Fund | | | - | - | | | - | - |

## 38. Employee benefit plans

### a) Defined Contribution Plans

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company's contribution to the provident fund, superannuation fund and national pension scheme is ₹353.76 Lakh for the year ended March 31, 2019 (March 31, 2018 ₹315.81 Lakh).

### b) Defined benefit Plan

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. The Company makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

The actuarial valuation of plan assets and the present value of defined benefit obligation were carried out at March 31, 2019 by the certified actuarial valuer. The present value of the defined benefit obligation, related current service cost and past service cost were measured.

#### A. Movements in present value of defined benefit obligation

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Defined benefit obligation at the beginning of the year | 820.82 | 724.56 |
| Current service cost | 78.41 | 74.63 |
| Interest Expense or Cost | 59.06 | 49.23 |
| Past Service Cost | - | 14.38 |
| Benefits paid | (56.67) | (62.80) |
| Actuarial (gain)/ loss | (17.00) | 20.82 |
| Defined benefit obligation at the end of the year | **884.62** | **820.82** |

#### B. Movements in the fair value of plan assets

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 583.22 | 599.92 |
| Investment income | 41.97 | 40.77 |
| Contribution by employer | 72.28 | 1.91 |
| Benefits paid | (56.67) | (59.74) |
| Expected Interest Income on plan assets | (1.74) | 0.36 |
| Fair value of plan assets at the end of the year | **639.06** | **583.22** |

#### C. Amount recognized in the balance sheet

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Fair value of plan assets | 884.62 | 820.82 |
| Defined benefit obligation | 639.06 | 583.22 |
| Net Asset/ (Liability) recognised in the Balance Sheet | (245.56) | (237.60) |
| Effects of Asset Ceiling, if any | - | - |
| Amount recognised in the Balance Sheet | **(245.56)** | **(237.60)** |

**D. Amount recognised in Statement of Profit and Loss**

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current service cost | 78.41 | 74.63 |
| Past service cost | - | 14.38 |
| Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset) | 17.09 | 8.46 |
| Amount recognised in Statement of Profit and Loss | **95.50** | **97.47** |

**E. Amount recognised in Other Comprehensive Income**

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Actuarial changes arising from changes in demographic assumptions | (6.02) | 7.96 |
| Actuarial changes arising from changes in financial assumptions | 5.32 | (12.01) |
| Experience adjustments | (16.29) | 21.81 |
| Return on plan assets, excluding amount recognized in net interest expense | 1.75 | 2.73 |
| Amount recognised in Other Comprehensive Income | **(15.27)** | **20.49** |

**F. The major categories of plan assets of the fair value of the total plan assets are as follows:**

| Gratuity | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Investment Details | Funded | Funded |
| Funds managed by Insurer | **100%** | **100%** |

**G. The principal assumptions used in determining gratuity liability for the Company's plans are shown below:**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Discount rate (per annum) | 7.20% | 6.80% |
| Salary growth rate (per annum) | 5.00% | 5.00% |
| Retirement age | 60 for PI employees and 58 for rest of the employees | 60 for PI employees and 58 for rest of the employees |

**H. A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:**

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Defined Benefit Obligation (Base) | 884.62 | 820.82 |

| | March 31, 2019 | | March 31, 2018 | |
|---|---|---|---|---|
| | Decrease | Increase | Decrease | Increase |
| Discount Rate (- / + 1%) | 916.45 | 854.98 | 846.91 | 796.30 |
| (% change compared to base due to sensitivity) | 3.6% | -3.4% | 3.2% | -3.0% |
| Salary Growth Rate (- / + 1%) | 854.76 | 915.98 | 795.84 | 846.78 |
| (% change compared to base due to sensitivity) | -3.40% | 3.50% | -3.0% | 3.2% |
| Attrition Rate (- / + 50% of attrition rates) | 857.59 | 895.62 | 792.93 | 831.50 |
| (% change compared to base due to sensitivity) | -3.10% | 1.20% | -3.4% | 1.3% |
| Mortality Rate (- / + 10% of mortality rates) | 884.53 | 884.71 | 820.75 | 820.89 |
| (% change compared to base due to sensitivity) | 0.0% | 0.0% | 0.0% | 0.0% |

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The following payments are expected contributions to the defined benefit plan in future years (In absolute terms i.e. undiscounted):

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 314.57 | 261.88 |
| Between 2 and 5 years | 471.61 | 531.82 |
| Between 6 and 10 years | 261.79 | 197.47 |
| Beyond 10 years | 111.45 | 59.91 |

## 39. Disclosure pursuant to Ind AS 108 "Operating Segment"

The Company's operating segments are established on the basis of those components of the group that are evaluated regularly by the Executive Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

The Company has two principal operating and reporting segments; viz. Tiles and related products and Real Estate.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a. Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b. Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**A. Business Segment:**

(₹ in Lakh)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **1** | **Net sales / Income from operations** | | |
| | - Tiles and other related products | 59,365.26 | 58,477.17 |
| | - Real estate | 280.41 | 3,224.58 |
| | **Total Revenue** | **59,645.67** | **61,701.75** |
| | | | |
| **2** | **Segment results** | | |
| | - Tiles and other related products | (3,854.73) | (7,732.66) |
| | - Real estate | 24.06 | 515.60 |
| | **Total Segment Profit/(Loss)** | **(3,830.67)** | **(7,217.06)** |
| | Less :Interest and other financial cost | 2,306.61 | 1,385.53 |
| | Exceptional items | - | (24,786.41) |
| | **Profit /(Loss) Before Tax** | **(6,137.28)** | **16,183.82** |
| | | | |

| | | Segment Asset | | Segment Liabilities | |
|---|---|---|---|---|---|
| **3** | **Capital Employed** | | | | |
| | | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| | - Tiles and other related products | 97,601.93 | 1,00,811.31 | 30,951.21 | 29,491.47 |
| | - Real estate | 26,887.21 | 27,456.32 | 436.50 | 406.64 |
| | - Unallocated/ Corporate | 6,265.85 | 6,502.59 | - | - |
| | **Total Capital Employed** | 1,30,754.99 | 1,34,770.22 | 31,387.71 | 29,898.11 |

**B. Geographical Segment :**

Geographical revenues are segregated based on the revenue of the respective clients.

(₹ in Lakh)

| Particulars | India | | Rest of the world | | Total | |
|---|---|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 | Year ended March 31, 2019 | Year ended March 31, 2018 |
| Segment revenue | 56,021.13 | 59,695.22 | 3,624.54 | 2,006.53 | 59,645.67 | 61,701.75 |
| Carrying cost of Segment assets | 1,30,365.20 | 1,34,449.47 | 389.79 | 320.75 | 1,30,754.99 | 1,34,770.22 |
| Addition of fixed assets and tangible assets | 887.97 | 476.37 | - | - | 887.97 | 476.37 |

## 40. Commitments & Contingencies

### (a) Leases

**(i) Operating Lease**

The Company have entered into a long term lease agreement for land. The Company does not have an option to purchase the leased land at the expiry of the lease period. The unamortised operating lease prepayments as at March 31, 2019 aggregating ₹130.62 (March 31, 2018 - ₹ 133.62 Lakh) is included in other non-current assets.

**(ii) Finance Leases**

The Company have taken certain vehicles under finance lease. Lease term ranges between 3-5 years. There is option to purchase the assets at the end of lease terms. The obligation under finance lease are secured by the leased assets. There is no restriction such as those concerning dividends, additional debts and further leasing imposed by the lease agreement. The interest rate underlying all obligations under finance leases are fixed at respective contract dates.

For net carrying amount of assets acquired under finance lease as at March 31, 2019. Refer note 3 Property, Plant and Equipment.

Maturity profile of finance lease obligations are as under :

(₹ in Lakh)

| Particulars | Outstanding as at | | Future Interest | | Future Obligations | |
|---|---|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| With one year | 48.69 | 50.67 | 2.56 | 2.64 | 51.25 | 53.31 |
| later than one year and not later than five years | 60.02 | 32.17 | 14.07 | 8.61 | 74.09 | 40.78 |
| After five year | - | - | - | - | - | - |
| **Total** | **108.71** | **82.84** | **16.63** | **11.25** | **125.34** | **94.09** |

### (b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as on March 31, 2019 are ₹65.42 Lakh (March 31, 2018 - ₹ 17.76 Lakh).

### (c) Contingent Liabilities

(₹ in Lakh)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| a) | Bank Guarantee given by the company (refer to note (ii) below) | 326.78 | 480.37 |
| b) | Demands against the company not acknowledged as debts and not provided for against | | |
| | i. Penalty levied by DGFT, Delhi (refer to note (iii) below) | 16,980.00 | 16,980.00 |
| | ii. Demand order for unearned income (refer to note (iv) below) | 5,105.88 | 5,105.88 |
| | iii. In respect of Value added tax, Service Tax, GST, Custom Duty and Income Tax Demands pending before various authorities and in dispute | 1,866.59 | 64.36 |
| c) | Legal matters | 146.44 | 110.34 |

i. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above pending resolution of the arbitration/appellate proceedings.

ii. Expired Bank Guarantees which have not been returned to the company amounting to ₹ 3,673.77 lakhs have not been included in the above point no. a. above.

iii. The Additional Director General Foreign Trade (ADGFT) had levied penalty of ₹ 17,000 lakhs for irregular / non fulfilment of export obligation and the same has been confirmed by the Appellate Bench of DGFT, New Delhi. The company has been advised that the order is bad in law and accordingly will agitate the matter before the appropriate forum. No provision has been made in the Accounts for the same.

iv. Pursuant to scheme of amalgamation sanctioned by the Hon'ble Bombay High Court with Particle Board India Limited during 2011, a land parcel held by Particle Board India Limited was transferred to the Company. Revenue department has raised a demand for unearned income of ₹ 5,105.88 Lakh in this regard. The company has filed a filed writ petition with the Hon'ble Bombay High Court in respect of same and the writ is pending for hearing.

v. Under the restructuring agreement the Company, after obtaining approval from JMFARC had written back borrowings amounting to ₹ 40,560.23 Lakh in the F.Y. 2017-18. Under the restructuring agreement JMFARC has the right to revoke in the case of default, all the reliefs and concessions granted to the company.

## 41. Capital Management

Capital of the Company, for the purpose of capital management, include issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholders value.

The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using gearing ratio, which is debt divided by total capital plus debt.

(₹ in Lakh)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| Debt# | A | 88,501 | 87,849 |
| Cash & cash equivalent | B | 6,016 | 6,657 |
| Net Debt | C=(A-B) | 82,485 | 81,192 |
| Equity | D | 12,232 | 18,223 |
| Net Debt to Equity ratio | E=(C/D) | 6.74 | 4.46 |

# Debt is defined as long term, short term borrowings and current maturities of long term debts and finance lease obligations as prescribed in note 19 and also includes interest accrued but not due on borrowings.

## 42. Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The following methods and assumptions have been used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There is no fair valuation of financial instruments.

The carrying values of the financial instruments by categories were as follows

(₹ in Lakh)

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| **Financial assets at amortised cost:** | | | | |
| Cash and cash equivalents (Refer Note 11) | 1,593.20 | 1,593.20 | 1,806.29 | 1,806.29 |
| Other Bank Balances (Refer Note 12) | 4,423.26 | 4,423.26 | 4,851.01 | 4,851.01 |
| Trade Receivables (Refer Note 10) | 20,975.76 | 20,975.76 | 20,261.10 | 20,261.10 |
| Loans (Refer note 13) | 3,862.43 | 3,862.43 | 3,912.85 | 3,912.85 |
| Other Financial Assets (Refer Note 6 & 14) | 3,886.56 | 3,886.56 | 3,873.47 | 3,873.47 |
| **Total** | **34,741.21** | **34,741.21** | **34,704.72** | **34,704.72** |
| **Financial assets at fair value through Profit and Loss** | - | - | - | - |
| Investments | - | - | - | - |
| **Financial assets at fair value through Other Comprehensive Income:** | Nil | Nil | Nil | Nil |
| | | | | |
| **Financial liabilities at amortised cost:** | | | | |
| Trade Payables (Refer note 23) | 20,709.35 | 20,709.35 | 16,612.32 | 16,612.32 |
| Other Financial Liabilities (Refer Note 24) | 2,236.22 | 2,236.22 | 2,581.52 | 2,581.52 |
| Borrowings (Refer Note 19, 22 & 24) | 88,501.01 | 88,501.01 | 87,849.17 | 87,849.17 |
| **Total** | **1,11,446.58** | **1,11,446.58** | **1,07,043.01** | **1,07,043.01** |
| **Financial liabilities at fair value through Statement of Profit and Loss** | Nil | Nil | Nil | Nil |
| **Financial liabilities at fair value through Other Comprehensive Income** | Nil | Nil | Nil | Nil |

## 43. Financial risk management objectives:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company's principal financial liabilities comprise of loan from banks and financial institutions, finance lease obligations and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables, cash and short term deposits, which arise directly from its operations.

The main risks arising from Company's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors review and agree policies for managing each of these risks.

### i. Foreign currency risk:

The Company does not have material revenue from overseas operations. However, the entity makes imports of Raw material and capital goods. Further the Company holds monetary assets in the form of investments in currency other than its functional currency i.e. Indian Rupee. Foreign currency risk, as defined in Ind AS 107, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

While the company has direct exposure to foreign exchange rate changes on the price of non-Indian Rupee-denominated securities and borrowings. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the Company's net assets attributable to holders of equity shares of future movements in foreign exchange rates. The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant.

| | % Change in foreign currency rate | Effect on profit /(Loss) before tax | | | | |
|---|---|---|---|---|---|---|
| | | USD | EUR | AED | AUD | Total |
| **As at March 31, 2019** | +5% | (11.58) | (3.44) | (0.98) | - | (16.00) |
| | -5% | 11.58 | 3.44 | 0.98 | - | 16.00 |
| **As at March 31, 2018** | +5% | (20.66) | 7.06 | (0.92) | 0.40 | (14.12) |
| | -5% | 20.66 | (7.06) | 0.92 | (0.40) | 14.12 |

### ii. Interest Rate Risk

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to Interest Rate Risk**

Interest rate risk of the Company arises from borrowings. The Company endeavor to adopt a policy of ensuring that maximum of its interest rate risk exposure is at fixed rate. The Company's interest-bearing financial instruments are reported as below:

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Fixed Rate Borrowings | 84,945.69 | 82,748.22 |
| Floating Rate Borrowings | 3,555.32 | 5,100.95 |
| **Total Borrowing** | **88,501.01** | **87,849.17** |

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit before tax for the year ended March 31, 2019 would decrease/increase by ₹ 17.78 lakh (for the year ended March 31, 2018: decrease/ increase by ₹ 25.50 Lakh)

### iii. Credit risk

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by the Company and based, in part, on the age of specific receivable balance and the current and expected collection trends. As such, in addition to the age of its Financial Assets, the Company also considers the age of its orders in progress, as well as the existence of any deferred revenue or down payments on orders on the same project or with the same client. The Company has used practical expedient by computing expected credit loss allowance for trade receivable by taking into consideration historical credit loss experience and adjusted for forward looking information. The Company is still pursuing the recovery for the receivable for which allowance made for bad and doubtful debts.

Ageing of current trade receivables (Note 10) considered by the Management for this purpose are as under:

(₹ in Lakh)

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Trade Receivables outstanding for a period exceeding six months from the date they are due for payment. | 5,444.39 | 5,067.42 |
| Other trade receivables | 15,531.37 | 15,193.68 |
| **Total** | **20,975.76** | **20,261.10** |

In addition the Company is exposed to credit risk in relation to the maximum related party credit exposure at March 31, 2019 on account of carrying amount of loan / advances /deposit, trade and other receivables and guarantees is disclosed in note 37 on related party transactions. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated. Credit risk relating to unrelating parties is minimised as the Company deals only with reputed parties.

Cash and cash equivalents are held with reputable and credit-worthy banks.

### iv. Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Liquidity table:**

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

(₹ in Lakh)

| | On demand | < 1 year | 1 - 3 yers | 3 - 5 years | > 5 years | Total | Carrying Amount |
|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2019** | | | | | | | |
| Borrowings | 2,133.99 | 12,115.05 | 14,515.10 | 25,704.72 | 34,032.15 | 88,501.01 | 88,501.01 |
| Trade payables | - | 20,709.35 | - | - | - | 20,709.35 | 20,709.35 |
| Other financial liabilities | 846.35 | 1,389.87 | - | - | - | 2,236.22 | 2,236.22 |
| **Total** | **2,980.34** | **34,214.27** | **14,515.10** | **25,704.72** | **34,032.15** | **1,11,446.58** | **1,11,446.58** |
| **Year ended March 31, 2018** | | | | | | | |
| Borrowings | 2,110.04 | 4,341.34 | 14,669.76 | 32,695.88 | 34,032.15 | 87,849.17 | 87,849.17 |
| Trade payables | - | 16,612.32 | - | - | - | 16,612.32 | 16,612.32 |
| Other financial liabilities | 787.05 | 1,794.47 | - | - | - | 2,581.52 | 2,581.52 |
| **Total** | **2,897.09** | **22,748.13** | **14,669.76** | **32,695.88** | **34,032.15** | **1,07,043.01** | **1,07,043.01** |

## 44. Research and development expenditure

(₹ in Lakh)

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Revenue expenditure charged to profit and loss account (incl. depreciation on Property, plant and equipment) | 84.92 | 119.63 |
| Capital expenditure | - | - |

## 45. Balance confirmation

Balances of sundry debtors, sundry creditors, loans and advances, deposits are subject to confirmation and reconciliation. Accounts receivables are net of advances.

In terms of our report of even date annexed

**For and on behalf of the Board**

For **Nayak & Rane**
Chartered Accountants
FRN No. 117249W

**Suraj Nayak**
Partner
Membership No.: 049645

**Vivek Talwar**
Chairman & Managing Director
(DIN: 00043180)

**Bharti Dhar**
Director
(DIN: 00442471)

**Sharath Bolar**
Director
(DIN: 07009701)

**Mahesh Shah**
CEO

**B. G. Borkar**
CFO

**Puneet Motwani**
Company Secretary
(ACS No: 38530)

Place : Mumbai
Dated: May 31, 2019

**Registered Office:** Plot No. 3, Nitco House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400 042.
**Tel:** +91 22 6752 1555 | **Fax:** +91 22 6752 1500 | **Email:** investorgrievances@nitco.in
**CIN:** L26920MH1966PLC016547 | **Website:** www.nitco.in

## Form No. MGT-11
## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| |
|---|
| Name of the member (s): |
| Registered address: |
| E-mail Id: |
| Folio No/ Client Id: |
| DP ID: |

I/We, being the member(s) of ........................................ shares of the above named company, hereby appoint:

1. Name: ........................................ E-mail Id: ........................................

   Address: ........................................

   ........................................ Signature ______ or failing him

2. Name: ........................................ E-mail Id: ........................................

   Address: ........................................

   ........................................ Signature ______ or failing him

3. Name: ........................................ E-mail Id: ........................................

   Address: ........................................

   ........................................ Signature ______

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual General Meeting of the company, to be held on Thursday, September 19, 2019 at 11: 00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

| Resolution No. | Description | | |
|---|---|---|---|
| **Ordinary Business** | | **Vote For** | **Vote Against** |
| 1. | Consider and adopt : | | |
| | a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2019 and the Reports of Directors and Auditors of the Company thereon; | | |
| | b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2019 together with the Report of the Auditor's thereon. | | |
| 2. | To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) who retires by rotation and being eligible, offers himself for re-appointment. | | |
| **Special Business** | | | |
| 3. | To consider re-appointment of Mr. Sharath Bolar (DIN: 07009701) as an Independent Director of the Company for another term of 5 years. | | |
| 4. | To consider re-appointment of Ms. Bharti Dhar (DIN: 00442471) as an Independent Director of the Company for another term of 5 years. | | |
| 5. | To consider appointment of Mr. Siddharth Kothari (DIN: 02594732) as an Independent Director of the Company. | | |
| 6. | To appoint M/s. R. K. Bhandari & Co., Cost Accountants, (Firm Registration Number 10682) as Cost Auditors of the Company. | | |

Signed on this .............................. day of ............................................................................................ 2019.

Affix Revenue Stamp

.......................................................................................... ..........................................................................................

Signature of shareholder Signature of Proxy holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The Proxy need not be a member of the Company. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

**NITCO LIMITED**
Plot No. 3, Nitco House, Kanjur Village Road,
Kanjur Marg (E), Mumbai - 400042.
Tel.: +91-22-67521555 | Fax: +91-22-67521500.
To Locate the nearest Exclusive Le Studio in your city,
Please call Toll free:1800 209 9898 | marketing@nitco.in

**www.nitco.in**

www.sapprints.com

**Registered Office:** Plot No. 3, NITCO House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400042
**Tel:** +91 22 6752 1555 / **Fax:** +91 22 6752 1500 / **Email:** investorgrievances@nitco.in
**CIN:** L26920MH1966PLC016547 / Website: www.nitco.in

# NOTICE

Notice is hereby given that the **53rd Annual General Meeting** of the Members of **Nitco Limited ('the Company')** will be held on **Thursday, the 19th day of September, 2019** at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai – 400 001, to transact, with or without modifications, as may be permissible, the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt
   a) the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2019 and the Reports of Directors and Auditors of the Company thereon;
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2019 together with the Report of the Auditor's thereon.
2. To appoint a Director in place of Mr. Vivek Talwar (DIN: 00043180) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

3. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sharath Bolar (DIN: 07009701), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office is not liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 2013 and whose term of office expires on November 11, 2019 in his capacity as a Non-Executive Independent Director, being so eligible, be re-appointed as an Independent Director of the Company and he shall hold office for a term not exceeding upto 5 (Five) consecutive years w.e.f. November 12, 2019 upto November 11, 2024 and who shall not be liable to retire by rotation."

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Bharti Dhar (DIN: 00442471), Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office is not liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 2013 and whose term expires on March 30, 2020 in her capacity as a Non-Executive Independent Director, being so eligible, be re-appointed as an Independent Director of the Company and she shall hold office for a term not exceeding upto 5 (Five) consecutive years w.e.f. March 31, 2020 upto March 30, 2025 and who shall not be liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and section 160 read with **Companies (Appointment and Qualification of Directors) Rules, 2014,** and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as per provisions of Articles of Association of the Company, Mr. Siddharth Kothari (DIN: 02594732), who was appointed as an Additional Director (Non-Executive and Independent) of the Company with effect from July 15, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office is not liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 2013, being so eligible, be appointed as an Independent Director of the Company for a term of 2 (Two) consecutive years w.e.f. July 15, 2019 upto July 14, 2021 and who shall not be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. R. K. Bhandari & Co., Cost Accountants, (Firm Registration Number 10682), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board of Directors
For **NITCO LIMITED**

**Sd/-**
**Puneet Motwani** **August 9, 2019**
**Company Secretary** **Mumbai**

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**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON SHALL NOT ACT AS A PROXY FOR MORE THAN 50 MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY. HOWEVER, A SINGLE PERSON MAY ACT AS A PROXY FOR A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL VOTING SHARE CAPITAL OF THE COMPANY PROVIDED THAT SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 13$^{th}$ day of September, 2019 to Thursday, the 19$^{th}$ day of September, 2019 (both days inclusive).
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
4. Particulars of Director(s) seeking re-appointment : Relevant particulars of Mr. Sharath Bolar (DIN: 07009701), Ms. Bharti Dhar (DIN: 00442471) and Mr. Siddharth Kothari (DIN: 02594732) are annexed with this notice and are also given in the report on Corporate Governance.
5. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to write to the Company at least one week before the Meeting, so that the information could be made available at the Meeting.
6. Members are requested to furnish their Bank Account details, change of address, e-mail address, etc. to the Company's Registrar and Transfer Agent viz; Link Intime India Pvt. Ltd. (Link Intime) at the address mentioned in the Corporate Governance Report, in respect of shares held in the physical form and to their respective Depository Participants, if shares are held in electronic form.
7. Members are advised to get their shares demated by sending Dematerialization Request Form (DRF) along with Share Certificates through their Depository Participant (DP) to Company's Registrar i.e. Link Intime India Private Limited (Link Intime).
8. Members wishing to claim dividends, which remain unclaimed, are requested to approach the Investor Education and Protection Fund (IEPF) Department of the Government of India. All the dividends which were not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, have been transferred to the Investor Education and Protection Fund (IEPF) Account, as per Section 125 of the Companies Act, 2013.
9. Corporate Members intending to send their authorised representatives are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representatives to attend and vote on their behalf at the Meeting.
10. As a measure of economy, members are requested to bring copy of the Annual Report to the Meeting. Member / proxy holders shall hand over the attendance slips, duly filled in all respect, at the entrance of the hall for attending the Meeting.
11. Electronic copy of the Notice convening the 53$^{rd}$ Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form is being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Notice convening the 53$^{rd}$ Annual General Meeting of the Company, along with the Annual Report, the process of e-voting and the attendance slip and proxy form is being sent to the members in the permitted mode.
12. Members may also note that the Notice of the 53$^{rd}$ Annual General Meeting and the Annual Report for F.Y. 2018-2019 will also be available on the Company's website at www.nitco.in. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same.

13. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the RTA i.e. Link Intime India Pvt. Ltd. and have it duly filled and sent back to them.

**14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

**16. Voting through electronic means:**

I. In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility to its Members in respect of the businesses to be transacted at the 53$^{rd}$ Annual General Meeting ("AGM"). The Company has engaged the services of **Central Depository Services (India) Limited ("CDSL")** as the Authorised Agency to provide remote e-voting facilities.

II. Members are requested to note that the business may be transacted through remote e-voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

**Instructions for e-voting:**

**The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on Monday, September 16, 2019 (9.00 a.m) and ends on Wednesday, September 18, 2019 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, September 12, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website at www.evotingindia.com

(iii) Click on "Shareholders" tab.

(iv) Now Enter your User ID-

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field. |
| Date of Birth (DOB) or Date of Incorporation (DOI) | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>Please enter the DOB/DOI or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "NITCO LIMITED" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to krupa@krupajoisar.com with the copy marked to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

17. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, September 12, 2019 may obtain the login ID and password by sending a request at evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote.

18. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut–off date only shall be entitled to avail the facility of remote e –voting as well as voting at the AGM through ballot paper.

19. Ms. Krupa Joisar of M/s. Krupa Joisar & Associates, Practicing Company Secretaries (Membership No. ACS A41023), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

20. The facility for voting, either through polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

21. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

22. The voting rights of the shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on the cut off date i.e. September 12, 2019.

23. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at www.nitco.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

24. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

**ANNEXURE TO NOTICE**

**Statement In Respect of the Special Business Pursuant to Section 102(1) of the Companies Act, 2013:**

**Item No. 3:**

The Company in its 49th AGM held on September 21, 2015 had appointed Mr. Sharath Bolar as an Independent Director of the Company for the period of 5 consecutive years from November 12, 2014 and his current term will expire on November 11, 2019. However, being eligible under necessary provisions of the Companies Act, 2013, he offers himself for re-appointment.

Keeping in view of his rich experience and contributions throughout his tenure and on the recommendation of the Board and Nomination and Remuneration Committee, it is proposed to re-appoint Mr. Sharath Bolar as an Independent Director of the Company for the second term of five consecutive years w.e.f. November 12, 2019 upto November 11, 2024

The Company has received consent in writing from Mr. Sharath Bolar, to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, in terms of provisions of Sections 149 and 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company hereby recommends to re-appoint Mr. Sharath Bolar as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term not exceeding 5 (Five) consecutive years w.e.f. November 12, 2019 upto November 11, 2024 and who shall not be liable to retire by rotation.

The Company has also received declaration from Mr. Sharath Bolar that he meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Companies Act, 2013.

Accordingly, the Company hereby seeks the approval of shareholders for the re-appointment of Mr. Sharath Bolar as an Independent Director of the Company by passing Special Resolution.

Detailed credential of Mr. Sharath Bolar is given in the Corporate Governance Report attached to the Annual Report of the Company.

Details of Mr. Sharath Bolar, as required to be given pursuant to the Listing Regulations and the Secretarial Standards is attached to this notice.

The Board of Directors recommend the Special Resolution as set out in Item no. 3 of the Notice for the approval of the shareholders.

Other than Mr. Sharath Bolar and his relatives, none of the Directors or Key Managerial Personnels of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 4:**

The Company in its 49th AGM held on September 21, 2015 had appointed Ms. Bharti Dhar as an Independent Director of the Company for the period of 5 consecutive years from March 31, 2015 and her current term will expire on March 30, 2020. However, being eligible under necessary provisions of the Companies Act, 2013, she offers herself for re-appointment.

Considering her rich experience and contributions throughout her tenure and on the recommendation of the Board and Nomination and Remuneration Committee, it is proposed to re-appoint Ms. Bharti Dhar as an Independent Director of the Company for the second term of five consecutive years w.e.f. March 31, 2020 upto March 30, 2025

The Company has received consent from Ms. Bharti Dhar, in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, in terms of provisions of Sections 149 and 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company hereby recommends to re-appoint Ms. Bharti Dhar as an Independent Directors of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term not exceeding 5 (Five) consecutive years w.e.f. March 31, 2020 upto March 30, 2025 and who shall not be liable to retire by rotation.

The Company has also received declaration from Ms. Bharti Dhar that she meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Companies Act, 2013.

Accordingly, the Company hereby seeks the approval of shareholders for the re-appointment of Ms. Bharti Dhar as an Independent Director of the Company by passing Special Resolution.

Detailed credential of Ms. Bharti Dhar is given in the Corporate Governance Report attached to the Annual Report of the Company.

Details of Ms. Bharti Dhar, as required to be given pursuant to the Listing Regulations and the Secretarial Standards is attached to this notice.

The Board of Directors recommend the Special Resolution as set out in Item no. 4 of the Notice for the approval of the shareholders.

Other than Ms. Bharti Dhar and her relatives, none of the Directors or Key Managerial Personnels of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 5**

Mr. Siddharth Kothari (DIN: 02594732) was appointed as an Additional Director (Non-executive & Independent) w.e.f. July 15, 2019 through Circular Resolution passed by the Board of Directors, which was subject to the shareholder's approval.

The Company has received consent from Mr. Siddharth Kothari, in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, in terms of provisions of Sections 149 and 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board hereby recommends appointment of Mr. Siddharth Kothari as an Independent Directors of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 2 (two) consecutive years w.e.f. July 15, 2019 upto July 14, 2021 and who shall not be liable to retire by rotation.

The Company has also received declaration from Mr. Siddharth Kothari that he meets the criteria of independence as prescribed under sub-section 6 of Section 149 of the Companies Act, 2013.

Accordingly, the Company hereby seek the approval of shareholders for the appointment of Mr. Siddharth Kothari as an Independent Director of the Company by passing Ordinary Resolution.

Details of Mr. Siddharth Kothari, as required to be given pursuant to the Listing Regulations and the Secretarial Standards is attached to this notice.

The Board of Directors recommend the Ordinary Resolution as set out in Item no. 5 of the Notice for the approval of the shareholders.

Other than Mr. Siddharth Kothari and his relatives, none of the Directors or Key Managerial Personnels of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 6:**

The Board of Directors at its meeting held on May 31, 2019 on the recommendation of the Audit Committee, approved the appointment of M/s. R. K. Bhandari & Co., Cost Accountants (Firm Registration Number 101435), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending March 31, 2020, at a remuneration amounting to ₹ 40,000/- (Rupees Fourty Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

The Board of Directors recommend the Ordinary Resolution as set out in Item no. 6 of the Notice for the approval of the shareholders.

None of the Directors, Key Managerial Personnels or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 6 of this Notice.

By Order of the Board of Directors
For **NITCO LIMITED**

**Sd/-**
**August 9, 2019** **Puneet Motwani**
**Mumbai** **Company Secretary**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard- 2)

| **Name of the Director** | **Mr. Sharath Bolar** |
|---|---|
| **Date of Birth** | 05/12/1950 |
| **Date of first Appointment on the Board** | 12/11/2014 |
| **Experience/Expertise in specific functional areas/ Brief resume of the Director** | Mr. Sharath Bolar has 38 years of success in Project Management, Plant Operation, System Implementation. He has completed B.Sc. (Hons) First Class in Chemistry from Bombay University. He Retired from service with Everest Industries Ltd, Delhi as Vice President (Development) in the year 2012. |
| **Terms & conditions of appointment/re-appointment** | As per explanatory statement attached to the Notice. |
| **Details of remuneration sought to be paid and remuneration last drawn** | As per explanatory statement attached to the Notice. |
| **Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company** | NA |
| **Number of meetings of the Board of Directors attended during the F.Y. 2018-19** | 4/4 |
| **Other Directorships held** | Companies in which he is a Director :<br>NIL |
| **Membership/Chairmanship of Committees of other Boards** | NIL |
| **Shareholding in the Company** | NIL |

| | |
|---|---|
| **Name of the Director** | **Ms. Bharti Dhar** |
| **Date of Birth** | 27/06/1966 |
| **Date of first Appointment on the Board** | 31/03/2015 |
| **Experience/Expertise in specific functional areas/ Brief resume of the Director** | Ms. Bharti Dhar is a qualified Cost and Management Accountant. She has rich and varied experience of 29 years in the field of HR. Her long working career has given her exposure and deep insight to the functioning of Government as well as Corporate sector. Nineteen years back, she envisioned Vitasta Consulting Pvt. Ltd. as a professional HR services organization. She saw the need for creating a process driven, values based organisation that would be known for its professionalism. The organisation started as a one woman proprietary concern and has blossomed into a vibrant team of 40 young and dynamic professionals, most of them being women. |
| **Terms & conditions of appointment/re-appointment** | As per explanatory statement attached to the Notice. |
| **Details of remuneration sought to be paid and remuneration last drawn** | As per explanatory statement attached to the Notice. |
| **Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company** | NA |
| **Number of meetings of the Board of Directors attended during the F.Y. 2018-19** | 4/4 |
| **Other Directorships held** | Companies in which she is a Director :<br>1. Vitasta Consulting Pvt. Ltd. |
| **Membership/Chairmanship of Committees of other Boards** | NIL |
| **Shareholding in the Company** | NIL |

| | |
|---|---|
| **Name of the Director** | **Mr. Siddharth Kothari** |
| **Date of Birth** | 24/04/1976 |
| **Date of first Appointment on the Board** | 15/07/2019 |
| **Experience/Expertise in specific functional areas/ Brief resume of the Director** | Mr. Siddharth Kothari is employed with JM Financial Limited since March 2006 and is a Managing Director of the Private Equity division. Mr. Kothari has over 20 years of work experience of which he has over 12 years in private equity. Mr. Kothari holds a degree in Bachelors in Commerce, graduating from Sydenham College, Mumbai University and is a qualified Chartered Accountant. Mr. Kothari focusses on sectors such as financial, manufacturing and consumer services and has worked across the investment life cycle. Siddharth brings expertise in providing strategic inputs to companies in various sectors, along with strong financial skills. |
| **Terms & conditions of appointment/re-appointment** | As per explanatory statement attached to the Notice. |
| **Details of remuneration sought to be paid and remuneration last drawn** | As per explanatory statement attached to the Notice. |
| **Disclosure of Relationship with other Directors, Manager and Key Managerial Personnel of the Company** | NA |
| **Number of meetings of the Board of Directors attended during the F.Y. 2018-19** | NA |
| **Other Directorships held** | Companies in which he is a Director :<br>1) India Home Loan Limited<br>2) Sona Autocomp Holding Pvt. Ltd.<br>3) Diagnosearch Life Sciences Pvt. Ltd. |
| **Membership/Chairmanship of Committees of other Boards** | NIL |
| **Shareholding in the Company** | NIL |

**ROUTE MAP TO THE VENUE OF THE FIFTY THIRD ANNUAL GENERAL MEETING OF NITCO LIMITED TO BE HELD ON THURSDAY, SEPTEMBER 19, 2019.**

# NITCO LIMITED

**Registered Office:** Plot No. 3, Nitco House, Kanjur Village Road, Kanjur Marg (East), Mumbai – 400 042.
**Tel:** +91 22 6752 1555 • **Fax:** +91 22 6752 1500 • **Email:** investorgrievances@nitco.in
**CIN:** L26920MH1966PLC016547 • **Website:** www.nitco.in

## ATTENDANCE SLIP

### 53rd ANNUAL GENERAL MEETING ON THURSDAY, SEPTEMBER 19, 2019

**Name and address of the shareholder(s)**

**Joint Holder 1**

**Registered Folio/ DP ID & Client ID**

**Number of share held**

I/ We hereby record my/our presence at the 53rd Annual General Meeting of the Company held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Behind Prince of Wales Museum, Kala Ghoda, Mumbai– 400 001 on Thursday, September 19, 2019 at 11.00 a.m.

| | | |
|---|---|---|
| _______________________________ | _______________________________ | _______________________________ |
| Member's Folio/DP ID/ Client ID No. | Member's/Proxy's name | Member's/Proxy's Signature |

**Note:**

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.

## ELECTRONIC VOTING PARTICULARS

| Electronic Voting Sequence Number (EVSN) | User ID | Password |
|---|---|---|
| **190819019** | | **Existing Password** |

**Notes:**

- The voting period starts from, September 16, 2019 (9:00 am IST) and ends on September 18, 2019 (5:00 pm IST). The voting module shall be disabled by CDSL for voting thereafter.
- Please read the instructions for e-voting given along with the Annual Report.

*Note: Please Bring The Above Attendance Slip To The Meeting Hall.*